



William Hill PLC

(incorporated with limited liability in England and Wales with registered number 4212563)

£350,000,000 4.875 per cent. Guaranteed Notes due 2023

unconditionally and irrevocably guaranteed by

William Hill Organization Limited

(incorporated with limited liability in England and Wales with registered number 00278208)

WHG (International) Limited

(incorporated with limited liability in Gibraltar with registered number 99191)

William Hill Australia Holdings Pty Limited

(incorporated with limited liability in Australia with registered number ACN 161 652 955)

Issue price: 100 per cent.

The £350,000,000 4.875 per cent. Guaranteed Notes due 2023 (the “Notes”) will be issued by William Hill PLC (the “Issuer”) and will be unconditionally and irrevocably guaranteed (the “Notes Guarantee”) on a joint and several basis by William Hill Organization Limited (“WHO”), WHG (International) Limited (“WHG”) and William Hill Australia Holdings Pty Limited (“William Hill Australia”) (each a “Guarantor” and, together, the “Guarantors”) and any other subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date (as defined on page 20), as described under “Terms and Conditions of the Notes — Notes Guarantee”. References herein to the “Guarantors” shall, so far as the context permits, also include any subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date but shall not include any subsidiary of the Issuer which ceases to be a guarantor of the Notes after the Issue Date, all as described under “Terms and Conditions of the Notes — Notes Guarantee”. References herein to the “Group” are to the Issuer and its subsidiaries. References herein to “William Hill” are to the Issuer or the Group, as the context may require.

The Issuer may, at its option, redeem all, or some only, of the Notes at any time after the Issue Date at the relevant redemption amount described under “Terms and Conditions of the Notes — Redemption and Purchase”. The Issuer may also, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest in the event of certain tax changes as described under “Terms and Conditions of the Notes — Redemption and Purchase”. Upon the occurrence of certain change of control events relating to the Issuer, each Noteholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase the Notes of such holder at a cash purchase price equal to 101 per cent. of the principal amount thereof plus accrued interest, as described under “Terms and Conditions of the Notes — Redemption and Purchase”. The Notes mature on 7 September 2023.

Application has been made to the Financial Conduct Authority in its capacity as competent authority under Part VI of the Financial Services and Markets Act 2000 (the “UK Listing Authority”) for the Notes to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange plc (the “London Stock Exchange”) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market. The London Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Notes are expected to be rated on issue Ba1 by Moody’s Investors Service Ltd. (“Moody’s”) and BB+ by Standard & Poor’s Credit Market Services Europe Limited (“S&P”). Each of S&P and Moody’s is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Notes will initially be represented by a temporary global note (the “Temporary Global Note”), without interest coupons, which will be deposited on or about 27 May 2016 (the “Closing Date”) with a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). Interests in the Temporary Global Note will be exchangeable interests in a permanent global note (the “Permanent Global Note” and, together with the Temporary Global Note, the “Global Notes”), without interest coupons, on or after 6 July 2016 (the “Exchange Date”), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive

Notes only in certain limited circumstances — see “*Summary of Provisions relating to the Notes while represented by the Global Notes*”.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” on pages 25 to 44.

Active Joint Lead Managers

Lloyds Bank

**Santander Global Corporate
Banking**

The Royal Bank of Scotland

Joint Lead Managers

Barclays

**Mediobanca-Banca di Credito
Finanziario S.p.A.**

The date of this Prospectus is 25 May 2016.

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Prospectus Directive**”).

The Issuer, WHO, WHG and William Hill Australia accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, WHO, WHG and William Hill Australia (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, WHO, WHG and William Hill Australia, having made all reasonable enquiries, confirm that this Prospectus contains all material information with respect to the Issuer, WHO, WHG and William Hill Australia and the Notes (including all information which, according to the particular nature of the Issuer, WHO, WHG and William Hill Australia and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, WHO, WHG, William Hill Australia and of the rights attaching to the Notes), that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer, WHO, WHG and William Hill Australia accept responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

Neither the Joint Lead Managers (as described under “*Subscription and Sale*” below) nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer, WHO, WHG or William Hill Australia in connection with the offering of the Notes. Neither the Joint Lead Managers nor the Trustee accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer WHO, WHG or William Hill Australia in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, WHO, WHG or William Hill Australia, the Joint Lead Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, WHO, WHG, William Hill Australia, any of the Joint Lead Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, WHO, WHG, William Hill Australia, any of the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or WHO and/or WHG and/or William Hill Australia. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, WHO, WHG or William Hill Australia, any of the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or WHO and/or WHG and/or William Hill Australia is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see “*Subscription and Sale*” below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, WHO, WHG, William Hill Australia, the Joint Lead Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, WHO, WHG, William Hill Australia, the Joint Lead Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom), see “*Subscription and Sale*”.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Prospectus, may only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Joint Lead Managers to publish or supplement a prospectus for such offer.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

IN CONNECTION WITH THE ISSUE OF THE NOTES, BANCO SANTANDER, S.A. AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this document to "pounds sterling", "Sterling" and "£" refer to the lawful currency of the United Kingdom. All references in this document to "Australian Dollar", "AUD" and "A\$" refer to the lawful currency of Australia.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under the headings “*Overview*”, “*Risk Factors*”, “*Description of William Hill PLC*” and “*Industry Overview and Regulation*” and regarding the Group’s strategy and other future events or prospects are forward-looking statements. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Issuer’s and/or WHO’s and/or WHG’s and/or William Hill Australia’s control. 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. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or WHO and/or WHG and/or William Hill Australia, or persons acting on their behalf, may issue. Factors that may cause the Group’s actual results to differ materially from those expressed or implied by the forward-looking statements in this document include but are not limited to the risks described under “*Risk Factors*”.

These forward-looking statements reflect the Issuer’s and/or WHO’s and/or WHG’s and/or William Hill Australia’s judgement at the date of this document and are not intended to give any assurances as to future results. Save as may be required by the Listing Rules, Disclosure Rules and Transparency Rules and/or the Prospectus Rules, in each case of the UK Listing Authority, the Issuer, WHO, WHG and William Hill Australia undertake no obligation to update these forward-looking statements, and will not publicly release any revisions they may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. The Issuer, WHO, William Hill Australia and WHG will comply with their obligations to publish updated information as required by law or by any regulatory authority but assume no further obligation to publish additional information.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer prepares its consolidated financial statements on the basis of a 52-week or 53-week financial period, generally ending on the Tuesday closest to the 31 December in each year. The audited consolidated financial statements of the Issuer for each of the years ended 30 December 2014 (the “**2014 financial year**”) and 29 December 2015 (the “**2015 financial year**”), respectively, are incorporated by reference into this document. The Issuer prepares its consolidated financial statements in accordance with International Financial Reporting Standards (“**IFRS**”).

Non-IFRS measures

William Hill assesses the financial performance of the Group’s business using a variety of key financial measures. Some of these measures are termed “non-IFRS measures” because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. A summary of the key performance measures discussed in this document, and of how such measures are used by William Hill, is presented below. William Hill does not regard these non-IFRS measures as a substitute for the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS. The non-IFRS measures presented below may not be directly comparable to similarly-titled measures used by other companies, including competitors of William Hill.

Operating profit

William Hill considers operating profit to be a key financial indicator of the Group’s trading performance. Operating profit is defined by William Hill as pre-exceptional profit before interest and tax and before the amortisation of specifically identified intangible assets recognised on acquisitions. William Hill considers operating profit to be a useful indicator of the underlying operating performance of the business because it excludes exceptional items and the impact of amortisation charges arising from intangible assets recognised on acquisitions. Operating profit excludes items that can have a significant impact on the Group’s profit or loss and should, therefore, be used in conjunction with, and not as a substitute for, profit before interest and tax.

Ordinarily, the aggregated operating profit generated by the Group’s trading businesses will exceed 100 per cent. of Group operating profit primarily because Group operating profit includes the operating loss in the corporate segment resulting from unallocated central corporate costs.

Gross Win and Gross Win Margin

Gross Win is a non-IFRS revenue measure which is defined as amounts wagered less customer winnings and before the deduction of free bets, bonuses and other goodwill gestures. William Hill uses it to assess revenues before the deduction of any gambling taxes which may be subtracted in arriving at revenue defined on an IFRS basis. In addition, certain taxes and duties, including betting duty and the Horserace Betting Levy, are levied based on Gross Win. For the Group’s Retail business, Gross Win equates to revenue as free bets, bonuses and goodwill gestures are deducted from amounts wagered. For its Online sportsbook business revenue is Gross Win less fair value adjustments for free bets, bonuses and goodwill gestures. Gross Win may exclude items that can have a significant effect on the Group’s profit or loss and should, therefore, be used in conjunction with revenue as calculated under IFRS.

Gross Win Margin is a non-IFRS measure defined as Gross Win divided by amounts wagered and represents the percentage of amounts wagered that is retained by the Group. William Hill believes that Gross Win

Margin is useful in assessing the Group's ability to generate revenues from the amounts wagered by customers and that it provides a basis for assessing the profitability of certain activities of the Group. Gross Win Margin is used by William Hill to evaluate performance of over-the-counter activities in the Retail segment and sportsbook activities in the Online segment. Gross Win Margin is less relevant to its gaming activities.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Financial Conduct Authority shall be incorporated in, and form part of, this Prospectus:

Reference document	Information incorporated by reference	Page number in the reference documents
William Hill PLC Annual Report and Accounts for the 52 weeks ended 30 December 2014	Managing our risks	44
	Independent Auditors' Report	86-89
	Consolidated Income Statement	90
	Consolidated Statement of Comprehensive Income	91
	Consolidated Statement of Changes in Equity	92
	Consolidated Statement of Financial Position	93
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	Statement of Group Accounting Policies	95-96
	Notes to the Group Financial Statements	97-123
William Hill PLC Annual Report and Accounts for the 52 weeks ended 29 December 2015	Managing our risks	46
	Independent Auditors' Report	97-100
	Consolidated Income Statement	101
	Consolidated Statement of Comprehensive Income	102
	Consolidated Statement of Changes in Equity	103
	Consolidated Statement of Financial Position	104
	Consolidated Cash Flow Statement	105
	Statement of Group Accounting Policies	106-107
	Notes to the Group Financial Statements	108-135

Reference document	Information incorporated by reference	Page number in the reference documents
Announcement headed “William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the period to 20 March 2016” dated 23 March 2016		1-2
Announcement headed “William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 17 weeks to 26 April 2016 (the period)” dated 11 May 2016		1-3

Any information contained in the above documents incorporated by reference and not listed above is either covered elsewhere in this Prospectus or is not relevant for the investors.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus are available free of charge at www.williamhillplc.com. References to web addresses in this Prospectus are included as inactive textual references only and information in these websites does not form part of this Prospectus.

OVERVIEW

This Overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole including the documents incorporated by reference.

Words and expressions defined in the “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

The Group

William Hill is one of the world’s leading listed betting and gaming companies, employing approximately 16,000 people. Founded in 1934, it is the UK’s largest bookmaker by number of licensed betting offices, with approximately 2,370 LBOs that provide betting opportunities on a wide range of sporting and non-sporting events, gaming on machines and numbers-based products including lotteries. The Group’s Online business (www.williamhill.com) is one of the world’s leading online betting and gaming businesses, providing customers with the opportunity to access William Hill’s products online, through their smartphone or tablet and by text services. William Hill US was established in June 2012 and provides land-based and mobile sports betting services in Nevada, and is the exclusive risk manager for the State of Delaware’s sports lottery. William Hill Australia is one of the largest online betting businesses in Australia, established through the acquisition of two businesses in 2013. It offers sports betting products online, by telephone and via mobile devices. William Hill PLC is listed on the London Stock Exchange and in the 2015 financial year Group revenue was £1,590.9 million and operating profits were £291.4 million.

Key Strengths

William Hill believes that it has a number of significant competitive advantages and strengths that will be important factors in maintaining and further developing its business, including the following:

The Group operates in attractive, growing markets

The UK is William Hill’s primary market contributing 85 per cent. of its revenues in the 2015 financial year. Around 70 per cent. of the UK adult population participates in gambling each year including the National Lottery.¹ An estimated 8 million people regularly engage in land-based and digital gambling each year, approximately 17 per cent. of the UK adult population.² This has increased over time with the National Lottery and TV advertising making gambling more socially acceptable as a mainstream leisure activity whilst mobile devices are making the product more accessible.

After the National Lottery, LBOs constitute the second largest segment of land-based gambling in the UK generating £3.2 billion of gross gambling yield in 2014/15.³ Between 2010 and 2015 LBO gross gambling yield grew at a compound annual growth rate of 2 per cent.⁴ LBOs were first legalised in 1961 when the UK government recognised that significant levels of gambling were happening outside race tracks and elected to tax, regulate and control the industry through licensing. Over the years gradual regulatory change has permitted LBOs to broadcast sports events, to open for longer and to provide a more welcoming shop environment. Evolving customer habits

¹ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

² Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

³ Gambling Commission, Gambling Industry Statistics (April 2010-March 2015), November 2015.

⁴ Gambling Commission, Gambling Industry Statistics (April 2010-March 2015), November 2015.

have led to bookmakers offering an increasingly wider range of betting and gaming products, with football betting and machine-based gaming proving increasingly popular with customers.

The UK online market, including mobile, is the fastest growing segment of the UK gambling industry⁵ and in the 2015 financial year William Hill grew its UK online revenues by 11 per cent. Since it first became established in 1998 the online sector's growth has coincided with an expansion of the total gambling population, suggesting the online segment of the UK gambling industry has offered access to customers who would not typically use LBOs. The UK online market was estimated to have generated £2.7 billion of gross gambling yield in 2014, of which sports betting was the biggest contributor.

The Group's second core market is Australia which has the highest spend per capita among the ten largest gambling markets.⁶ Betting accounts for 21 per cent. of the Australian gambling market with AUD\$3 billion of gross gambling yield a year.⁷ Online betting has expanded rapidly as a proportion of total turnover⁸ given the shift to mobile and high smartphone penetration rates.

The Group's other core markets are Italy and Spain which have followed the UK in establishing licensing regimes for online gambling. Italy is the largest of the European gambling markets which William Hill believes has the second highest spend per capita on gambling the second highest among the top ten regulated markets, behind Australia.⁹ The market continues to evolve with further liberalisation of regulation providing opportunities for operators such as William Hill which in the 2015 financial year grew its Italian revenues by 28 per cent. in local currency terms. In Spain sports betting features more strongly in the online market, representing around 47 per cent. of gross gaming yield in 2014.¹⁰ In 2015 Spain regulated online slots games for the first time. With no prominent land-based sports betting incumbent the market is led by the major European operators. In the 2015 financial year William Hill grew its Spanish revenues by 13 per cent. in local currency terms.

The Group's final core market is the US which is dominated by land-based casinos and lotteries. Online gaming is largely illegal with only Delaware, New Jersey and Nevada having licensed operators to provide certain gaming products. Online sports betting is illegal under the Interstate Wire Act 1961 and state-sponsored land-based sports betting is banned under the Professional and Amateur Sports Protection Act 1992 ("PASPA") in all but four states – Nevada, Delaware, Montana and Oregon. In Nevada sports books have to be sited within casinos and are typically either run by the casino operator or outsourced to an experienced specialist operator. Nevada also permits mobile betting for customers who create their accounts through land-based outlets which is proving to be an area of strong growth. In the 2015 financial year William Hill US grew its revenues by 5 per cent. in local currency terms.

William Hill also generates revenues in other countries outside of its five core markets by providing online sports betting and gaming activities. There are approximately 100 countries within this category which contributed approximately 4 per cent. of Group revenues in the 2015 financial year. The Group undertakes regular legal assessment of whether existing regulations allows William Hill to provide its services. As legislation is updated the Group either applies for a licence or withdraws from such non-core market.

The Group has good positions in its core markets

William Hill has a strong position in the UK LBO market and as at 30 September 2015 was the largest UK operator with 26 per cent. of LBOs and an estimated 32 per cent. of revenues in the year April 2014 to March 2015.¹¹ Plans

⁵ Gambling Commission Industry Statistics, April 2010-March 2015.

⁶ H2GC Global Gambling Data, July 2015.

⁷ Roy Morgan Research, State of the Nations, September 2014.

⁸ Australian Racing Board Fact Book, January 2016.

⁹ Company analysis (March 2016) based on H2GC Global Gambling data (July 2015) and population data (July 2015).

¹⁰ H2GC Global Gambling Data, July 2015.

¹¹ Based on Company analysis of Gambling Commission Industry Statistics, April 2010-March 2015.

to merge Ladbrokes plc (“**Ladbrokes**”) and the Coral Group (“**Coral**”) have been announced, which would create the largest LBO estate. This is being reviewed by the UK Competition and Markets Authority (“**CMA**”).

The Group also has a 15 per cent. share of the UK online betting market.¹² The UK online market is relatively fragmented, however the introduction of the point of consumption tax (“**POCT**”) is expected to lead to greater concentration in the market as smaller scale, lower margin operators fall away, become less competitive or consolidate. The Group believes sports betting, which it considers to be one of its core competences, is the most important product for attracting and retaining online customers in the UK as it targets the largest single segment of the online gambling population, has a lower cost per acquisition, the longest customer lifespan and the best cross-selling potential as well as the greatest opportunity for product differentiation.

