

**Creation of
the leading European online
gaming and sports betting
business**

20 October 2008

Transaction Overview

- Combination of William Hill's online operations ("William Hill Interactive") with certain affiliates of Playtech and other assets ("the Purchased Assets") to create the leading European online gaming and sports betting business ("William Hill Online")
 - Pro forma estimated 2008 net revenues of £190m and EBITA of £75m
 - William Hill will have a 71% controlling interest in William Hill Online, and Playtech 29%, based on relative contribution to EBITA
 - William Hill has an option to acquire Playtech's interest on an independent fair value basis, exercisable after 4 and 6 years
 - William Hill Online has entered into a software agreement for a minimum of 5 years with Playtech, a leading online software and services provider, for poker and casino, with an option to move into other product areas
- Generates significant shareholder value and enhanced growth prospects whilst requiring only limited upfront cash
 - Earnings positive in year one and significantly accretive thereafter ⁽¹⁾

Strategic Rationale for the Acquisition

- The combination brings together two highly complementary businesses
 - William Hill Interactive brings strength of brand, sports betting expertise and an established UK customer base and profit stream
 - The Purchased Assets bring online marketing and customer retention expertise, an extensive affiliate network and an established European customer base and profit stream
- Software agreement with Playtech will give access to the largest poker network outside the US
- Transformational step, consistent with William Hill's stated strategy to increase online gaming and international earnings. William Hill Online will be:
 - The leading European online gaming and sports betting business
 - The clear leader in online gaming and sports betting amongst UK land based gaming and betting operators
 - Well positioned to accelerate online revenue and profit growth in the UK and across Europe

Complementary Businesses

	William Hill Interactive	The Purchased Assets
Financials (H1 2008A)	Net revenues £68m EBITA £28m	Net revenues £26m Pro forma EBITA £8m
Geographical Split	Predominantly UK	Predominantly Europe
Core Skills	Sports Betting	Gaming Online Marketing
Customer Proposition	<ul style="list-style-type: none"> ▪ Leveraging William Hill brand ▪ Extension of retail experience 	<ul style="list-style-type: none"> ▪ Multiple low-key brands ▪ Active customer marketing and retention
Average Monthly Unique Actives (H1 2008A)	160,000	65,000
Number of Affiliates	Greater than 5,000	Greater than 70,000

- The Purchased Assets show superior performance vs. William Hill Interactive in key metrics:
 - Lower Acquisition Cost Per Customer
 - Higher Customer Lifetime Values
 - Higher Cross Sell performance

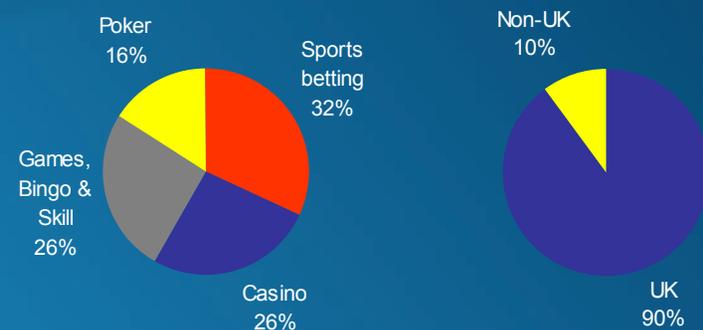
William Hill Interactive

- William Hill Interactive is an established online business, with a high profile brand and considerable scale
- A leading sports betting provider, also offering casino, poker, games and bingo
- Customers are predominantly UK based (c. 90% of net revenues in H1 08)
- Whilst a substantial component of William Hill's profitability and value, in recent times it has experienced a number of challenges

£m	2007A	H1 2008A
Net Revenues	120	68
EBITA	51	28
Margin %	42%	41%

Note: Excludes exceptional costs.

William Hill Interactive H1 08 Net Revenues Breakdown



The Purchased Assets

- Playtech is acquiring various online gaming businesses, marketing assets and contracts for a total consideration of up to \$250m in cash as part of the transaction, the majority of which represents the Purchased Assets which will be combined with William Hill Interactive
- Short and impressive track record
 - Expected to double net revenues in 2008 and substantially increase EBITA
- Significant European (non-UK) revenues
 - Approximately 92% of net revenues generated from non-UK customers in H1 08
- Strong casino and established poker, along with recently introduced bingo operations