William Hill believes it holds a top three position in the Australian online market. Although a number of European operators have moved into the market in recent years the Group believes scale is increasingly important, not least because there have been significant increases in betting taxes and levies in recent years, including race field fees (fees paid to the horseracing industry). William Hill believes it is well-placed to capitalise on the structural growth trends in the Australian market.

In its other core markets the Group believes it holds top three positions in the Italian and Spanish online sportsbook markets with an 8 per cent. and 16 per cent. share of turnover respectively. The Group believes that regulatory change provides opportunities for William Hill with its skills and capabilities honed in more open, competitive markets elsewhere.

William Hill’s US business operates in Nevada where sports books have to be sited within casinos and typically are either run by the casino operator or outsourced to a specialist operator. William Hill believes it is the largest such operator by number of outlets with approximately a 55 per cent. market share. In Delaware, sports betting is run by the Delaware State Lottery and William Hill US is the exclusive risk manager for that service. New Jersey is challenging PASPA to allow land-based sports betting in the state. Should this be permitted William Hill has an agreement in place with Monmouth Park racetrack to take advantage of this opportunity. William Hill believes it is well-positioned to take advantage of further opportunities should the US market liberalise.

The Group’s markets benefit from barriers to entry

The UK LBO market benefits from high barriers to entry based on licensing and planning restrictions. The number of betting shops has stayed relatively stable for some years at around 9,000 and the market continues to consolidate with four major operators (87 per cent. of the market by number of LBOs as at 30 September 2015)¹³ continuing to open shops and a gradual reduction in the number of small chains and independent operators. Similarly the Group’s land-based US business in Nevada is protected by stringent licensing and regulatory compliance requirements.

The Group’s online businesses including in Australia are also protected by licensing and regulatory requirements although it is possible for unlicensed competitors operating from offshore locations to take business in these markets. Although barriers to entry may be lower the Issuer believes barriers to success are high and that one of the keys to success in the online market is the ability to offer sports betting products. In the Group’s view, sports betting has a high barrier to entry, with operators such as William Hill benefitting from large scale specialist teams who produce increasing volumes of innovative betting opportunities and use proprietary algorithms to derive pricing for new markets.

As well as the limited availability of sports betting expertise the Group believes a further barrier to success in the online market derives from the scale of resources required to offer a competitive and differentiated customer offering online. These resources are needed to support significant investments in marketing and technology which

¹² Gambling Compliance, UK Online Market Share, October 2015.

¹³ Gambling Commission Industry Statistics, April 2010-March 2015, November 2015.

the Group believes are required to support delivery of a high quality, seamless and differentiated customer experience across multiple access channels. Differentiation of the product range is also important and companies such as William Hill are increasingly sourcing exclusive and proprietary gaming content for customers.

Finally the risk of tax increases and regulatory change affecting the gambling sector also act as a barrier to new market entrants.

Large scale operator

William Hill believes the importance of having a large-scale operation is increasing. For its Retail business, having a large number of LBOs contributes to economies of scale in covering the central costs incurred in running such an operation. For its Online businesses, scale enables investment in marketing and technology which drives future growth whilst being able to absorb the impact of regulatory change and, as witnessed recently, significant increases in gambling taxes. In particular the Group believes investment in technology is key to developing the customer offering in terms of product depth and breadth, user experience and ultimately personalisation. William Hill is already one of the largest scale operators in the market with a substantial land-based business and one of the leading online businesses. These provide it with the resources to absorb adverse tax and regulatory impacts and to invest in growth opportunities.

Long-established, trusted and widely recognised business and brand

William Hill believes that its long-established, trusted and widely recognised business and brand represent a significant competitive advantage in the development of its betting and gaming activities. In the gambling industry, customers have traditionally taken comfort from the fact that they are dealing with a widely recognised operator with a long-established heritage. The William Hill brand and heritage have also been key in supporting the growth of the Group's online segment in the UK and internationally and the Group expects this will continue to be the case in the future.

Sports betting expertise coupled with a full gaming proposition

William Hill is recognised for its sports betting expertise and the Group continues to expand its sports betting product range and to offer attractive pricing on sporting events. The Group believes sports betting is the most important product for attracting and retaining online customers in the UK as it targets the largest single segment of the online gambling population, has a lower cost per acquisition, the longest customer lifespan and the best cross-selling potential as well as the greatest opportunity for product differentiation.

William Hill believes that having an effective odds setting, trading and risk management system is essential to operating a profitable betting operation. The Group and its relevant employees have extensive experience in risk management and bookmaking procedures, such as analysing information, imposing bet acceptance limits, hedging and expert odds compilation. In addition, by offering a substantial number of betting opportunities to customers, William Hill is able to spread its risk over a large number of events.

The Group also offers a full range of gaming products including casino games, slots, poker and bingo in order to provide customers with an exciting gambling experience. Although sports betting margins can fluctuate with sporting results, gaming margins are more predictable and provide a more stable source of revenue for the Group. The combination of betting and gaming also enables the Group to cross-sell multiple products to customers, which William Hill believes increases customer value and retention.

Strong cash flow generation and a robust balance sheet

The Group's business is highly cash generative, typically converting a high proportion of profits into net cash from operating activities. Good control of capital expenditure has enabled the Group to deliver high levels of free cash flow. Over recent years surplus cash flow after dividends has been used to reduce net debt.

The Group has a strong and flexible balance sheet with net debt to EBITDA standing at 1.3 times at the end of the 2015 financial year (when measured on a bank covenant basis). The Board of Directors regularly reviews the Group's capital structure, taking into consideration the Group's strong cash flow generation, its organic investment strategy, opportunities to accelerate the strategy through acquisitions, the potential for disruptive regulatory changes and the wider competitive environment. The Board of Directors believes the appropriate capital structure for the Group ranges between approximately one and two times net debt to EBITDA.

The Group's capital allocation priorities are: (i) investment in organic growth opportunities; (ii) payment of regular dividends to shareholders; (iii) investment in acquisition opportunities that are expected to accelerate achievement of the Group's strategic objectives and create value; and (iv) the return of surplus capital to shareholders consistent with the parameters of the Group's capital structure and financial leverage guidance. In February 2016, following a review of its capital position, the Group announced a capital return of up to £200 million to be effected by means of a share buyback programme to be executed over the following twelve months. In its trading update dated 23 March 2016 the Group re-confirmed its commitment to this share buyback programme.

Strong management team

William Hill has a senior management team that combines individuals with significant experience in the gambling industry together with individuals who have a wide range of experience gained in other industries. The Group's management team is led by James Henderson, the Chief Executive Officer, who has worked for William Hill for over 30 years and has experience across all of the Group's main divisions.

Business Strategy

William Hill's strategic objective is to increase the Group's diversification by growing digital and international revenues and profits that create shareholder value and mitigate regulatory risk. To achieve this the strategy is focused on: maximising the Group's opportunity as one of the UK's leading multi-channel gambling operators; leveraging that expertise in other international markets; and increasing the Group's technological self-reliance to differentiate what William Hill can offer its customers compared to competitors.

Maximising the Omni-Channel Potential of Retail and Online

UK customers are increasingly using both digital and land-based channels to bet. In 2015, William Hill had the largest betting shop estate in the UK and was the leading online operator by revenues. The UK remains the Group's primary market contributing 85 per cent. of revenues in the 2015 financial year. Of the 8.3 million gambling customers in the UK around 3 million gamble with William Hill.¹⁴ Around 22 per cent. of all UK customers now gamble in both land-based and digital channels and that proportion continues to increase.¹⁵

The aim of the omni-channel strategy is to maximise UK customers' gambling spend across all channels with William Hill. 28 per cent. of the Group's regular Retail customers and 26 per cent. of its regular Online customers are multi-channel. The Group captures 45 per cent. of those Retail customers in William Hill Online and 68 per cent. of those Online customers in its betting shops. The Group's omni-channel or 'one William Hill' strategy focuses on making it easy and logical for customers to choose William Hill when they cross between channels.

The Group's first priority to encourage this is the self-service betting terminal ("SSBT"). One of the Group's major competitive advantages is the massive product range that it has created for its Online customers. The goal is to bring this to the Group's Retail customers using self-service technology. The Group has developed a proprietary SSBT within twelve months which has been launched for customer testing. The goal is to undertake a full roll out of this product in 2016.

¹⁴ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

¹⁵ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

At the same time the Group has also created a more consistent experience between Retail and Online in other areas. For example cross-channel gaming launches generated seven of the top ten games in Retail in 2015. The Group has revised the design of its in-shop broadcasts to align them to the Online look and feel, brought Online's "Top Bets" and "Tip Advisor" experience into shops and shared products like US horseracing. The next priority is to develop a means for customers to transfer their money more effectively across channels.

Extending the Group's expertise into international markets

William Hill has built an innovative and highly competitive offering for customers in the UK. As regulations change and markets open up across the world the Group is taking that offering into other regulated markets. By diversifying its revenue streams the Group reduces its exposure to fiscal, economic and regulatory change in any single market. The Group's primary focus is on four markets in addition to the UK: Australia, Italy, Spain and the US. The Group believes that these offer growth markets with large populations with a propensity to bet.

Following the acquisitions of Sportingbet (including the Centrebet brand) and tomwaterhouse.com to create William Hill Australia, the Group has focused on reshaping this business to address the growing recreational market in Australia. Over two years the Group has enhanced many aspects of this business: the management team, the trading policies, the product range, the desktop and mobile user experience, the technology platform and supporting IT team, the marketing investment strategy and the brand. As a result the business returned to revenue growth in local currency terms by the end of 2015 and is well-positioned to capitalise on the growth trends in the Australian online gambling market.

In addition to the UK, the Group's Online business has licences and local market websites in Italy and Spain and was licensed in Ireland in 2015 and aims to build its revenue and profit streams from these countries. Regulation in Italy and Spain continues to evolve and as product liberalisation continues this favours the Group competitively. For example in Italy the changing "palinsesto" schedule of permitted bets has allowed the Group to extend its betting range significantly. It also extended its gaming products with the launch of a "Vegas" tab on its website. In Spain William Hill was one of the first to launch a slots offering following the licensing of that product.

In the US, the Group's strategy is to build its brand awareness and recognition of its strengths in sports betting so that the Group is well-positioned to take advantage of emerging opportunities arising from regulatory change in that market.

Increased differentiation through technology

William Hill believes differentiation drives growth and technology is key in enabling this. The fastest growing products are supported by innovations in technology. For example in the UK in-play betting and mobile gambling have been the key drivers of growth in recent years. To date much of the gambling industry, including William Hill, has relied on third party software suppliers for core technology. Increasingly the small number of operators that can afford to do so – like William Hill – are looking to control more of the technology themselves in order to bring customers a differentiated offering. This requires significant investment in innovation and know-how and the increasing costs of such investment favours large scale operators such as William Hill.

In Australia, William Hill was the first operator to launch in-play online betting. By owning all aspects of its technology platform William Hill Australia brings innovations like this to its customers faster and more frequently. Through the Group's Global Trading Platform, the Australian business benefits from automated feeds substantially expanding its product range, particularly for in-play betting.

The Retail business is expected to benefit similarly from an expanded product range provided through William Hill's proprietary SSBT where the Group's scale and in-house expertise enables it to invest in a differentiated offering, taking advantage of the broad product range created for the Online business. At the same time customers are expected to benefit from a more consistent user experience across the Group's website, apps and the SSBT.

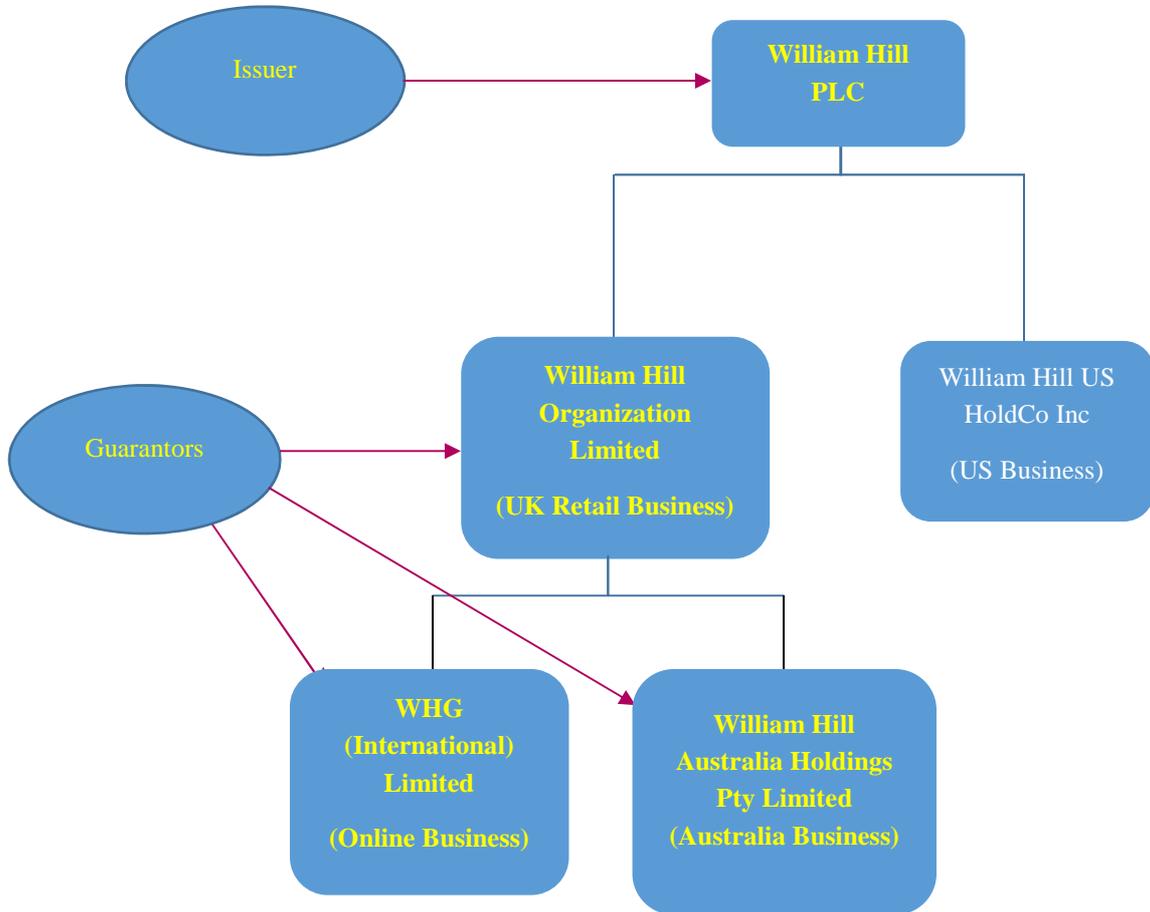
The Group's Online business has continued to innovate its gaming offering having launched a leading, comprehensive "destination gaming" platform in the industry. Alongside its popular Vegas product suite, the Group now offers Asian-themed gaming from its "Macau" product suite and a more high-end gaming experience via its "Mayfair" product suite with exclusive content and more themed or branded live dealer tables. Online has also built its own bonus engine to support the Vegas, Macau and Live Casino offerings.

The Group's online sportsbook, like many others, uses OpenBet's software comprising back-end functions like the betting engine and e-wallet capabilities and front-end interfaces like the desktop website supplemented by Mobenga (part of Playtech) apps. In 2015 the Group delivered Project Trafalgar which involved building a proprietary service layer and application programme interfaces between the front and back-ends of the sportsbook system. This is expected to deliver many benefits over the coming years including faster site loading times, rapid launches of innovations, further optimisation of user journeys, better cross-selling opportunities and improved ability to analyse customer data.

In line with its strategy of obtaining greater control of the technology on which it relies in April 2016 the Group announced it had entered into a long term commercial agreement with NYX Gaming Group Limited ("NYX"), a digital gaming content and technology supplier to the gaming industry. As part of that agreement the Group will invest £80 million in the form of a note redeemable in cash or shares in NYX with an interest coupon of 6 per cent. payable in kind. This investment, alongside a further £10 million invested in the equity of NYX, is to support NYX's acquisition of OpenBet. The commercial agreement and investment secures William Hill's existing technology platform and establishes a clear roadmap for its development. This includes further development of the Group's existing sports betting, gaming and retail platforms and the development of a new platform over the next three years.

CORPORATE AND BUSINESS STRUCTURE

The following is a simplified corporate and business structure which shows the principal operating subsidiaries of William Hill PLC:



OVERVIEW OF TERMS AND CONDITIONS

Issuer	William Hill PLC
Guarantors	<p>William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited</p> <p>Other subsidiaries of the Issuer may become guarantors of the Notes after the Issue Date (as defined below), as described in “<i>Terms and Conditions of the Notes — Notes Guarantee</i>”. WHO and/or WHG and/or William Hill Australia or any other subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date may also cease to be a guarantor, as described in “<i>Terms and Conditions of the Notes — Notes Guarantee</i>”.</p> <p>References in this Overview to the “Guarantors” shall, so far as the context permits, also include any subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date but shall not include any subsidiary of the Issuer which ceases to be a guarantor of the Notes.</p>
Risk Factors	<p>Investing in the Notes involves risks. See “<i>Risk Factors</i>” for a discussion of certain risks you should carefully consider before investing in the Notes.</p>
Description of Notes	<p>£350,000,000 4.875 per cent. Guaranteed Notes due 2023 (the “Notes”), to be issued by the Issuer on 27 May 2016 (the “Issue Date”).</p>
Trustee	The Law Debenture Trust Corporation p.l.c.
Active Joint Lead Managers	Banco Santander, S.A. Lloyds Bank plc The Royal Bank of Scotland plc
Joint Lead Managers	Barclays Bank PLC Mediobanca-Banca di Credito Finanziario S.p.A.
Interest	4.875 per cent. per annum payable semi-annually in arrear.
Optional Redemption by Issuer for tax reasons	<p>The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest in the event of certain tax changes, as described under “<i>Terms and Conditions of the Notes — Redemption and Purchase</i>”.</p>
Optional Redemption by Issuer at any time	<p>The Issuer may, at its option, redeem all, or some only, of the Notes at any time after the Issue Date at the relevant redemption amount described under “<i>Terms and Conditions of the Notes — Redemption and Purchase</i>”.</p>
Noteholders’ put option upon Put	<p>Upon the occurrence of a Put Event (as defined in Condition 20), each Noteholder shall have the option to require the Issuer</p>

Event	to redeem or (at the option of the Issuer) purchase the Notes of such holder at a cash purchase price equal to 101 per cent. of the principal amount thereof plus accrued interest, as described under “ <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ”.
Events of Default	Events of Default under the Notes include non-payment of principal or premium or purchase moneys due under Condition 7(c) of the Terms and Conditions of the Notes for seven days, non-payment of interest for 14 days, breach of other obligations under the Notes or the Trust Deed (which breach is not remedied within 30 days), cross-acceleration relating to indebtedness for borrowed money of the Issuer, a Guarantor or any Principal Subsidiary (as defined in Condition 20 of the Terms and Conditions of the Notes) subject to an aggregate threshold of £25,000,000 and certain events related to insolvency or winding up of the Issuer, a Guarantor or any Principal Subsidiary.
Negative Pledge	The terms of the Notes contain a negative pledge provision pursuant to which none of the Issuer, any Guarantor and any other subsidiary of the Issuer may create, assume or permit to subsist any Security (as defined in Condition 20 of the Terms and Conditions of the Notes) over their present or future revenues or assets to secure any Debt (as defined in Condition 20 of the Terms and Conditions of the Notes) without securing the Notes equally and rateably therewith, subject to certain exceptions, as further described in “ <i>Terms and Conditions of the Notes — Negative Pledge</i> ”.
Notes Guarantee	The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors. The obligations of each of the Guarantors under its guarantee will be direct, unconditional and (subject to the provisions of Condition 4 of the Terms and Conditions of the Notes) unsecured obligations of such Guarantor and will rank <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 of the Terms and Conditions of the Notes) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

Meetings of Noteholders	The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.
Modification, Waiver and Substitution	The Trustee may, without the consent of Noteholders, agree to (i) any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of the Holding Company (as defined in Condition 20 of the Terms and Conditions of the Notes) or of a subsidiary of the Issuer or of a successor in business as principal debtor under any Notes in place of the Issuer, in each case, in the circumstances and subject to the conditions described in Conditions 15(b) and 14, respectively, of the Terms and Conditions of the Notes.
Withholding Tax and Additional Amounts	The Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in the Relevant Jurisdiction upon payments in respect of the Notes made by or on behalf of the Issuer or a Guarantor, will equal the respective amounts which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as described in Condition 8 of the Terms and Conditions of the Notes.
Listing and admission to trading	Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's regulated market.
Governing Law	The Notes, and any non-contractual obligations arising out of or in connection with the Notes, will be governed by, and construed in accordance with, English law.
Form	The Notes will be issued in bearer form in denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000.
Credit Ratings	<p>The Notes are expected to be assigned on issue a rating of Ba1 by Moody's Investors Service Ltd. ("Moody's") and BB+ by Standard & Poor's Credit Market Services Europe Limited ("S&P"). Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).</p> <p>A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or</p>

withdrawal at any time by the assigning rating agency.

Selling Restrictions

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions (including the United Kingdom and other Member States of the European Economic Area) only in compliance with applicable laws and regulations. See “*Subscription and Sale*” below.

Use of Proceeds

The net proceeds of the issue of the Notes will be applied by the Issuer to refinance its existing debt and for its general corporate purposes.

SUMMARY HISTORICAL FINANCIAL DATA

The table below sets out selected financial information for the Group for the 2014 and 2015 financial years, which has been extracted without material adjustment from, and should be read together with, the Group's audited consolidated financial statements for the 2014 and 2015 financial years.

	52 weeks ended 29 December 2015	52 weeks ended 30 December 2014
	<i>(£m)</i>	
Selected Income Statement Data		
Amounts wagered.....	8,892.0	8,945.7
Revenue.....	1,590.9	1,609.3
Gross profit	1,213.0	1,305.1
Profit before interest and tax	224.3	281.8
Profit before tax.....	184.7	233.9
Profit for the period (attributable to equity holders of the parent)	189.9	206.3
 Selected Balance Sheet Data		
Non-current assets.....	2,003.8	2,098.4
Current assets	342.9	282.2
Current liabilities.....	(663.2)	(369.8)
Non-current liabilities	(467.7)	(850.5)
Net assets.....	1,215.8	1,160.3
 Cash Flow Data		
Net cash from operating activities.....	300.9	368.2
Net cash used in investing activities.....	(82.0)	(66.6)
Net cash used in financing activities	(157.8)	(286.2)

RISK FACTORS

Each of the Issuer (William Hill PLC, the ultimate holding company of the Group) and the Guarantors (WHO, the operator of the Group's UK retail business; WHG, the operator of the Group's Online business and William Hill Australia, the holding company for the Group's Australian business) believes that the following risk factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and none of the Issuer or Guarantors expresses a view on the likelihood of any such contingency occurring. The risk factors which the Issuer and the Guarantors believe are material for assessing the market risks associated with the Notes are also described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or the Guarantors to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference) and reach their own views prior to making any investment decision.

Risks relating to the gambling industry

Changes in economic conditions and trends in consumer spending may affect demand for gambling products and services

Demand for the gambling industry's products and services is influenced by general economic conditions and trends in consumer spending. The Issuer believes that demand for the Group's gambling products and services is resilient, particularly in its Retail Division. Over recent years the Group has benefitted from growth in consumer spending on gambling, particularly online and via mobile devices. There can be no assurance, however, that the Group's business, financial condition and results of operations will not be adversely affected by changes in general economic conditions and trends in consumer spending affecting the gambling sector.

The gambling industry is very competitive. Failure to compete effectively may adversely affect the Group's business, financial condition and results of operations

The Group faces competition primarily from other land-based bookmakers, other online gambling operators and online betting exchanges. In particular, the online gambling market is characterised by intense and substantial competition. There have been a number of significant mergers in the gambling sector that, once completed, the Issuer believes will alter the dynamics of the industry and are likely to result in increased competition to attract and retain customers that may affect industry margins and put pressure on operators' ability to retain and grow their market share. Whilst the Issuer believes it has the scale to succeed in this environment there can be no assurance that competition from other bookmakers, other online operators or online betting exchanges as well as from suppliers of other betting and gaming products, in any segment of the betting and gaming industry, will not have a material adverse effect on the Group's business, financial condition and results of operations.

The gambling industry is vulnerable to increases in taxes and levies

Companies operating in the gambling industry are subject to various taxes and levies. There can be no assurance that the Group's business, financial condition and results of operations will not be adversely affected by changes in such taxes and levies.

UK

The Group is subject to significant taxation and levies in the UK, including the following:

- General Betting Duty of 15 per cent. on gross betting profits (stakes received less winnings paid out) earned in its licensed betting offices (“LBOs”) in the UK;
- General Betting Duty of 15 per cent. on gross betting profits (stakes received less winnings paid out) on remote betting (online and telephone) revenues derived from UK customers;
- Remote Gaming Duty of 15 per cent. on its remote gaming (online and telephone) revenues derived from UK customers;
- Machine Games Duty payable at 25 per cent. of the revenue from gaming machines in its LBOs; and
- the Horserace Betting Levy, a statutory levy on bets struck in the UK on horse races held in the UK, calculated at a rate of 10.75 per cent. of the Gross Win on such horse racing activities. The UK government has announced plans to introduce a “Racing Right” to replace the statutory Horserace Betting Levy. It is expected that this new Racing Right will apply to all bets on UK horseracing by UK customers irrespective of where the bookmaker is located. Assuming so, this new Racing Right would extend to cover the Group's remote gambling channels (online and telephone) which are currently exempt from the Horserace Betting Levy.

In addition to specific gambling industry related taxes and levies the Group is also subject to those taxes applied to companies generally in the UK such as corporation tax and VAT on purchases, which for the Group is largely irrecoverable.

The taxes and levies imposed upon the Group have changed considerably over time and there can be no assurance that the levels of taxes and levies to which the Group is subject in the UK will not be increased. In addition, there can be no assurance that new taxes or levies will not be introduced to which the Group will be subject. Any further increases in the levels of taxes or levies to which the Group is subject in the UK, or the implementation of any new taxes or levies to which the Group will be subject, could have a material adverse effect on the Group's business, financial condition and results of operations.

Non-UK taxation

The Group's online gambling operations outside of Australia are conducted through its Online business which is headquartered in Gibraltar with support functions located in Israel, Bulgaria and the Philippines. These operations are subject to taxes in their respective jurisdictions. There can be no assurance that the levels of taxation to which the Group is subject in any jurisdiction outside the UK will not be increased or changed, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's online customers are located in a number of different countries. Revenues earned from customers located in a particular country may give rise to the imposition of taxes in that jurisdiction. If such taxes are levied, either on the basis of existing law or the current practice of any tax authority or by reason of any change in law or practice, then this may have a material adverse effect on the amount of tax payable by the Group.

In addition, if any Group company is found to be, or to have been, tax resident in any jurisdiction other than those in which the Group is currently deemed to be tax resident or to have a permanent establishment in any such other jurisdiction (whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice) this may have a material adverse effect on the amount of tax payable by the Group which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

Australian taxation and levies

The Group's Australian Online business is subject to Australian taxation and levies which currently includes corporate income tax on profits and product fees applied to wagering on horseracing. These product fees vary on a state by state basis.

Any increases in the levels of taxes or levies to which the Group is subject, or the implementation of any new taxes or levies, in Australia could have a material adverse effect on the Group's business, financial condition and results of operations.

US

The Group's US business is subject to state and federal taxes applied to gambling businesses and corporations generally. Any changes could have a material impact on the Group's business, financial condition and results of operations.

The gambling industry is subject to extensive regulation. There can be no assurance that existing or potential laws and regulations and/or the enforcement of laws and regulations in certain jurisdictions including those where the Group's customers reside will not have a material adverse effect on the Group's business, financial condition and results of operations

Most countries regulate or, in some cases prohibit, gambling activities. Historically, the regulation of the gambling industry has been arranged at a national level and, currently, there is no international gambling regulatory regime. Although the Group seeks to comply with, and monitors, relevant laws and regulations, including relevant licensing requirements, of the jurisdictions in which its operations are established, the Group is exposed to the risk that jurisdictions in which its customers are resident or from which its advertisements may be accessed via the internet may have conflicting laws and regulations (or conflicting interpretations of such laws and regulations) with regard to the legality or appropriate regulatory compliance of the Group's activities. The Group's exposure to this risk has increased as the scale of the Group's online operations has increased.

United Kingdom

The UK has a well-established legal and regulatory framework that governs the gambling industry. The Group holds the necessary licences allowing it to operate in the UK and seeks to ensure that it complies with the requirements of all applicable laws and regulations. Changes to such laws and regulations could have a material adverse effect on the Group's business, financial condition and results of operations. For example, the implementation of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, which has been passed by the European Parliament, may bring transactions in LBOs within its remit which could have a material impact on the Group's business, financial condition and results of operations.

European Union

The Group accepts transactions from customers for certain of its products from certain European jurisdictions. There are instances of betting and gaming operators being (i) prosecuted by a relevant authority or (ii) sued by a monopoly right holder or other significant market participant for offering their products and services in a

particular state of the European Union (“EU”) in which they are not licensed or otherwise regulated. Member states of the EU (each a “**Member State**”) are required to abide by principles of freedom of establishment and free movement of services under EU law. The Issuer believes that the Group’s activities in Member States where it is not licensed or otherwise regulated in a manner consistent with EU principles are permitted by such principles. However, the extent to which national courts in European jurisdictions will implement principles of EU law is uncertain as Member States are afforded a degree of discretion in such implementation. As a result, the Group may face criminal or civil claims in these jurisdictions as a consequence of its actions regardless of whether such actions are in accordance with EU law.

In addition, the relevant regulatory authority, monopoly right holder or other significant market participant could take action against the Group’s service providers in such countries. If any such actions were brought against the Group or the Group’s service providers, whether successful or not, the Group may incur considerable legal and other costs, management’s time and resources may be diverted, the provision of services to the Group may be disrupted, and any resulting dispute may damage the Group’s reputation and brand image and have a material adverse effect on the Group’s business, financial condition and results of operations.

To the extent that the domestic laws or any prosecutions, suits or other determinations of a national court of a Member State do not implement and/or apply EU law, such actions may fall within the jurisdiction of the European Court of Justice (“**ECJ**”) to which reference may be made. On such a reference, the ECJ may scrutinise such domestic laws, prosecutions, suits or other determinations and determine the legality of such operator’s activities pursuant to EU law. The ECJ may determine that the restrictive actions of the relevant Member States are non-discriminatory, proportionate and objectively protect a matter of public policy within the competence of such Member State, such as social responsibility matters or fighting fraud and criminality, in which case such restrictions may be justified. If the ECJ finds that an authority, monopoly right holder or other significant market participant’s actions result from laws which are discriminatory, disproportionate or not objectively justifiable, such restrictions on the operator’s activities may be found to be in contravention of EU law. However, there can be no assurance that the ECJ will accept jurisdiction or will not uphold the actions against an operator, or that any favourable ruling will be fully implemented by the relevant Member State, which could impair the Group’s ability to undertake betting and gaming operations in European jurisdictions, thereby negatively impacting the Group’s business, financial condition and results of operations. The Issuer believes that Member States are likely to lobby action for acceptance of a local licensing requirement regime, as such regimes guarantee revenue through tax and licence fees. Whether the European Commission, or the ECJ via cases referred to it, will continue generally to support this approach is unclear. To the extent that such a regime is introduced in one or more Member States and any such local licences are not obtained by the Group, due, for example, to their limited availability or because doing business under such regimes is not commercially viable, the Group may face the risk of increased enforcement initiatives from local authorities, which may ultimately prompt the Group to cease operating in, or providing access to, its products in such territories. In any event, the Group may need to exit or withdraw products from EU and non-EU markets if the risks of successful enforcement action are considered too high, or if a key supplier or regulator requires the market to be blocked, or if it is otherwise considered necessary by the Issuer. This could have a material impact on the Group’s business, financial condition and results of operations.

Australia

In Australia, interactive and internet gambling is regulated by each individual state, in each case applicable to gaming and sports betting activities conducted within such a state, and the Interactive Gambling Act 2001 (Cth) (the “**Interactive Gambling Act**”) which purports to regulate certain types of interactive and internet gambling occurring both within Australia as a whole and extraterritorially.

The Interactive Gambling Act prohibits certain online gambling services, including “in the run betting” (the equivalent to what the Group describes as in-play betting) on racing and sporting events and online gaming type services, such as online poker, online casino games and virtual poker machines, by providing that a person is guilty of an offence if that person intentionally provides such services to people located within Australia or other countries designated by the relevant minister (to date no other countries have been designated). The Interactive Gambling Act does not prohibit what the Group would commonly refer to as pre-match betting on racing or sporting events or other contingencies (such as elections and the weather). These types of gambling are regulated by state based legislation and the Group currently holds two licences in the Northern Territory approved by the Northern Territory Racing Commission (the “**NT Racing Commission**”) which provide that its Australian Online business may accept bets from customers located anywhere in the world provided these are made in accordance with the provisions of the Racing and Betting Act 1983 (NT) by use of telephone, internet, facsimile or other electronic means at designated premises within the Territory on approved sporting events (which is defined to include specified contingencies).

The Group believes it has put in place systems and controls to ensure that no interactive gambling services which are prohibited under the Australian legislation are offered to Australian customers. If these systems and controls were to fail, the Group would be in breach of its sports betting licences currently held in the Northern Territory which could lead to daily fines being imposed on the Group, the Group’s officers being criminally liable for such breaches and a loss of the licence. Should any or a combination of these events occur, this could have a material adverse effect on the Group’s business, financial condition and results of operations.

United States

The US Congress passed the Unlawful Internet Gambling Enforcement Act of 2006 (“**UIGEA**”) in late 2006, which prohibits any person engaged in the business of gambling from knowingly accepting payments related to unlawful online bets. UIGEA prohibits the transfer of funds from a financial institution to an internet gambling website. It also expressly requires internet bets to comply with the law of the jurisdiction where the bets are initiated and received.

Pursuant to the PASPA, which became effective on 1 January 1993, the proliferation of legalised sportsbooks and wagering was significantly curtailed. The PASPA effectively prohibited sports betting in the US, excluding Nevada and sports lotteries in Oregon, Montana, and Delaware. Thus, sportsbooks and betting are permitted to continue to operate in Nevada, provided the wager originates in Nevada and is received by a licensed sportsbook in Nevada. Moreover, the Interstate Wire Act of 1961 also prohibits those in the business of betting from utilising a wire communication facility for the transmission in interstate or foreign commerce of any bets, or information assisting in the placing of such bets on any sporting event or contest unless such betting activity is specifically authorised in each jurisdiction involved.