£m	2007A	H1 2008A
Net Revenues	31	26
Pro forma EBITA	6	8
Margin %	19%	31%

The Purchased Assets H1 08 Net Revenues Breakdown



The Purchased Assets Growth

January 2007 – September 2008 Monthly Net Revenues



The Purchased Assets

Bulgaria
Customer Support Services
(110 employees) ⁽¹⁾

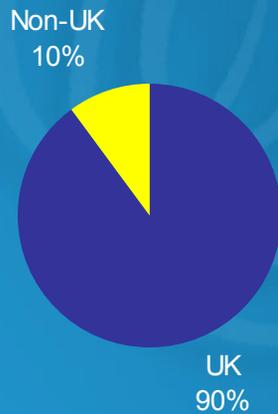
Israel
Marketing Services
(160 employees)

- Scale of international operations is expected to increase
- Management team and employees have specialised online marketing expertise
 - Customer acquisition and retention
 - Cross-selling across multiple brands
 - Demonstrated success across a wide range of countries

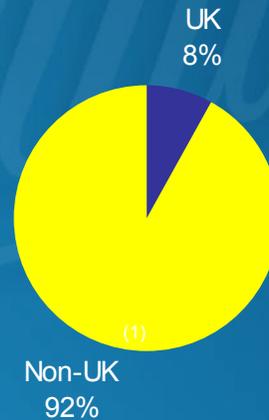
Significant European Presence

H1 2008A Net Revenues Breakdown

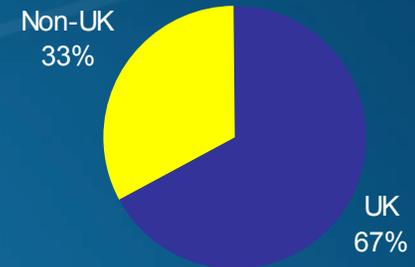
William Hill Interactive
Standalone



The Purchased Assets
Standalone



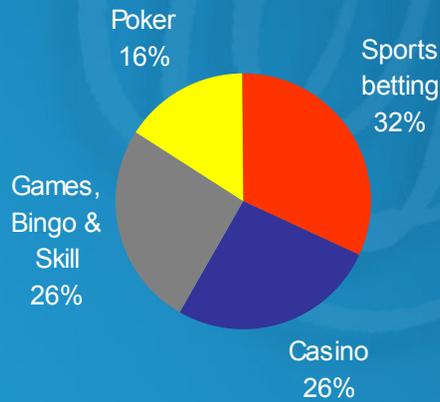
William Hill Online
Pro Forma



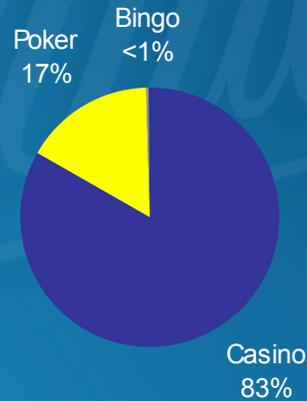
Greater Focus on Online Gaming

H1 2008A Net Revenues Breakdown

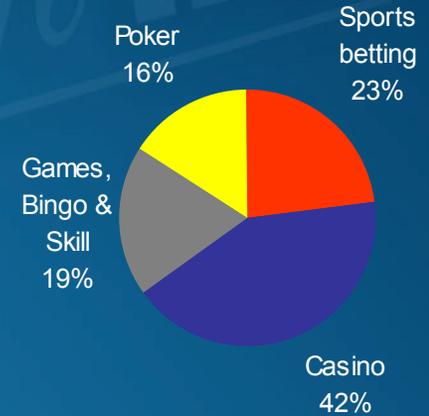
William Hill Interactive
Standalone



The Purchased Assets
Standalone



William Hill Online
Pro Forma



The Transaction will Transform Online Growth

- William Hill Online will have the skills to develop the William Hill brand to its full potential
- International reach
 - Multiple languages and currencies
- Acquisition – More customers
 - Extensive affiliate network
 - Search engine optimisation
- Retention – Extend lifetime values
 - Customer analytics expertise
 - CRM campaign execution
 - Optimised bonus schemes
 - Market leading VIP programme
- Cross sell – Extend lifetime values
 - Multiple brands and products
 - Multiple channels

Playtech Provides Access to a Proven Gaming Software Platform

- Playtech is the premier software partner to the gaming industry
 - c. 75% of Playtech employees are engaged in research and development of current and future gaming technologies
- William Hill Online has entered into a software agreement with Playtech for a minimum of 5 years
 - Playtech will provide software and services for poker and casino, with an option to move into other product areas
- Move to Playtech software brings William Hill Online a number of specific benefits
 - Access to the largest poker network outside the US
 - The employees of the Purchased Assets have experience and knowledge of operating Playtech gaming software
 - Provides customer analytics to facilitate online marketing and customer retention
- Use of Playtech software for poker and casino, and Orbis for sports betting, will create a stronger and more consolidated platform for growth