Although the Group has systems and controls in place which seek to ensure the Group’s compliance with applicable US laws and regulations, including the UIGEA and the PASPA, there can be no assurance that these procedures will be completely effective. Should the Group breach any such applicable US laws and regulations it may become subject to civil or criminal sanctions as well as reputational damage, and may have to cease offering its products in the United States. The occurrence of any one or all of the foregoing events could have a material adverse effect on the Group’s business, financial condition and results of operations.

Operators in the gambling industry are subject to licensing requirements in certain jurisdictions. There can be no assurance that licensing or regulatory requirements in jurisdictions in which the Group has established operations will not have a material adverse effect on the Group’s business, financial condition and results of operations

The Group is regulated by certain authorities and currently holds gambling licences and/or permits in the UK, Gibraltar, the Isle of Man, Jersey, Kahnawake (a territory situated in Quebec, Canada administered by the

Mohawks of Kahnawake indigenous people), Italy, Spain, the State of Nevada in the United States and the Northern Territory of Australia. If the regulatory framework of any jurisdiction in which the Group operates was to change its licensing requirements, the Group may be required to expend significant capital or other resources in order to comply with the new requirements and/or may not be able to meet the new requirements, either or a combination of which could have a material adverse effect on the Group's business, financial condition and results of operations.

UK Retail Division

The Group's retail operations in Great Britain are regulated by the Gambling Commission under the provisions of the Gambling Act. In accordance with the British regulatory regime, the Group holds three categories of licences: operating licences, personal management licences and premises licences. The Group's relevant subsidiary, applicable personnel and LBOs currently hold all requisite licences and other approvals in Great Britain. Under the British regime, licences are given for an indefinite period, subject to the payment of annual fees, and are normally only terminated in the event of a breach of the terms of the licence by the holder. There can be no assurance, however, that the Gambling Commission will not terminate licences already granted, or otherwise change its licensing requirements or that the UK government will not introduce new laws or regulations applicable to gambling companies or change existing laws or regulations. In addition, regulation of gaming machines in Great Britain continues to have a high profile in the media and among politicians. If the Gambling Commission were to terminate any of the licences already granted, or otherwise change the licensing requirements, the Group may be required to expend significant capital or other resources to comply with the new requirements and/or may be unable to meet the new requirements, either or a combination of which could have a material adverse effect on the Group's business, financial condition and results of operations.

There can be no assurance that any other changes in legislation or regulations enacted by the UK Government in the future will not have a material adverse effect on the Group's business, financial condition and results of operations.

Online Division

William Hill's Online business in Gibraltar is licensed and regulated by the Gibraltar Licensing Authority and the Gibraltar Gambling Commissioner respectively. WHG also holds the requisite UK remote gambling licences from the Gambling Commission allowing it to offer its products and services to customers in the UK. Subsidiary companies of WHG hold local operating licences in Spain and Italy. Any change in the terms or termination of all or any of the licences granted to the Group by the respective licensing authorities could have a material adverse effect on the Group's business, financial condition and results of operations.

Australia

William Hill's Australian business is licensed by the Northern Territory Racing Commission which imposes extensive probity and approval requirements prior to the grant of new licences or the approval of a change of control of a licence holder and it monitors compliance with licence conditions on a continuous basis. These licenses allow the Group's Australian Online business to accept bets and wagers from all states across Australia provided that all such bets and wagers are processed through servers located in the Northern Territory (although certain of the Group's Australian operations are conducted in other states). There can be no assurance that the regulatory framework under which the Australian Online business is currently governed will not change thereby requiring William Hill to hold licences in each individual Australian state and territory in which it operates. If the regulatory framework were to change in this manner, or the terms or conditions of the licences held in the Northern Territory were to change, this could have a material adverse effect on the Group's business, financial condition and results of operations.

State of Nevada, USA

William Hill holds a gaming licence issued by the Nevada Gaming Commission and, accordingly, the Group is subject to extensive regulation by the Nevada Gaming Commission. The ownership and operations of gaming licences in Nevada are subject to strict regulation under various state, county and municipal laws. Together with key personnel, the Group undergoes extensive investigation before each new gaming licence is issued, and the products of its US business are subjected to testing and evaluation prior to approval and use. Generally, gaming authorities have broad discretion when granting, renewing or revoking these approvals and licences and monitor compliance with such approvals/licences on an ongoing basis. If the Group fails or any of its key personnel fail to obtain or retain a required licence or approval, the Group may have to reduce significantly its operations in the State of Nevada, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Any expansion of the Group's activities in the USA could be hindered by delays in obtaining the requisite state licences or the inability to obtain such licences. No assurance can be given as to the term for which the Group's licences will be granted in a particular jurisdiction or as to what licence conditions, if any, may be imposed by such jurisdiction in connection with any future renewals.

The gambling industry is subject to the existence and/or enforcement of laws and regulations relating to the offer of gambling products and services or the advertisement of such products and services via the internet which could have a material adverse effect on the Group's business, financial condition and results of operations

Although the regulatory regime for land-based gambling operations is well established in most countries, the gambling laws in such countries will not necessarily have been amended to take account of the internet and the ability to offer gambling products and services online. Consequently, there is uncertainty as to the legality of online gambling or the offering of, or advertising of, online gambling in a number of countries. William Hill has systems and controls in place which seek to ensure that the Group does not offer gambling products via the internet to customers in jurisdictions from which it has determined that it does not wish to accept bets, but there can be no assurance that these procedures will be effective. For example, although William Hill Online does not accept any online transactions that it can verify originate from the United States (by the use of US credit card details and IP address blocking, for example) it is nevertheless possible that William Hill Online may accept a wager from a customer while they are temporarily located in the United States, which could result in a violation of applicable US law. This could expose William Hill Online to the risk of civil or criminal sanction, as well as reputational damage, which in turn could negatively impact the Group's business, financial condition and results of operations.

The Group analyses the risks to the Group from different jurisdictions and, where appropriate, obtains legal advice in respect of the applicable laws and regulations in any such jurisdiction. Based on the relevant jurisdiction and subject to any risks identified by the Group, it undertakes certain procedures in order to mitigate any such risk, but the Group has not considered the gambling laws and regulations in every jurisdiction from which customers place bets or wagers and from which its products or advertisements can be accessed via the internet. Accordingly, the Group may be subject to the application of existing or potential laws and regulations and/or fees or levies in jurisdictions from which customers place bets or wagers or in which its products or advertisements can be accessed via the internet. Any such laws, regulations, fees or levies may have a material adverse effect on the Group's business, financial condition and results of operations.

The success of the betting industry is dependent upon maintaining good relationships with sports and regulatory bodies

The success of the Group's business is dependent upon its good relationships with regulatory authorities and the principal governing bodies of sport, in particular with the Gambling Commission in the UK from where it generates the majority of its revenues. The Group engages with government bodies, including its regulators, with regard to the betting and gaming regulatory framework and other issues of shared concern, such as problem gambling, and with the principal governing bodies of sport with regard to sports rights payments (including levies such as the statutory Horserace Betting Levy), integrity in sports betting, animal welfare and other issues. However, if the Group fails to maintain such relationships, or if such relationships were to be adversely affected for any reason, including any action or omission on the part of the Group or negative publicity concerning the Group or the gambling industry, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The gambling industry is vulnerable to increases in payments related to sports and content costs

In the UK, the Group is subject to certain financing arrangements intended to support industries from which it profits, such as the statutorily imposed Horserace Betting Levy and the voluntary greyhound racing levy, which are respectively intended to support the horse racing and greyhound racing industries. The Group is likely to continue to be subject to similar financing arrangements in the future. Any material increase in the current levies paid by the Group as part of such financing arrangements, or any requirement to pay additional levies or fees, could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to being subject to such financing arrangements, the Group enters into contracts with regard to the distribution of television pictures, audio and other data that are broadcast into the Group's LBOs, such as its contracts with Satellite Information Services Limited ("SIS") and Amalgamated Racing Ltd, trading as TurfTV ("TurfTV"), for the provision of live coverage of races from particular courses or other events for which they hold and sell the picture, audio and data rights for onsale into LBOs. The Group is also likely to continue to enter into similar contracts in the future. Any material increase in the cost of such services may have a material adverse impact on the Group's business, financial condition and results of operations.

The market for online gambling and gaming products and services is in a state of technological change which could have a material adverse impact on the Group's business, financial condition and results of operations

The market for online gambling products and services is characterised by technological developments, frequent new product and service introductions and evolving industry standards. For example recent years have seen the growth of mobile gambling and in-play betting both of which have been facilitated by technological developments. The emerging character of these products and services and their evolution requires the Group to use leading technologies effectively, continue to develop the Group's technological expertise, enhance its current products and services and continue to improve the performance, features and reliability of its technology and advanced information systems. In addition, the wide-spread adoption of new internet technologies or standards could require substantial expenditure to replace, upgrade, modify or adapt the Group's technology and systems, which could negatively impact the Group's business, financial condition and results of operations.

There can be no assurance that the technology and systems currently used by, and being developed by, the Group will be successful, or that they will not be rendered obsolete by new technologies and more advanced systems introduced in the industry or adopted by the Group's competitors. In addition, new internet, mobile or other technology-based products, services or enhancements offered by the Group may contain design flaws or other defects and/or require costly modifications or may result in a loss of confidence in the Group's products

and services by its customers or loss of revenue, any or a combination of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The gambling industry may be subject to negative publicity that could adversely affect the Group

The gambling industry is at times exposed to negative publicity. This is particularly the case in relation to (a) problem gambling and gambling by minors; (b) the use of gaming machines in LBOs in the UK; and (c) gambling online. Publicity regarding problem gambling and other concerns with the gambling industry, even if not directly connected to the Group and its products, could adversely impact the Group's business, financial condition and results of operations. It is possible that, if the perception develops that the gambling industry is failing to address such concerns adequately, the industry may be subject to increased regulation or taxation. Any such increase in regulation or taxation of the Group could adversely impact the Group's business, financial condition and results of operations.

The betting industry is subject to the schedule of sports events

The Group's business may be affected by the schedule of sports events on which the Group accepts bets, including significant sporting events which may occur at regular but infrequent intervals, such as the FIFA World Cup and the UEFA European Football Championship. Cancellation or curtailment of significant sporting events, for example due to adverse weather conditions or for any other reason (such as the outbreak of foot and mouth disease in the UK in 2001) or the failure of certain sporting teams to qualify for sporting events (such as the failure of the England football team to qualify for the UEFA European Football Championship in 2008), would adversely impact the Group's business, financial condition and results of operations for the period.

Risks relating to the Group

The Group cannot guarantee the success of its business strategy

The Group's business strategy is based principally on the following pillars:

- Omni-channel – capturing an increasing share of customers' gambling spend across Retail and Online channels in the UK;
- International diversification – leveraging the Group's expertise in international markets to grow non-UK revenues and profits thereby diversifying and reducing the Group's business risk; and
- Technology – using technology to provide a competitively differentiated offering to the Group's customers.

William Hill believes this is the best strategy to deliver growth and future success for the Group but there can be no guarantee that it will be successful or that the Group can execute it successfully. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives. The Group's ability to implement its strategy may be adversely affected by factors that cannot currently be foreseen such as changes affecting the gambling sector, technological change, economic downturn, the level of interest and inflation rates, foreign exchange risks, changes in government policy or other political, economic, judicial, regulatory, tax and administrative factors (some of which are discussed in more detail in the other risk factors). All of these factors may necessitate changes to the business strategy or materially adversely affect the Group's business, financial condition and results of operations.

The Group may not keep up to date with consumer trends and product innovation in its industry

The gambling industry is characterised by changing consumer trends and new product innovation. For example, recent years have seen the development and growth of gambling via mobile devices, the growth of

in-play betting and more recently the introduction of Self Service Betting Terminal in LBOs. Failure to identify and capitalise on such developments may have a material adverse effect on the Group's business, financial condition and results of operations.

The continued international diversification and expansion of the Group may not be successful

Whilst growing the Group's UK business is a key element of the Group's strategy, a further stated aim is to expand its business internationally to diversify its sources of revenue and to reduce its exposure to the UK economy and the UK's taxation and regulatory framework. Most countries regulate, or in some cases prohibit, gambling activities and while some jurisdictions have indicated that they intend to reduce restrictions, it is uncertain what impact this will have on the industry and whether local regulation will be prohibitive for new market entrants. The limited number of jurisdictions into which the Group could expand in commercially acceptable circumstances and/or a failure by the Group to identify new jurisdictions into which to diversify and thereby reduce its exposure to the UK, could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the success of the Group's international expansion into new geographic markets depends on a number of factors including the ability of the Group to establish and maintain relationships with key partners, suppliers and regulators, the presence of established and entrenched competitors, the ability to develop products and services that are tailored to the needs of local customers, local acceptance or knowledge of the Group's products and services and recognition of the William Hill brand. In order to achieve wide-spread acceptance in each country targeted by the Group, William Hill believes the Group must tailor its services to the customs and cultures of that country. Learning the customs and cultures of various countries, particularly with respect to sports betting practices, is difficult and the Group's failure to do so adequately could slow its growth and/or adversely impact its ability to maintain revenues in those countries. For example, the provision of sports betting services to local markets will involve the compilation of odds on local sporting events, which may not be possible without local expertise.

The Group will also face other risks related to international expansion, including delays in the acceptance of the internet as a medium of commerce and sports betting in international markets and difficulties in managing international operations due to, amongst other things, distance, language and cultural differences.

In addition, as a result of social, political and legal differences between jurisdictions, successful marketing in a new jurisdiction often involves local adaptations to the Group's overall marketing strategy and therefore entry into new geographic markets may not be successful. In particular, William Hill's marketing strategy in new geographic markets may not be well received by target customers or may not otherwise be socially acceptable in that jurisdiction. William Hill may be unable to deal successfully with a new and different local operating environment and there can therefore be no assurance that any attempted expansion and diversification into any new jurisdiction will be successful and any failure in this regard may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may fail to execute its IT strategy effectively

A core element of the Group's business strategy relies on differentiation of its customer proposition through the use and application of technology. It has made a number of investments in this area to reduce reliance on third party providers of technology and take direct ownership of its IT platforms and systems. There can be no assurance, however, that the Group's IT objectives will be successfully accomplished which could have a material impact of the Group's business, financial condition and results of operations.

Businesses acquired/investments made by the Group may not perform as expected

The Group's strategy encompasses organic growth and, where appropriate, growth through selected acquisitions and investments where it believes these can help accelerate the achievement of its strategic

objectives. In assessing any potential acquisitions or investments, the Group undertakes appropriate commercial, financial and legal due diligence but bases its assessment of the target business or investment on forecasts of future performance. These are compiled based on the best information then available to the Group. There can be no assurances that any acquisition or investment will perform in line with any forecasts made (in respect of synergies or otherwise) and any expectations held at the time the acquisition or investment is made. To the extent that any such acquisitions or investments do not meet these forecasts or expectations, it may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may experience significant losses with respect to individual events or betting outcomes or a prolonged period of adverse betting outcomes

The Group's fixed-odds sports betting products involve betting where winnings are paid on the basis of the stake placed and the odds quoted, so there is potentially no upper limit on the losses that could be incurred by the Group in relation to each betting outcome. A bookmaker's odds are determined so as to provide an average return to the bookmaker over a large number of events although there is an inherently high level of variation in Gross Win Margin event-by-event and day-by-day. Over the long term, the Group's Gross Win Margin has historically remained within an expected range subject to the Group's pricing and trading policies and the mix of sports on which it accepts bets. In the short term there is less certainty of generating a positive Gross Win and the Group has from time to time experienced significant losses with respect to individual events or betting outcomes.

Although the Group has risk management systems and controls in place which seek to reduce the risk of daily losses occurring on a Gross Win basis there can be no assurance that these systems and controls will be effective in reducing the Group's exposure to this risk. The effect of single-event losses or an extended period of adverse betting outcomes could have a material adverse effect on the Group's trading results and cash flows and therefore a material adverse effect on its business, financial condition and results of operations.

Any failure to determine accurately the odds at which the Group accepts bets in relation to any particular event and/or any failure of the Group's risk management processes for managing its liabilities could have a material adverse effect on the Group's business, financial condition and results of operations

The Group employs odds compilers (who determine the odds at which the Group will accept bets in relation to any particular event) and risk managers (who seek to control liabilities). Although the Group considers its team of odds compilers and liability managers to have the appropriate knowledge and expertise and the automated systems they use to be robust, there can be no assurance that errors of judgment or other mistakes will not be made in relation to the compilation of odds or that the systems the Group has in place to limit risk will be consistently successful. Any significant misjudgements or mistakes made by the Group in relation to odds compilation and/or the failure of the Group's risk management systems could result in the Group incurring significant losses that could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on a number of third parties for the operation of its business

The Group has relationships with a number of key third party suppliers who provide products and services to the Group. For example, the bets accepted by the Group on its online sportsbook operate on a technology platform supplied by OpenBet, and the Group relies on third parties to make William Hill Online's websites and services accessible to customers via the internet. In the retail channel, SIS and TurfTV provide television pictures and data to the Group's LBOs and gaming machines are supplied by Inspired Gaming. The Group exercises little control over many of these third party suppliers and is reliant on them to perform their services in accordance with the terms of their contracts, which increases its vulnerability to problems with the products and services they provide. The Group may not be successful in recovering any losses which result from the

failure of third party suppliers to comply with their contractual obligations to the Group and third party suppliers may seek to recover losses from the Group under indemnities or in respect of breaches of obligations or warranties under their agreements with the Group. Such events, or any significant disruption in the supply of products and services to the Group, or inability to negotiate reasonable terms of renewal, or find suitable replacement suppliers (if the relevant agreements expire or are terminated) or failure to handle current or higher volumes of use by these third party suppliers or any other adverse event in the Group's relationship with them, could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Group is highly dependent on technology and advanced information systems, which may fail or be subject to disruption

The Group's operations are highly dependent on technology and advanced information systems, and there is a risk that such technology or systems could fail. In addition to such failure, there can be no assurance that such technology or systems will not be subject to damage or interruption caused by human error, unauthorised access, computer viruses, denial of service attacks, increase in volume of online services usage, sabotage, natural hazards or disasters or other similarly disruptive events, including other security breaches. There can be no assurance that the Group's current systems are or will continue to be able to support a significant increase in online traffic or increased customer numbers.

The Group has in place business continuity procedures and security measures in the event of network failure or disruption, including backup IT systems for business critical systems, generally in different geographic locations from the main system. These are not, and are not intended to be, a full duplication of the Group's operational systems. Should any of these procedures and measures not anticipate, prevent or mitigate a network failure or disruption, or should an incident occur to a system for which there is no duplication, there may be a material adverse effect on the Group's business, financial condition and results of operations.

In particular, the performance of the Group's online services is critical to achieving, maintaining and expanding market acceptance of William Hill Online given its increasing importance to the Group's operations. Any network failure or disruption that causes interruption or an increase in response time of the Group's online services could result in decreased usage of William Hill Online and, if sustained or repeated, could reduce the attractiveness of William Hill Online to its customers, which would adversely impact the Group's business, financial condition and results of operations.

Furthermore, the Group may at any time be required to expend significant capital or other resources to protect against network failure and disruption, including the replacement or upgrading of its existing business continuity systems, procedures and security measures. If replacements, expansions, upgrades and other maintenance are not completed efficiently or there are operational failures, the quality of product and service experienced by the customer will decline. If, as a result, customers were to reduce or stop their use of the Group's products and services, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's systems may be vulnerable to hacker intrusion, "DDoS", malicious viruses and other cyber crime attacks.

As with all gambling companies, the Group's business may be vulnerable to cyber crime attacks which could adversely affect its business. These attacks may include distributed denial of service ("DDoS") attacks and other forms of cyber crime, such as attempts by computer hackers to gain unauthorised access to the Group's systems and databases for the purposes of manipulating results, misappropriation of funds or theft of data. Any such attacks may cause systems failure and/or business disruption and could have a material adverse effect on the Group's business, financial condition and results of operations. Such attacks are by their nature technologically sophisticated and may be difficult or impossible to detect and defend against. If the Group

fails to implement adequate prevention measures or should any such prevention measures fail or be circumvented, the Group's reputation may be harmed, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on a limited number of banks, credit card companies, payment processors and financial institutions for payment processing and cash holding

The Group is currently dependent on a limited number of banks and financial institutions to receive and make payments and hold its cash. Banks regularly review their policy of providing financial services, such as loans, debit and credit card processing and cash handling, to companies operating in certain sectors, including the gambling and online gambling sectors and a bank may decide that it no longer wishes to accept custom from, or provide services to, companies operating in such sectors, or may only continue to do so with certain restrictions. Should some or all banks refuse or otherwise be unable to make and receive payments, operate bank accounts or hold cash for the Group this could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group currently accepts credit and debit card payments from online and telephone customers and debit cards in LBOs. Certain US-based card schemes and card-issuing institutions currently restrict the use of their credit cards for online gambling transactions. Should any of the major card schemes or card issuing companies stop accepting payment transactions for gambling operations, this may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business is dependent on banks, credit card companies, payment processors and other financial institutions, networks and suppliers to enable funds to be paid in and withdrawn by its customers. Any disruption in those systems or relationships could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group is exposed to the risk of chargebacks which occur when customers, card issuers or payment processors seek to void credit or other card payment transactions. Some customers may seek to reverse their real money losses through chargebacks. While the Group has controls to protect against chargebacks there can be no assurance that the Group's exposure to chargebacks will not adversely affect its business, financial condition and results of operations.

The Group's operations are reliant on a number of key locations

The Group operates from a number of key sites in the UK (London and Leeds), Gibraltar, Israel (Tel Aviv), Bulgaria (Sofia), Philippines (Manila), Australia (Sydney and Darwin) and USA (Las Vegas, Nevada). The destruction or closure of these sites whether partial or complete and for whatever reason may have a material adverse impact on the Group's business, financial condition and results of operations.

Failure of the Group's business continuity management and disaster recovery plans

Over recent years the Group has had to address a number of potentially significant business interruptions, often with external causes and the potential to cause major disruption to the Group's operations. Failure to respond adequately to such business interruptions may result in loss of business and adversely affect customers' experience. The Group has access to business continuity sites in core UK locations and multiple sites or bespoke business continuity facilities in key overseas locations or the ability to rely on tested and flexible ways of working in other locations. Back up IT systems have been put in place for a number of business critical systems generally in different geographical locations to the main system. However, this is not intended to be a full duplication of all operational systems as this is not considered to be cost effective as some operational activities could be curtailed in the short term. Failure of the Group's business continuity and disaster recovery plans may have material adverse effects on the Group's business, financial condition and results of operations.

The Group relies on the experience and talent of key personnel and on its ability to recruit and retain qualified employees for the success of its business

The successful management and operations of the Group are reliant upon the contributions of its senior management team and other key personnel. In addition, the Group's future success depends in part on its ability to continue to recruit, motivate and retain experienced and qualified employees. There is intense competition in the betting and gaming industry for skilled personnel. Although the Group takes steps to protect itself in relation to the loss of key personnel (such as the inclusion of restrictive covenants and/or "gardening leave" provisions in the employment contracts of such personnel), the loss of service of any of the Group's senior management team or other key personnel, or an inability of the Group to attract new personnel, could have a material adverse effect on the Group's business, financial condition and results of operations.

Failure to meet compliance standards required by regulatory bodies and adapt to changes in the regulatory environment

The Group faces combined risks relating to changes in the regulatory environment and ongoing compliance requirements. Failure to meet the standards required by regulatory bodies may result in significant business interruption, fines or reputational damage. The Group has invested in its compliance and assurance functions to ensure compliance with current standards and to enable it to identify, understand and address changing regulatory requirements in an efficient and effective manner. The Group has well-resourced in-house compliance functions and compliance officers in all strategic business units who are part of the local management teams. Compliance processes and controls are well-established across the Group and compliance functions operate independently of operational management to support management's compliance obligations and provide ongoing assurance over adherence to local requirements. However, failure in the Group's compliance processes and controls may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be subject to privacy or data protection failures

The Group is subject to regulation regarding the use of personal customer and debit and credit card data. The Group processes sensitive personal customer data (including name, address, age, bank details, debit and credit card details and betting and gaming history) as part of its business and therefore must comply with strict data protection and privacy laws in the jurisdictions in which the Group operates. Such laws restrict the Group's ability to collect and use personal information relating to players and potential players including the use of that information for marketing purposes. William Hill relies on third party contractors as well as its own employees to maintain its databases and seeks to ensure that procedures are in place to ensure compliance with the relevant data protection regulations. Notwithstanding such efforts, the Group is exposed to the risk that these data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation. If the Group or any of the third party service providers on which it relies fails to store or transmit customer information and payment details online in a secure manner, or if any loss of personal customer data were otherwise to occur, the Group could face liability under data protection laws or sanctions by card merchants. This could also result in the loss of the goodwill of its customers and deter new customers which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may fail to detect the money laundering or fraudulent activities of its customers

Certain of the Group's customers may seek to launder money through the Group's business or to increase their winnings through fraudulent activities. The Group has put in place a number of processes and controls to detect prevent and report suspicious activity, and to handle requests for assistance from law enforcement agencies and regulators, all of which is overseen by the Group's Money Laundering Reporting Officer ("MLRO"). If the Group fails to detect the money laundering or fraudulent activities the relevant customer

may experience increased wins, other affected customers and the Group may experience increased losses and the Group could directly suffer loss or lose the confidence of its customer base in addition to suffering losses itself, or the Group may be in breach of its own legal and/or regulatory obligations, all, any or a combination of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's relatively high fixed cost base as a proportion of its total costs means that falls in revenue could have a significantly adverse effect on the Group's profitability

The Group has a relatively high fixed cost base as a proportion of its total costs, consisting primarily of staff and rent costs associated with its extensive LBO estate. A decrease in the Group's revenue is likely therefore to have a proportionately greater adverse impact on the Group's profitability if the Group is unable to reduce its costs to mitigate the effect of any decrease in revenue on profit. Due to this operating leverage the Group's profitability is likely to be more significantly and negatively affected by decreases in revenue than would be the case for a company with a more flexible cost base. Any decrease in revenues could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's financial leverage could have a material adverse effect on the Group's business, financial condition and results of operations

Given the strong cash flow characteristics of the business, the Issuer believes it is capital efficient for the Group to maintain a certain level of debt in its capital structure. This financial leverage, whilst potentially increasing returns for shareholders, increases the financial risk for the Group if, for any reason, the Group is unable to service its debt during its life or repay or refinance it at maturity. This financial leverage risk may be exacerbated by the Group's operating leverage risk (described above) and each risk, either singly or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition there is generally a limited pool of banks willing to provide credit to gambling companies, in particular to those involved in online gambling due to the perceived regulatory risks that surround this sector. This could hamper the Group's ability to refinance its debt when it becomes due or restrict its ability to fund any future acquisitions or investments in support of its business strategy. Also the Group may have higher levels of debt than some of its competitors which may require the diversion of more of the Group's resources to servicing the debt and could strategically disadvantage the Group by frustrating its ability to undertake certain acquisitions or investments compared to other less leveraged operators which may harm the Group's competitiveness. Each of these factors, either alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to risks arising from changes in interest rates

Increases in interest rates could affect the business by: (i) reducing the disposable income of the Group's customers, adversely affecting trading performance and (ii) increasing the cost of any floating rate debt and increasing the cost at which the Group can issue new fixed rate debt. A decrease in interest rates could increase the value of the Group's fixed rate debt which may be significant if the Group wishes to redeem any of its fixed rate debt before maturity. Each of these factors, either alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to risks arising from changes in foreign exchange rates

The Group's functional currency is pounds sterling and it prepares its consolidated financial statements in that currency. However, it generates a proportion of its revenues and profits in other currencies through its Online, Australian and US businesses and incurs foreign currency denominated costs in respect of its other international operations and payments to certain suppliers. The Group is therefore exposed to the impact of

fluctuations in foreign currency exchange rates against sterling which could have a material adverse impact on the Group's business, financial condition and results of operations.

The defined benefit section of the Group's pension plan is currently in deficit on an actuarial basis

The Group has a closed defined benefit pension scheme which is in deficit on a funding basis. At the last formal actuarial valuation, which was as at 30 September 2013, the deficit was £47 million. A deficit recovery plan has been agreed with the Trustee of the scheme under which the Group is committed to paying deficit recovery contributions of £9.4m per annum until May 2019. The Group is exposed to the risk of an increase in the deficit which may require an increase in the deficit repair contributions to the scheme which could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group has taken steps to manage this risk including closing the scheme to new joiners and limiting the future accrual of benefits. In addition the Trustee of the scheme, in consultation with the Group, has significantly de-risked the investment strategy of the scheme.

The funding position of the defined benefit scheme is subject to a formal actuarial valuation every three years and the valuation is updated informally annually. The amount of the defined pension liabilities is dependent upon certain key assumptions including rates of future increase in salaries and pensions, inflation rates, discount rates and longevity/mortality assumptions which may vary significantly from year to year. Future changes to these assumptions or adverse experience relative to those assumptions, may result in an increase in the scheme deficit.

Failure by the Group to maintain and enhance its brand could have a material and adverse effect on its business, financial condition and results of operations

The success of the Group is dependent in part on the strength of its William Hill brand. The Group believes that its long-established, trusted and widely recognised brand and reputation represent a significant competitive advantage in the development of its betting and gaming activities. The Group further believes that, as the gambling industry becomes increasingly competitive, the success of the Group will be dependent on maintaining and enhancing its brand strength. If the Group is unable to maintain and enhance the strength of the William Hill brand, then its ability to retain and expand its customer base and its attractiveness to existing and potential partners may be impaired and operating results could be adversely affected. Maintaining and enhancing the William Hill brand may require the Group to make substantial investments, including the continued development of its LBO estate and online channel, which investments may not be successful. If the Group fails to maintain and enhance the William Hill brand successfully, or if the Group incurs excessive expenses or makes unsuccessful investments in this effort, its business, financial condition and results of operations may be adversely affected. The Group anticipates that, as the gambling industry becomes increasingly competitive, maintaining and enhancing William Hill's brand may become increasingly difficult and expensive. Moreover, maintaining and enhancing its brand will rely in part on William Hill's ability to provide up-to-date technology and to provide high quality products and services both online and in LBOs, which the Group may not do successfully. Any failure by the Group to maintain or enhance, in whole or in part, the William Hill brand, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's intellectual property could be subject to infringement by third parties or claims of infringement of third parties' rights

The Group regards its copyright, trademarks, domain names, trade secrets, customer databases and similar intellectual property as critical to its success. The Group relies on a combination of copyright and trademark laws, trade secret protection, confidentiality and non-disclosure agreements and other contractual provisions in order to protect its intellectual property.

There can be no assurance that these efforts will be adequate, or that third parties will not infringe upon or misappropriate the Group's proprietary rights. In addition, although the Group has trademark and copyright protection, enforcement is limited in certain jurisdictions.

The Group may be the subject of claims of infringement of the rights of others or party to claims to determine the scope and validity of the intellectual property rights of others. Litigation based on such claims is common amongst companies in the internet, technology and online gaming industries. Such claims, whether or not valid could require the Group to spend significant sums in litigation, pay damages, re-brand or re-engineer services, acquire licences to third party intellectual property and distract management attention from the business, which may have a material and adverse effect on its business, financial condition and results of operations.

The Group is subject to risks arising from potential litigation

The Group faces the general risk of potential litigation in connection with its business, its customers, its employees and its external service providers, suppliers and partners (including the effects of changes in the law, regulations, policies or their respective interpretations). Such actions may result in the Group incurring considerable legal and other costs (including fines and penalties), diversion of management time and resources and disruption to the provision of services. There may be damage to the Group's reputation and brand image and/or a material adverse effect on the Group's business, financial condition and results of operations whether or not the relevant actions are successful.

A shareholder owning 10 per cent. or more of William Hill's ordinary shares who is found by the Nevada Gaming Commission to be unsuitable could be guilty of a criminal offence if he continues to hold ordinary shares, and William Hill could be subject to disciplinary action if it continues to interact with that shareholder

The terms of the licence issued to William Hill by the Nevada Gaming Commission and the Nevada Gaming Control Board provide that any person who, individually or in association with others, has acquired, directly or indirectly, beneficial ownership of 5 per cent. or more of any class of William Hill voting securities must notify the Nevada Gaming Control Board, in writing, within 10 days after it has knowledge of such acquisition. William Hill must also notify the Nevada Gaming Control Board within 10 days of becoming aware of any such acquisition by any person. In addition, any person who, individually or in association with others, acquires, directly or indirectly, beneficial ownership of 10 per cent. or more of any class of William Hill voting securities must apply to the Nevada Gaming Commission for a finding of suitability within 30 days after the Chairman of the Nevada Gaming Control Board mails written notice requiring such a filing.

Any person who fails or refuses to apply for a finding of suitability within 30 days after being ordered to do so by the Nevada Gaming Commission or the Chairman of the Nevada Gaming Control Board may be found to be unsuitable. Any shareholder found to be unsuitable, whether because he fails or refuses to apply for a finding of suitability or otherwise, and who holds, directly or indirectly, any beneficial ownership of ordinary shares beyond such period of time as may be prescribed by the Nevada Gaming Control Commission may be guilty of a criminal offence.

In addition, William Hill would be subject to disciplinary action if, after it receives notice that a person is unsuitable to be a shareholder or to have any other relationship with William Hill or its subsidiaries, it (i) pays that person any dividend or interest on ordinary shares; (ii) allows that person to exercise, directly or indirectly, any voting right conferred through ordinary shares held by that person; (iii) pays remuneration in any form to that person for services rendered or otherwise; or (iv) fails to pursue all lawful efforts to require such unsuitable person to relinquish their voting securities for cash at fair market value. Such disciplinary action could include fines or suspension or revocation of William Hill's Nevada licence and if William Hill's Nevada licence is suspended or revoked, William Hill US would be unable to continue to conduct its

operations. The occurrence of any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is vulnerable to any adverse consequences of the UK voting to leave the EU

On 23 June 2016 the UK is holding a referendum on whether it should leave the EU. Should the decision of that referendum be to leave the EU, the consequences for the Group are uncertain but could potentially have a material adverse impact on the Group's business, financial condition and results of operations.