Management Team

- William Hill Online will be led by newly appointed CEO, Henry Birch
 - Henry Birch has previously held positions as CEO Leisure & Gaming PLC and COO BettingCorp
- William Hill Online management team will draw on the strengths of both sides:
 - Chief Marketing Officer – Eyal Sanoff
 - Chief Operating Officer – Peter Marcus
 - The finance and legal functions will be provided by William Hill
- Incentivisation arrangements, heavily linked to the performance of William Hill Online, have been put in place for key employees
- William Hill will control and operate William Hill Online
 - Playtech will adopt passive minority investor status

Financials & Transaction Details

Pro Forma Financials

	William Hill Interactive	Playtech Purchased Assets	Pro Forma William Hill Online
£m	H1 2008A	H1 2008A	H1 2008A
Net Revenues	68	26	94
Cost of Sales	(14)	(3)	(17)
Contribution	54	23	77
<i>Margin %</i>	79%	88%	82%
Marketing	(9)	(9)	(18)
Other Costs	(17)	(6)	(23)
EBITA	28	8	36
<i>Margin %</i>	41%	31%	38%

Note: Margins based on Net Revenues.

- The Purchased Assets:
 - Utilise bonuses more heavily than William Hill as a customer retention lever (£23m vs. £4m for H1 2008A)
 - Have a higher relative marketing spend
- Both William Hill Interactive and the Purchased Assets EBITA margins compare favourably to the publicly listed online gaming peer group
- Pro forma estimated 2008 net revenues of £190m and EBITA of £75m
- Net revenues are targeted to grow by more than 50% between 2008 and 2010
 - 2009 focus on net revenue growth and maintaining margins
 - 2010 focus on continued net revenue growth and improving margins
- The transaction is expected to be earnings positive in year one and significantly accretive thereafter ⁽¹⁾

15 Note: (1) The statement as to earnings per share enhancement relates to profits before amortisation and exceptional items and does not constitute a profit forecast and should not be interpreted to mean that William Hill's future earnings per share will necessarily exceed or match those of any prior year.

Accounting Treatment

- William Hill Online will remain a consolidated subsidiary of William Hill with Playtech share of profits shown as a minority interest
- Significant strategic and financial benefits with limited upfront cash costs
 - Capital expenditure, transaction and integration costs of approximately £24 million
- Highly cash generative business with priority being the generation and distribution of profits to both partners
- Transaction results in creation of goodwill (which will be subject to an annual impairment review) and intangible assets (which will be amortised over their useful life)
 - Size not yet determined
 - Non-cash items, purely accounting

Other Transaction Terms

- Option over Playtech's interest
 - Exercisable after 4 and 6 years on an independent fair value basis
 - If exercised, Playtech will be able to receive a portion of the proceeds in William Hill shares, not to exceed 10% of the then outstanding share capital
- Playtech's ownership interest in William Hill Online can increase from 29% to 32% depending on certain conditions relating to the integration
- Playtech has a number of veto rights, including:
 - Significant acquisitions or disposals, fundamental changes in nature of the business or business plan

Timetable

- 20 October 2008 – Transaction announcement
 - Implementation of the integration plan commences
- 27 November 2008 – Orbis implementation complete
- January 2009 – Full completion
- Integration is expected to be achieved within 6–9 months of completion

15 Week Trading Update to 14 October 2008

- Group Gross Win increased by 9% (+5% for YTD)
- Retail Gross Win increased by 10%
 - Over The Counter Gross Win increased by 7%
 - Gaming Machines Gross Win increased by 14%
- Interactive Gross Win increased by 21%
 - Sportsbook Gross Win increased by 27%
 - Gaming Gross Win increased by 19%
- Telephone Gross Win decreased by 30% due to high roller losses (but only 4% of Group Gross Win)
- Operating costs increased by 5%
- Board remains comfortable with current market expectations for 2008

Summary

- Two highly complementary businesses
 - William Hill Interactive brings strength of brand, sports betting expertise and an established UK customer base and profit stream
 - The Purchased Assets bring online marketing and customer retention expertise, an extensive affiliate network and an established European customer base and profit stream
- Playtech software gives access to the largest poker network outside of the US
- Transformational step, consistent with stated strategy. William Hill Online will be:
 - The leading European online gaming and sports betting business
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Q & A