The UK is the Group's primary market. Any disruption to the UK economy arising as a result of the outcome of the referendum could have a material adverse impact on the Group's business, financial condition and results of operations. In addition the Group's Online business, based in Gibraltar, relies on EU freedom of movement of goods and services principles to allow it to offer its gambling products and services to customers in EU member states where it does not have a local licence. If Gibraltar were deemed not to be part of the EU as a consequence of an "out" vote in the referendum and the Online business could no longer rely on EU freedom of movement of goods and services principles this could have a material adverse impact on the Group's business, financial condition and results of operations. Also a significant proportion of the Online business' employees live in Spain and travel to work in Gibraltar. If the border between Spain and Gibraltar were to be closed as a result of the UK's decision to vote to leave the EU, or for any other reason, this could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group's actual results could differ from the forecast and estimate incorporated by reference and (in the case of the forecast) contained in this Prospectus

The forecast Group operating profit and the estimate relating to Online's profits contained in the Group's trading update dated 23 March 2016 and incorporated by reference into this Prospectus (and, in the case of the forecast, repeated in the Group's trading statement dated 11 May 2016, which is also incorporated by reference into this Prospectus) and set out in the section headed: "*Description of William Hill PLC – Recent Developments*" are based on certain assumptions and estimates which are inherently subject to significant uncertainties, many of which the Issuer and Guarantors do not control. A list of these principal assumptions can be found under "*Description of William Hill PLC – Recent Developments*". Actual results may differ materially from this forecast and estimate. Furthermore the forecast operating profit for the 52 weeks ended 27 December 2016 (the "**2016 financial year**") has been prepared on the basis of certain estimates as of the date of such forecast. The Issuer does not intend to publish any update or otherwise publicly revise the forecast and estimate to reflect future circumstances unless otherwise required by law. Without prejudice to the Issuer's and Guarantors' responsibility statement on page 3 of this Prospectus, the forecast and estimate should not be relied upon for any purpose following the date of this Prospectus. Actual results may be materially less favourable than the forecast and estimate and assumptions on which the forecast is based.

Risks related to the Notes

Set out below is a brief description of certain risks relating to the Notes:

Issuer's call option

The Notes contain an optional redemption feature, which is likely to limit their market value. The market value of the Notes generally may not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at

a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Conditions 15(b) and 14 of the Terms and Conditions of the Notes.

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus. There is no guarantee that any such changes would not have an adverse effect on the rights under, and the value of, the Notes.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of £100,000. In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than £100,000 in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to £100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes will have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor(s) will make any payments under the Notes Guarantee in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with

jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit ratings may not reflect all risks

The Notes are expected to be rated on issue Ba1 by Moody's Investors Service Ltd. and BB+ by Standard & Poor's Credit Market Services Europe Limited. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, amounting to approximately £348,337,500, will be applied by the Issuer to refinance its existing debt and for its general corporate purposes.

DESCRIPTION OF WILLIAM HILL PLC

Introduction

William Hill PLC (the “**Issuer**”) together with its subsidiaries (the “**Group**”; references herein to “**William Hill**” are to the Issuer or the Group, as the context may require) is one of the world’s leading listed betting and gaming companies, employing approximately 16,000 people. Founded in 1934, it is the UK’s largest bookmaker by number of licensed betting offices, with approximately 2,370 LBOs that provide betting opportunities on a wide range of sporting and non-sporting events, gaming on machines and numbers-based products including lotteries. The Group’s Online business (www.williamhill.com) is one of the world’s leading online betting and gaming businesses, providing customers with the opportunity to access William Hill’s products online, through their smartphone or tablet and by text services. William Hill US was established in June 2012 and provides land-based and mobile sports betting services in Nevada, and is the exclusive risk manager for the State of Delaware’s sports lottery. William Hill Australia is one of the largest online betting businesses in Australia, established through the acquisition of two businesses in 2013. It offers sports betting products online, by telephone and via mobile devices. William Hill PLC is listed on the London Stock Exchange and in the 2015 financial year Group revenue was £1,590.9 million and operating profits were £291.4 million.

William Hill PLC is the parent company of the William Hill Group and is registered under the Companies Act 1985 with registered number 4212563. The registered office and the principal place of business in the UK of William Hill is at Greenside House, 50 Station Road, Wood Green, London, N22 7TP (telephone number +44 20 8918 3600).

History of William Hill

William Hill was founded in London in 1934 as a telephone bookmaking business and established its first LBOs in 1966. In 1971, it became part of the Sears Holdings Group. In 1988, it was acquired by Grand Metropolitan and merged with its bookmaking subsidiary, Mecca Bookmakers, under the William Hill brand. The integration of these two businesses was continued by the Brent Walker Group, which purchased William Hill from Grand Metropolitan in 1989. It was then acquired by Nomura International in 1997, which in turn sold it to Cinven and CVC Partners. On 20 June 2002, William Hill was floated on the London Stock Exchange. In 2005, it acquired Stanley Leisure plc’s LBOs in the UK and Ireland, which resulted in William Hill becoming the UK’s largest bookmaker by number of LBOs. In December 2008, William Hill created its joint venture business, William Hill Online, through the acquisition of assets from Genuity Limited and their combination with William Hill’s then existing Online business, William Hill Interactive. In June 2012, the Group was licensed by the Nevada Gaming Commission and acquired three US land-based sports betting businesses, AWI, Brandywine and the Cal Neva Assets. On 19 March 2013, the Group acquired from Sportingbet plc (“**Sportingbet**”) its Australian Online business and certain other assets for a total cash consideration of £459.4 million. On 15 April 2013, William Hill exercised an option to acquire from the Playtech Group (“**Playtech**”) all the shares of the William Hill Online joint venture that the Group did not already own for £423.8 million.

Key Strengths

William Hill believes that it has a number of significant competitive advantages and strengths that will be important factors in maintaining and further developing its business, including the following:

The Group operates in attractive, growing markets

The UK is William Hill's primary market contributing 85 per cent. of its revenues in the 2015 financial year. Around 70 per cent. of the UK adult population participates in gambling each year including the National Lottery.¹⁶ An estimated 8 million people regularly engage in land-based and digital gambling each year, approximately 17 per cent. of the UK adult population.¹⁷ This has increased over time with the National Lottery and TV advertising making gambling more socially acceptable as a mainstream leisure activity whilst mobile devices are making the product more accessible.

After the National Lottery, LBOs constitute the second largest segment of land-based gambling in the UK generating £3.2 billion of gross gambling yield in 2014/15.¹⁸ Between 2010 and 2015 LBO gross gambling yield grew at a compound annual growth rate of 2 per cent.¹⁹ LBOs were first legalised in 1961 when the UK government recognised that significant levels of gambling were happening outside race tracks and elected to tax, regulate and control the industry through licensing. Over the years gradual regulatory change has permitted LBOs to broadcast sports events, to open for longer and to provide a more welcoming shop environment. Evolving customer habits have led to bookmakers offering an increasingly wider range of betting and gaming products, with football betting and machine-based gaming proving increasingly popular with customers.

The UK online market, including mobile, is the fastest growing segment of the UK gambling industry²⁰ and in the 2015 financial year William Hill grew its UK online revenues by 11 per cent. Since it first became established in 1998 the online sector's growth has coincided with an expansion of the total gambling population, suggesting the online segment of the UK gambling industry has offered access to customers who would not typically use LBOs. The UK online market was estimated to have generated £2.7 billion of gross gambling yield in 2014, of which sports betting was the biggest contributor.

The Group's second core market is Australia which has the highest spend per capita among the ten largest gambling markets.²¹ Betting accounts for 21 per cent. of the Australian gambling market with AUD\$3 billion of gross gambling yield a year.²² Online betting has expanded rapidly as a proportion of total turnover²³ given the shift to mobile and high smartphone penetration rates.

The Group's other core markets are Italy and Spain which have followed the UK in establishing licensing regimes for online gambling. Italy is the largest of the European gambling markets which William Hill believes has the second highest spend per capita on gambling among the top ten regulated markets, behind Australia.²⁴ The market continues to evolve with further liberalisation of regulation providing opportunities for operators such as William Hill which in the 2015 financial year grew its Italian revenues by 28 per cent. in local currency terms. In Spain sports betting features more strongly in the online market, representing around 47 per cent. of gross gaming yield in 2014.²⁵ In 2015 Spain regulated online slots games for the first time. With no prominent land-based sports betting incumbent the market is led by the major European operators. In the 2015 financial year William Hill grew its Spanish revenues by 13 per cent. in local currency terms.

16 Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

17 Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

18 Gambling Commission, Gambling Industry Statistics (April 2010-March 2015), November 2015.

19 Gambling Commission, Gambling Industry Statistics (April 2010-March 2015), November 2015.

20 Gambling Commission Industry Statistics, April 2010-March 2015.

21 H2GC Global Gambling Data, July 2015.

22 Roy Morgan Research, State of the Nations, September 2014.

23 Australian Racing Board Fact Book, January 2016.

24 Company analysis (March 2016) based on H2GC Global Gambling data (July 2015) and population data (July 2015).

25 H2GC Global Gambling Data, July 2015.

The Group's final core market is the US which is dominated by land-based casinos and lotteries. Online gaming is largely illegal with only Delaware, New Jersey and Nevada having licensed operators to provide certain gaming products. Online sports betting is illegal under the Interstate Wire Act 1961 and state-sponsored land-based sports betting is banned under the PASPA in all but four states – Nevada, Delaware, Montana and Oregon. In Nevada sports books have to be sited within casinos and are typically either run by the casino operator or outsourced to an experienced specialist operator. Nevada also permits mobile betting for customers who create their accounts through land-based outlets which is proving to be an area of strong growth. In the 2015 financial year William Hill US grew its revenues by 5 per cent. in local currency terms.

William Hill also generates revenues in other countries outside of its five core markets by providing online sports betting and gaming activities. There are approximately 100 countries within this category which contributed approximately 4 per cent. of Group revenues in the 2015 financial year. The Group undertakes regular legal assessment of whether existing regulations allows William Hill to provide its services. As legislation is updated the Group either applies for a licence or withdraws from such non-core market.

The Group has good positions in its core markets

William Hill has a strong position in the UK LBO market and as at 30 September 2015 was the largest UK operator with 26 per cent. of LBOs and an estimated 32 per cent. of revenues in the year April 2014 to March 2015.²⁶ Plans to merge Ladbrokes and Coral have been announced, which would create the largest LBO estate. This is being reviewed by the CMA.

The Group also has a 15 per cent. share of the UK online betting market.²⁷ The UK online market is relatively fragmented, however the introduction of POCT is expected to lead to greater concentration in the market as smaller scale, lower margin operators fall away, become less competitive or consolidate. The Group believes sports betting, which it considers to be one of its core competences, is the most important product for attracting and retaining online customers in the UK as it targets the largest single segment of the online gambling population, has a lower cost per acquisition, the longest customer lifespan and the best cross-selling potential as well as the greatest opportunity for product differentiation.

William Hill believes it holds a top three position in the Australian online market. Although a number of European operators have moved into the market in recent years the Group believes scale is increasingly important, not least because there have been significant increases in betting taxes and levies in recent years, including race field fees (fees paid to the horseracing industry). William Hill believes it is well-placed to capitalise on the structural growth trends in the Australian market.

In its other core markets the Group believes it holds top three positions in the Italian and Spanish online sportsbook markets with an 8 per cent. and 16 per cent. share of turnover respectively. The Group believes that regulatory change provides opportunities for William Hill with its skills and capabilities honed in more open, competitive markets elsewhere.

William Hill's US business operates in Nevada where sports books have to be sited within casinos and typically are either run by the casino operator or outsourced to a specialist operator. William Hill believes it is the largest such operator by number of outlets with approximately a 55 per cent. market share. In Delaware, sports betting is run by the Delaware State Lottery and William Hill US is the exclusive risk manager for that service. New Jersey is challenging PASPA to allow land-based sports betting in the state. Should this be permitted William Hill has an agreement in place with Monmouth Park racetrack to take advantage of this

²⁶ Based on Company analysis of Gambling Commission Industry Statistics, April 2010-March 2015.

²⁷ Gambling Compliance, UK Online Market Share, October 2015.

opportunity. William Hill believes it is well-positioned to take advantage of further opportunities should the US market liberalise.

The Group's markets benefit from barriers to entry

The UK LBO market benefits from high barriers to entry based on licensing and planning restrictions. The number of betting shops has stayed relatively stable for some years at around 9,000 and the market continues to consolidate with four major operators (87 per cent. of the market by number of LBOs as at 30 September 2015)²⁸ continuing to open shops and a gradual reduction in the number of small chains and independent operators. Similarly the Group's land-based US business in Nevada is protected by stringent licensing and regulatory compliance requirements.

The Group's online businesses including in Australia are also protected by licensing and regulatory requirements although it is possible for unlicensed competitors operating from offshore locations to take business in these markets. Although barriers to entry may be lower the Issuer believes barriers to success are high and that one of the keys to success in the online market is the ability to offer sports betting products. In the Group's view, sports betting has a high barrier to entry, with operators such as William Hill benefitting from large scale specialist teams who produce increasing volumes of innovative betting opportunities and use proprietary algorithms to derive pricing for new markets.

As well as the limited availability of sports betting expertise the Group believes a further barrier to success in the online market derives from the scale of resources required to offer a competitive and differentiated customer offering online. These resources are needed to support significant investments in marketing and technology which the Group believes are required to support delivery of a high quality, seamless and differentiated customer experience across multiple access channels. Differentiation of the product range is also important and companies such as William Hill are increasingly sourcing exclusive and proprietary gaming content for customers.

Finally the risk of tax increases and regulatory change affecting the gambling sector also act as a barrier to new market entrants.

Large scale operator

William Hill believes the importance of having a large-scale operation is increasing. For its Retail business, having a large number of LBOs contributes to economies of scale in covering the central costs incurred in running such an operation. For its Online businesses, scale enables investment in marketing and technology which drives future growth whilst being able to absorb the impact of regulatory change and, as witnessed recently, significant increases in gambling taxes. In particular the Group believes investment in technology is key to developing the customer offering in terms of product depth and breadth, user experience and ultimately personalisation. William Hill is already one of the largest scale operators in the market with a substantial land-based business and one of the leading online businesses. These provide it with the resources to absorb adverse tax and regulatory impacts and to invest in growth opportunities.

Long-established, trusted and widely recognised business and brand

William Hill believes that its long-established, trusted and widely recognised business and brand represent a significant competitive advantage in the development of its betting and gaming activities. In the gambling industry, customers have traditionally taken comfort from the fact that they are dealing with a widely recognised operator with a long-established heritage. The William Hill brand and heritage have also been key in supporting the growth of the Group's online segment in the UK and internationally and the Group expects this will continue to be the case in the future.

²⁸ Gambling Commission Industry Statistics, April 2010-March 2015, November 2015.

Sports betting expertise coupled with a full gaming proposition

William Hill is recognised for its sports betting expertise and the Group continues to expand its sports betting product range and to offer attractive pricing on sporting events. The Group believes sports betting is the most important product for attracting and retaining online customers in the UK as it targets the largest single segment of the online gambling population, has a lower cost per acquisition, the longest customer lifespan and the best cross-selling potential as well as the greatest opportunity for product differentiation.

William Hill believes that having an effective odds setting, trading and risk management system is essential to operating a profitable betting operation. The Group and its relevant employees have extensive experience in risk management and bookmaking procedures, such as analysing information, imposing bet acceptance limits, hedging and expert odds compilation. In addition, by offering a substantial number of betting opportunities to customers, William Hill is able to spread its risk over a large number of events.

The Group also offers a full range of gaming products including casino games, slots, poker and bingo in order to provide customers with an exciting gambling experience. Although sports betting margins can fluctuate with sporting results, gaming margins are more predictable and provide a more stable source of revenue for the Group. The combination of betting and gaming also enables the Group to cross-sell multiple products to customers, which William Hill believes increases customer value and retention.

Strong cash flow generation and a robust balance sheet

The Group's business is highly cash generative, typically converting a high proportion of profits into net cash from operating activities. Good control of capital expenditure has enabled the Group to deliver high levels of free cash flow. Over recent years surplus cash flow after dividends has been used to reduce net debt.

The Group has a strong and flexible balance sheet with net debt to EBITDA standing at 1.3 times at the end of the 2015 financial year (when measured on a bank covenant basis). The Board of Directors regularly reviews the Group's capital structure, taking into consideration the Group's strong cash flow generation, its organic investment strategy, opportunities to accelerate the strategy through acquisitions, the potential for disruptive regulatory changes and the wider competitive environment. The Board of Directors believes the appropriate capital structure for the Group ranges between approximately one and two times net debt to EBITDA.

The Group's capital allocation priorities are: (i) investment in organic growth opportunities; (ii) payment of regular dividends to shareholders; (iii) investment in acquisition opportunities that are expected to accelerate achievement of the Group's strategic objectives and create value; and (iv) the return of surplus capital to shareholders consistent with the parameters of the Group's capital structure and financial leverage guidance. In February 2016, following a review of its capital position, the Group announced a capital return of up to £200 million to be effected by means of a share buyback programme to be executed over the following twelve months. In its trading update dated 23 March 2016 the Group re-confirmed its commitment to this share buyback programme.

Strong management team

William Hill has a senior management team that combines individuals with significant experience in the gambling industry together with individuals who have a wide range of experience gained in other industries. The Group's management team is led by James Henderson, the Chief Executive Officer, who has worked for William Hill for over 30 years and has experience across all of the Group's main divisions.

Strategy

William Hill's strategic objective is to increase the Group's diversification by growing digital and international revenues and profits that create shareholder value and mitigate regulatory risk. To achieve this

the strategy is focused on: maximising the Group's opportunity as one of the UK's leading multi-channel gambling operators; leveraging that expertise in other international markets; and increasing the Group's technological self-reliance to differentiate what William Hill can offer its customers compared to competitors.

Maximising the Omni-Channel Potential of Retail and Online

UK customers are increasingly using both digital and land-based channels to bet. In 2015, William Hill had the largest betting shop estate in the UK and was the leading online operator by revenues. The UK remains the Group's primary market contributing 85 per cent. of revenues in the 2015 financial year. Of the 8.3 million gambling customers in the UK around 3 million gamble with William Hill.²⁹ Around 22 per cent. of all UK customers now gamble in both land-based and digital channels and that proportion continues to increase.³⁰

The aim of the omni-channel strategy is to maximise UK customers' gambling spend across all channels with William Hill. 28 per cent. of the Group's regular Retail customers and 26 per cent. of its regular Online customers are multi-channel. The Group captures 45 per cent. of those Retail customers in William Hill Online and 68 per cent. of those Online customers in its betting shops. The Group's omni-channel or 'one William Hill' strategy focuses on making it easy and logical for customers to choose William Hill when they cross between channels.

The Group's first priority to encourage this is the self-service betting terminal ("SSBT"). One of the Group's major competitive advantages is the massive product range that it has created for its Online customers. The goal is to bring this to the Group's Retail customers using self-service technology. The Group has developed a proprietary SSBT within twelve months which has been launched for customer testing. The goal is to undertake a full roll out of this product in 2016.

At the same time the Group has also created a more consistent experience between Retail and Online in other areas. For example cross-channel gaming launches generated seven of the top ten games in Retail in 2015. The Group has revised the design of its in-shop broadcasts to align them to the Online look and feel, brought Online's "Top Bets" and "Tip Advisor" experience into shops and shared products like US horseracing. The next priority is to develop a means for customers to transfer their money more effectively across channels.

Extending the Group's expertise into international markets

William Hill has built an innovative and highly competitive offering for customers in the UK. As regulations change and markets open up across the world the Group is taking that offering into other regulated markets. By diversifying its revenue streams the Group reduces its exposure to fiscal, economic and regulatory change in any single market. The Group's primary focus is on four markets in addition to the UK: Australia, Italy, Spain and the US. The Group believes that these offer growth markets with large populations with a propensity to bet.

Following the acquisitions of Sportingbet (including the Centrebet brand) and tomwaterhouse.com to create William Hill Australia, the Group has focused on reshaping this business to address the growing recreational market in Australia. Over two years the Group has enhanced many aspects of this business: the management team, the trading policies, the product range, the desktop and mobile user experience, the technology platform and supporting IT team, the marketing investment strategy and the brand. As a result the business returned to revenue growth in local currency terms by the end of 2015 and is well-positioned to capitalise on the growth trends in the Australian online gambling market.

²⁹ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

³⁰ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

In addition to the UK, the Group's Online business has licences and local market websites in Italy and Spain and was licensed in Ireland in 2015 and aims to build its revenue and profit streams from these countries. Regulation in Italy and Spain continues to evolve and as product liberalisation continues this favours the Group competitively. For example in Italy the changing "palinsesto" schedule of permitted bets has allowed the Group to extend its betting range significantly. It also extended its gaming products with the launch of a "Vegas" tab on its website. In Spain William Hill was one of the first to launch a slots offering following the licensing of that product.

In the US, the Group's strategy is to build its brand awareness and recognition of its strengths in sports betting so that the Group is well-positioned to take advantage of emerging opportunities arising from regulatory change in that market.

Increased differentiation through technology

William Hill believes differentiation drives growth and technology is key in enabling this. The fastest growing products are supported by innovations in technology. For example in the UK in-play betting and mobile gambling have been the key drivers of growth in recent years. To date much of the gambling industry, including William Hill, has relied on third party software suppliers for core technology. Increasingly the small number of operators that can afford to do so – like William Hill – are looking to control more of the technology themselves in order to bring customers a differentiated offering. This requires significant investment in innovation and know-how and the increasing costs of such investment favours large scale operators such as William Hill.

In Australia, William Hill was the first operator to launch in-play online betting. By owning all aspects of its technology platform William Hill Australia brings innovations like this to its customers faster and more frequently. Through the Group's Global Trading Platform, the Australian business benefits from automated feeds substantially expanding its product range, particularly for in-play betting.

The Retail business is expected to benefit similarly from an expanded product range provided through William Hill's proprietary SSBT where the Group's scale and in-house expertise enables it to invest in a differentiated offering, taking advantage of the broad product range created for the Online business. At the same time customers are expected to benefit from a more consistent user experience across the Group's website, apps and the SSBT.

The Group's Online business has continued to innovate its gaming offering having launched a leading, comprehensive "destination gaming" platform in the industry. Alongside its popular Vegas product suite, the Group now offers Asian-themed gaming from its "Macau" product suite and a more high-end gaming experience via its "Mayfair" product suite with exclusive content and more themed or branded live dealer tables. Online has also built its own bonus engine to support the Vegas, Macau and Live Casino offerings.

The Group's online sportsbook, like many others, uses OpenBet's software comprising back-end functions like the betting engine and e-wallet capabilities and front-end interfaces like the desktop website supplemented by Mobenga (part of Playtech) apps. In 2015 the Group delivered Project Trafalgar which involved building a proprietary service layer and application programme interfaces between the front and back-ends of the sportsbook system. This is expected to deliver many benefits over the coming years including faster site loading times, rapid launches of innovations, further optimisation of user journeys, better cross-selling opportunities and improved ability to analyse customer data.

In line with its strategy of obtaining greater control of the technology on which it relies in April 2016 the Group announced it had entered into a long term commercial agreement with NYX Gaming Group Limited ("NYX"), a digital gaming content and technology supplier to the gaming industry. As part of that agreement the Group will invest £80 million in the form of a note redeemable in cash or shares in NYX with an interest

coupon of 6 per cent. payable in kind. This investment, alongside a further £10 million invested in the equity of NYX, is to support NYX's acquisition of OpenBet. The commercial agreement and investment secures William Hill's existing technology platform and establishes a clear roadmap for its development. This includes further development of the Group's existing sports betting, gaming and retail platforms and the development of a new platform over the next three years.

Product Offering

The Group's business consists of offering betting and gaming products through land-based and digital distribution channels including mobile. In the 2015 financial year, betting products contributed approximately 53 per cent. of Group revenues and gaming products approximately 47 per cent.

Betting

Betting includes products where the Group offers odds on an event occurring. If the customer wins the bet, payment is made to the customer and if the customer loses the bet, the Group retains the stake placed. The odds offered by the Group in such cases vary depending on the nature of the event. The Group generates revenue where the amounts staked by customers and retained by the Group exceed the Group's liability to make payments to customers.

In fixed-odds betting, the liability to make payment is, in principle, unlimited but the Group is not obliged to accept any bet or may accept bets on certain conditions only (for example, to limit maximum exposure), in order to manage its overall liabilities.

The Group's betting products are divided into two categories: sports betting and betting on other events. The most popular sports on which the Group offers odds are horse racing, football, tennis and greyhound racing. The Group also offers odds on many other sports including, amongst others, rugby, cricket, golf, motor racing, darts, snooker, American football, Australian Rules football, baseball, basketball and ice hockey. William Hill accepts a range of different types of bets from simple bets on the outcome of a single event to more complex bets, such as accumulator bets on the outcome of a number of different matches or sporting events.

Other events include bets on non-sporting events, such as the outcome of political elections, television competitions and popular music chart results, as well as high profile novelty bets. The Group also accepts bets on events the outcome of which is based entirely on chance. For example, numbers betting is a type of fixed-odds bet in which customers place bets on the odds of one or more numbers being drawn from a pool of numbers. It is presented in a variety of formats, such as bets on the Irish Lottery, and also provides the basis for the computer-generated virtual racing products offered by the Group.

Gaming

The Group offers a number of gaming products such as slot machine games (that can be played on physical gaming machines in LBOs or online), casino games, bingo, poker and other skill games.

Gaming products can be categorised as: (i) games, the outcome of which is dependent on chance, such as roulette, pontoon, blackjack and other casino table games, or slot machine games; and (ii) skill games for which it is argued that, though partly based on chance, the odds can be changed over the long run based on the application of skill (for example, games between customers such as poker).

With William Hill's gaming products, the customer bets against the house and the Group makes its profit based on probabilities in the long run of different events occurring and uses "house" rules and procedures to apply risk limits. For bingo games the Group earns revenue from fees charged to participants for each online bingo card sold. With respect to poker and certain other skills games, William Hill acts as the host or

facilitator for customers who play against one another rather than against William Hill; accordingly, William Hill takes no principal gaming risk. In return for facilitating these games, William Hill charges its customers a type of commission, known in poker as a 'rake', except in tournaments where a one-off entry fee is charged. Poker players can compete online against each other either on individual tables or in tournaments.

Principal Segments

William Hill manages its business through four main reporting segments: Retail, Online, Australia and US. The two principal segments are its UK Retail business and its Online business, which accounted for 56 per cent. and 35 per cent. respectively of Group revenues in the 2015 financial year. The Group operates a small telephone betting business which in future will be reported as part of the Online business. As part of its international diversification strategy William Hill acquired an Australian online sports betting business in 2013 and a land-based and mobile sports betting business that primarily operates in Nevada, USA in 2012. The Australian and US operations are managed and reported on separately and accounted for 6 per cent. and 2 per cent. respectively of Group revenues in the 2015 financial year.

Retail

The Group's Retail segment consists of the approximately 2,370 LBOs that William Hill operates in the UK which offer betting products over the counter and through SSBTs and gaming products on gaming machines. In the 2015 financial year the Retail division delivered £889.5 million of revenues and £171.4 million of operating profits.

The number of betting shops in the UK retail market has stayed relatively stable for some years at around 9,000. William Hill continues to grow its share of this market as it continues to consolidate with the four major operators continuing to open shops and a gradual reduction in the number of small chains and independent operators. William Hill is currently the largest UK operator with 26 per cent. of LBOs and an estimated 32 per cent. of revenues in the year from April 2014 to March 2015.³¹ Plans to merge Ladbrokes and Coral have been announced which would create the largest LBO estate.

Despite the growth of online gambling LBOs remain popular with approximately 70 per cent. to 80 per cent. of UK gamblers.³² William Hill believes the customer experience is a critical driver of continued LBO usage with shops providing a social environment and many being a hub within their local community. The Group believes that LBO customers are looking for an entertaining and engaging experience, ranking convenience as their main reason to bet in an LBO and location and customer service as the key reasons for choosing a particular LBO.

The Group's Retail strategy has therefore focused on the quality of its customer service, the product range offered – particularly in football betting – and technology innovations to bring customers a differentiated offering. The Group also aims to expand its Retail business organically through new shop openings although the pace of these are expected to slow following changes to planning regulations. These changes, however, are expected to create another barrier to entry to new competitors into the UK retail market.

Despite the maturity of the LBO market and the challenges posed by low economic growth and the growth of online and mobile gambling over the last few years, the Retail business has proved to be relatively stable and resilient, delivering revenue growth and good cash profits.

³¹ Gambling Commission Industry Statistics April 2010- March 2015.

³² Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

Online

William Hill's Online business is one of the leading online gaming and betting providers to UK customers and the Group believes it is also a top three Online sports betting operator in Italy and Spain. Headquartered in Gibraltar it employs around 1,300 people across locations in Gibraltar, the UK, Israel, Bulgaria, Italy, Spain and the Philippines. It provides more than a million betting opportunities every week across in-play and pre-match sports betting as well as offering a wide range of gaming products including slot games, casino games, bingo and poker. In the 2015 financial year the Online business posted £550.7 million of revenues and £126.5 million of operating profits.

The Online business' primary market of the UK (accounting for 79 per cent. of William Hill Online revenues in the 2015 financial year) is benefitting from structural growth and William Hill expects further consolidation in this market prompted by the impact of the Point of Consumption Tax which was introduced in December 2014. As a leading large scale operator with a competitive product range and the resources to invest in marketing and improving the customer experience William Hill believes it is well placed to benefit from this market reshaping and to grow its share of the UK online market. In the 2015 financial year its UK online revenues grew 11 per cent.

With a broader betting and gaming product range it becomes ever more critical to make it easy for customers to bet when they want on what they want. The increasing use of mobile technology has been a key trend in the industry in recent years and this continues to be a key focus for William Hill. Mobile accounted for 56 per cent. of Sportsbook turnover and 41 per cent. of gaming net revenue in the 2015 financial year.

As well as growing its UK market share and maximising the mobile opportunity the Group is also taking its online offering into a number of other countries focusing on markets with a strong gambling culture and a competitive regulatory and tax framework under which William Hill has the ability to offer a broad sports betting and gaming product range. Online's key international markets are Italy and Spain which accounted for approximately 9 per cent. of Online revenues in the 2015 financial year. In both of these jurisdictions Online is investing substantially in marketing to drive revenue growth and increase its market share. In local currency terms revenues in Italy increased by 28 per cent. and in Spain by 13 per cent. in the 2015 financial year.

The remainder of Online revenues (approximately 12 per cent. in the 2015 financial year) are spread across a large number of other countries. In these non-core markets the Group undertakes regular legal assessments of whether existing regulations allow it to provide its services. As legislation is updated William Hill either applies for a licence or withdraws from the market. In the 2015 financial year non-core revenues declined as the Group closed five markets and saw foreign exchange and regulatory changes or other government measures impact performance. Over time the Online business expects this trend to continue as it focuses its investment behind growing its core markets.

The Group also operates a small telephone business which continues to be an important channel for a small group of customers, often sophisticated horse racing customers, who prefer to speak to an individual when placing their bet. From 2016 this business will be incorporated within the Group's Online business. In the 2015 financial year it recorded revenues of £12.4 million and made a small operating loss of £1.2 million.

Australia

William Hill Australia was created through the acquisition of Sportingbet (including Centrebet) in March 2013 and tomwaterhouse.com in August 2013. The combined group was subsequently rebranded as 'William Hill' and the Issuer believes it is one of the largest online betting companies in Australia employing approximately 250 people, based in Sydney and Darwin. In the 2015 financial year it posted revenues of £97.9 million and operating profits of £13.4 million.

The Group views the Australian market as an attractive growing market with structural growth drivers in fixed-odds sports betting and digital channels including mobile. While it is increasingly a competitive environment, customers are also shopping around more, creating an opportunity to attract more customers through a differentiated and engaging experience. The business targets the mass market, recreational customer base which is showing strong growth rates.

William Hill Australia is focused on building a competitive business. Since the acquisitions in 2013 it has changed the management team, restructured its operations, improved the customer experience and increased its marketing effectiveness. The product range has been expanded to incorporate more local market betting content and through the Group's Global Trading Platform, content from a much wider range of sports from Europe and America. One of the enablers of William Hill's differentiation strategy is the business' proprietary technology platform which allows it to bring innovations to the market quickly.

In 2015 the financial performance of the Australian business declined after it implemented client management and trading changes to address the challenges of unprofitable turnover following an increase in race field fees. This was exacerbated by disruption caused by the transition from the legacy brands that had been acquired to the new William Hill brand and also by the impact of adverse exchange rate movements in the value of the Australian Dollar against Sterling.

US

William Hill US was created in June 2012 through the acquisition and combination of three small sportsbook operators in Nevada, being American Wagering Inc., Brandywine Bookmaking LLC and the Cal Neva sportsbook and racing assets. The business employs approximately 400 people mainly in Nevada and in the 2015 financial year it posted revenues of £33.3 million and operating profits of £9.2 million.

Nevada is one of only four states allowed to license land-based sports betting in the US and is the only one that currently operates an open commercial market. Sportsbooks can only be operated inside casinos, though customers using mobile accounts can deposit via kiosks provided in casino and bar locations. While the major casinos operating on the Las Vegas Strip tend to manage their own sportsbooks, the majority of other casinos outsource this specialist capability. William Hill US is now the preferred outsourced supplier operating 103 of the 187 sports books in Nevada.

The business has grown by improving the customer experience, expanding the product range, developing the sportsbooks which are now branded William Hill and developing the mobile offering. The business is now also the exclusive risk manager for the State of Delaware's sports lottery.

The main strategic growth opportunity for this business crystallises if the US decides to deregulate its currently restrictive laws against sport betting and online gambling. There continues to be a lot of discussion in the US about the potential for overturning the federal ban on land-based sports betting and for licensing online gaming in other states. While it is unclear how such changes may evolve William Hill US is well-positioned to take advantage of emerging opportunities. Through its Nevada operations it is building brand awareness and recognition of the Group's strengths in sports betting and has acquired an increased level of trust in the US market as a result of corporate and individual licences awarded by the Nevada Gaming Commission given the extensive probity checks that must be satisfied before these are obtained.

Competition

The Group faces competition primarily from other land-based bookmakers and online operators in its key markets as well as from online betting exchanges.

The UK LBO market is essentially a local market with competition coming from bookmakers operating shops sited in locations close to the Group's LBOs. On a national basis the Group's principal competitors in the UK retail market are Ladbrokes and Coral which hold the number two and three market positions by numbers of LBOs respectively. Ladbrokes and Coral have announced plans to merge their businesses which would create the largest LBO estate. These are currently subject to CMA review. William Hill believes there are strong barriers to entry based on licensing and planning restrictions as well as capital requirements which would make it difficult for new entrants to the UK LBO market to build successfully a large national chain of LBOs comparable in size to those of the existing major operators.

The Group considers its principal competitors in its key online markets to be other large and successful online operators such as Bet365 and Paddy Power Betfair. The latter also operates the largest peer-to-peer online betting exchange which acts as a competitor to traditional fixed-odds bookmakers like William Hill. Whilst there are relatively low barriers for new entrants into the online market William Hill believes that it is difficult for new competitors to achieve significant market share without possessing substantial resources to invest in technology, marketing, customer relationship management and specialist expertise, for instance sports betting expertise.

In Australia, William Hill considers its main competitors to be Paddy Power and Tabcorp and in the US, the Group's principal competitor by number of sportsbooks operated is Cantor Gaming.

Risk Management

Betting products

Bookmakers' fixed odds betting products are priced so as to provide a return to the bookmaker when averaged over a large number of events over time. In the short-term, there can be a high level of variation in this return, or Gross Win, either on an event-by-event or day-by-day basis due to the unpredictability of sporting results. As a consequence there can be considerable volatility in bookmakers' revenues and profits in the short term. It is even possible for Gross Win to be negative although significant daily losses at the Gross Win level are infrequent. The risk of incurring daily losses on a Gross Win basis is significantly reduced by the averaging effect of taking a very large number of individual bets over a considerable number of events and is also tightly controlled through a risk management process. The effectiveness of the risk management process relies on expert odds compilation and liability management, access to up-to-date information and tightly controlled bet acceptance limits. The Group invests considerable resources in its odds compiling, trading and liability management functions and employs a large team of people in these areas.

Over an extended period, the bookmaker expects that sporting results will revert to the average resulting in the Gross Win Margin remaining broadly within an expected range over the long term. This range will be influenced by the bookmaker's product mix, pricing policy and trading strategy. For William Hill's main business divisions the expected range for the Gross Win Margin is between 17 per cent. and 18 per cent. for Retail and between 7 per cent. and 9 per cent. for Online, in each case over the medium-term.

Expert odds compilation and liability management

Initial odds are compiled from first principles based on the probability of a particular outcome, adjusted for any market information. For the main sports on which the Group offers bets, prices are produced by odds compilers with expert knowledge of the particular sport but the Group may use multiple opinions to provide an initial price which takes into account information from other sources such as sports websites and are also, if relevant, cross-checked against competitors' prices. For in-play betting markets the Group increasingly relies on proprietary algorithms it has developed in-house by a research and development team of quantitative analysts who use their mathematical expertise combined with data feeds from around the globe to produce a vast array of betting propositions which are updated each second of every match. For sports or betting

markets where the Group may not employ expert odds compilers, such as the outcome of political elections, it will rely on third party consultants to assist in setting prices.

Once the odds are compiled and published, the Group's liabilities are managed through a real-time risk management system which is applied to monitor all bets and adjust the total level of risk on each event in line with the Group's risk appetite.

William Hill considers its team of odds compilers and liability managers to be of high quality with the appropriate knowledge and expertise to operate successfully in the current market.

Up-to-date information

Access to market information is needed both to assist in compiling initial prices and to manage liabilities after odds have been published. The Group relies on information gathered from its knowledge of the betting and gaming industry and the sports concerned including participants in those sports, both to the extent available in the media generally and from information at events or from other sources. The Group also relies on information about its potential liabilities from overall betting patterns and total amounts wagered on particular outcomes drawn from its Retail and Online segments as well as certain individual bets that are referred before acceptance or notified subsequently, because of the source or size.

The above information enables management to assess the probability of each possible outcome based on a wide range of up-to-date information, to assess potential exposure on each possible outcome and to manage the Group's liabilities commensurately with its risk appetite. Risk management actions may include limitations on bet acceptance or hedging of risk.

Bet acceptance limits

The Group also manages its betting risk through the application of bet acceptance limits. The Group is under no obligation to accept any bet. Where a bet is considered undesirable by management, it will be refused or accepted in part, with or without adjusted odds. For different types of bet, the Group sets limits for LBOs on stake value and potential liability at which bets must be notified (that is, reported after acceptance) or referred. Referred bets are accepted only after management approval, based on latest information about the event, potential liability and the customer's historic betting pattern with the Group (if any). The online sports betting system contains an automatic procedure whereby liability limits are pre-set by management on individual events for customers generally and, if appropriate, for specific customers. In practice, the proportion of bets refused is extremely small.

Gaming products

Casino and slot games operate to a specific, predictable margin over the long run based on the characteristics of the particular game. For example standard roulette operates to approximately a 2.7 per cent. margin. While it is possible to incur losses in the short term, over time the margin reverts to the average. There is no trading risk on the Group's bingo product which operates as a pool betting operation where winnings are determined by the size of the pool and the Group's income is derived from a fee charged to participants. There is also no trading risk on the Group's poker products as the Group's income comprises a percentage of the total pot in each game known as a 'rake', except in tournaments where a one-off entry fee is charged.

Regulatory risk

William Hill has systems and controls in place which seek to ensure that the Group does not accept bets or wagers via the internet from jurisdictions from which it has determined that it does not wish to accept bets or wagers, whether because it is or may be unlawful to do so and William Hill has decided not to take any risk in such regard or for any other reason. The systems and controls include monitoring and analysing information provided by potential customers' registered addresses and of customers' payment methods. A risk exists,

however, that a court or other governmental authority in any jurisdiction could take the position that the Group's systems and controls are inadequate or that the Group's current or past business practices in relation to such jurisdiction violated applicable law. Any such determination could expose the Group and its directors to the risk of civil or criminal sanction, as well as reputational damage. See also the Risk Factor entitled "*The gambling industry is subject to the existence and/or enforcement of laws and regulations relating to the offer of gambling products and services or the advertisement of such products and services via the internet which could have a material adverse effect on the Group's business, financial condition and results of operations*".

Marketing

The William Hill brand is one of the Group's major assets in the UK and internationally, standing for heritage, trust and expertise. A Barclays YouGov UK Gambling Survey in November 2015 highlighted that brand and/or reputation is the second most important factor in choosing an online betting account and that William Hill was the most trusted brand. The Group capitalises on its brand asset through its marketing investment. The scale of the Group's Online business means it has one of the largest marketing budgets in the UK industry which supports both new customer acquisition and being front of mind when existing customers are choosing with whom to bet.

The Group undertakes both "online" and "offline" marketing to promote its brand and products to customers. Offline marketing typically involves television-based advertising and has been a significant focus for the Group's marketing investment, particularly in the UK.

Online marketing involves a number of internet-based marketing methods, including: search engine optimisation ("**SEO**") and "pay-per click" ("**PPC**") agreements to generate or to buy a higher profile for the Group's websites on relevant search engine searches; banner advertising on other websites; and affiliate agreements whereby potential customers can click through to the Group's websites from other websites in return for remuneration for the owner of the other website. The Group's highly-experienced marketing teams based in the UK, Gibraltar and Tel Aviv seek to optimise marketing investment to maximise its impact, for example by improving its PPC and SEO algorithms. As the Group has increased its focus on its core, regulated markets search engine optimisation and PPC arrangements have become more important as they incur lower costs per customer acquisition and these now account for the bulk of the Group's marketing budget.

The William Hill brand is also proving to be successful outside the UK and is now established in the Group's other core markets of Italy, Spain, Australia and the USA.

Information Technology Systems

The Group is reliant on extensive information and communication systems to support both its retail and online businesses. These include amongst others its betting shop text, audio and video systems, the online sportsbook and gaming systems and its betting risk management systems. The Group's systems are supported by a combination of in-house teams and by external providers often under support agreements tailored to William Hill's needs. The Group has put in place back-up IT systems for business critical systems, generally in different geographical locations from the main system. These back-up arrangements are not intended to be a full duplication of the operational systems as William Hill does not consider this to be cost effective. William Hill regularly reviews and updates the Group's business continuity and disaster recovery plans.

Increasingly the Group is seeking to gain control over more of the technology on which it depends. Recent developments include the creation of a Global Trading Platform, the building of a proprietary SSBT, an internally developed bonus engine to support the Online business' gaming offering and through Project

Trafalgar, establishing greater control over the front end interfaces on which its online sports betting business depends.

In line with its strategy of obtaining greater control of the technology on which it relies in April 2016 the Group announced it had entered into a long term commercial agreement with NYX, a digital gaming content and technology supplier to the gaming industry. As part of that agreement the Group will invest £80 million in the form of a note redeemable in cash or shares in NYX with an interest coupon of 6 per cent. payable in kind. This investment, alongside a further £10 million invested in the equity of NYX, is to support NYX's acquisition of OpenBet. The commercial agreement and investment secures William Hill's existing technology platform and establishes a clear roadmap for its development. This includes further development of the Group's existing sports betting, gaming and retail platforms and the development of a new platform over the next three years.

Supplier Relationships

William Hill has a number of key suppliers who provide products and services on which the Group relies. In the Retail Division, the most significant relationships are with: Inspired Gaming, which supplies gaming machines to the Group's LBOs; SIS, in which William Hill has a 19.5 per cent. shareholding; and TurfTV, with these latter two being the main providers of television pictures, audio and data into the Group's LBOs. In the Online segment, the online sportsbook is built on OpenBet's technology platform and Playtech Software Limited supports some of William Hill Online's casino, poker and bingo products.

Intellectual Property

William Hill's copyright, trademarks, domain names, trade secrets, customer databases and other intellectual property are important to its success.

The Group's registered UK and European Union trademarks include the "William Hill" name which is also either registered or pending registration in appropriate worldwide jurisdictions. The Group takes active measures to protect its trademarks. The Group's domain name portfolio includes williamhill.com, as well as numerous defensive domain names. The Group uses a mixture of software under licence and internally developed software for which it owns the copyright and retains rights of ownership.

William Hill relies on the protection of trademark and copyright law, trade secret protection, contractual protection and licence agreements with its employees, customers and others to protect its proprietary rights.

Management

The directors of William Hill PLC and their principal outside activities are as follows:

Name	Position Held	Principal outside activities
Gareth Davis	Non-executive Chairman	Chairman, Wolseley plc Chairman, DS Smith plc
James Henderson	Chief Executive Officer	
Philip Bowcock	Chief Financial Officer	
Sir Roy Gardner	Senior Independent Non-executive Director	Chairman, Energy Futures Lab Senior Adviser, Credit Suisse Group Chairman, HM Government Apprenticeship Ambassadors Network

Name	Position Held	Principal outside activities
		Visiting Fellow, Oxford University
Georgina Harvey	Independent Non-executive Director	Non-executive Director, Big Yellow Group PLC Non-executive Director, McColl's Retail Group plc
Ashley Highfield	Independent Non-executive Director	Chief Executive, Johnston Press PLC Member, BAFTA Governor, British Film Institute
David Lowden	Independent Non-executive Director	Non-executive Director, Berendsen plc Non-executive Chairman, Michael Page International plc
Imelda Walsh	Independent Non-executive Director	Non-executive Director, First Group plc Non-executive Director, Mothercare plc Non-executive Director, Mitchells & Butlers plc

The business address of the directors is Greenside House, 50 Station Road, Wood Green, London N22 7TP, United Kingdom.

No potential conflicts of interest exist between the duties to the Issuer of the directors of William Hill PLC, as listed above, and their private interests and/or duties.

Employees

The average number of persons employed including directors in the 2015 financial year was 15,747 (2014 financial year: 16,078), all of whom were engaged in the administration and provision of betting and gaming services and the operation of greyhound racing stadia.

Recent Developments

Trading Update dated 23 March 2016

On 23 March 2016, the Group issued a trading update covering the period to 20 March 2016, which has been incorporated by reference into this Prospectus. In that update it was stated that the Group expected its consolidated operating profit for the 2016 financial year to be in the range of £260 million to £280 million. The Issuer prepared this profit forecast based on the unaudited management accounts of the Group for the 12 weeks to 22 March 2016 and a forecast to 27 December 2016. The profit forecast has been properly compiled principally based on the assumptions stated below and on a basis consistent with the accounting policies adopted by the Issuer in preparing its audited consolidated financial statements for the 2015 financial year.

The Issuer has prepared the profit forecast on the basis of the following principal assumptions, any of which could turn out to be incorrect and therefore affect whether the profit forecast is achieved.

Principal assumptions outside the influence or control of the Issuer

- (a) There will be no significant change in either the tax or regulatory environment applicable to gambling in the principal markets in which the Group operates.

- (b) Demand for the Group's gambling products and services in its major markets continues in line with recent trends.
- (c) There will be no significant change in the economic environment in the Group's primary markets.
- (d) The competitive environment in which the Group operates will remain broadly stable.
- (e) Cost inflation experienced by the Group due to external factors will remain in line with expectations.
- (f) The Group's businesses will experience normalised Gross Win Margins for the remainder of the 2016 financial year.
- (g) Average exchange rates for the 2016 financial year do not deviate materially from those assumed in compiling the profit forecast.
- (h) There are no material adverse consequences to the Group's business or operations as a result of the UK referendum on membership of the European Union.

Principal assumptions within the influence or control of the Issuer

- (a) The Group's Retail business is successfully able to complete new LBO openings, re-sites and refurbishments broadly in line with its planned schedule.
- (b) The Retail business completes its roll out plan for the Group's proprietary SSBTs in line with its current expectations.
- (c) Measures taken to mitigate the impact of the National Living Wage deliver the expected result.
- (d) The Online business succeeds in slowing the rate of revenue decline in its non-core markets compared to 2015.
- (e) The Online business can successfully exploit the benefits of its new Project Trafalgar platform.
- (f) Actions taken to restructure the Australian business deliver an improved revenue and profit performance in the 2016 financial year compared to 2015 financial year.

Investment in NYX Gaming Group Limited

In line with its strategy of obtaining greater control of the technology on which it relies in April 2016 the Group announced it had entered into a long term commercial agreement with NYX, a digital gaming content and technology supplier to the gaming industry. As part of that agreement the Group will invest £80 million in the form of a note redeemable in cash or shares in NYX with an interest coupon of 6 per cent. payable in kind. This investment, alongside a further £10 million invested in the equity of NYX, is to support NYX's acquisition of OpenBet. The commercial agreement and investment secures William Hill's existing technology platform and establishes a clear roadmap for its development. This includes further development of the Group's existing sports betting, gaming and retail platforms and the development of a new platform over the next three years.

Trading Update dated 11 May 2016

On 11 May 2016 the Group issued a further trading update which has been incorporated by reference into this Prospectus. In that update the profit forecast as described in the Group's trading update dated 23 March 2016 and incorporated into this Prospectus was repeated, based on the unaudited management accounts of the Group for the 13 weeks to 29 March 2016 and a forecast to 27 December 2016. The profit forecast has been

properly compiled principally based on the assumptions stated in “*Trading Update dated 23 March 2016*” above and on a basis consistent with the accounting policies adopted by the Issuer in preparing its audited consolidated financial statements for the 2015 financial year.

Material Contracts

For a description of William Hill’s material contracts outside of the ordinary course of William Hill’s business, please see “*Description of Other Indebtedness*” starting on page 76 of this Prospectus.

DESCRIPTION OF WILLIAM HILL ORGANIZATION LIMITED

Overview

William Hill Organization Limited (“**WHO**”) was established and incorporated as a private limited company in England on 26 July 1933, under the Companies Act 1929, with company registration number 00278208. The registered office and the principal place of business in the UK of WHO is at Greenside House, 50 Station Road, Wood Green, London N22 7TP, United Kingdom, telephone number +44 20 8918 3600.

Business Activities

WHO’s principal activities are the operation of the Group’s UK Retail business and through its subsidiaries the operation of the Group’s Online businesses, William Hill Online and William Hill Australia. For a full description of these activities, please see “*Description of William Hill PLC — Product Offering*” starting on page 53 and “*Description of William Hill PLC — Principal Segments*” starting on page 54 of this Prospectus.

In the 2015 financial year, WHO reported revenues of £873.9 million and operating profits of £176.7 million.

Organisational Structure

WHO is a wholly-owned subsidiary of the Issuer. Please see “*Corporate and Business Structure*” on page 19 of this Prospectus for an overview of the corporate and business structure of the Group.

Administration and Management

The directors of WHO and their principal outside activities are as follows:

Name	Position Held	Principal outside activities
Anthony David Steele	Director	Director, Association of British Bookmakers Limited
Philip Bowcock	Director	None
Luke Thomas	Director	None

The business address of the directors is Greenside House, 50 Station Road, Wood Green, London N22 7TP, United Kingdom.

No potential conflicts of interest exist between the duties to the Issuer of the directors of WHO, as listed above, and their private interests and/or duties.

Material Contracts

For a description of WHO’s material contracts outside of the ordinary course of WHO’s business, please see “*Description of Other Indebtedness*” starting on page 76 of this Prospectus.

DESCRIPTION OF WHG (INTERNATIONAL) LIMITED

Overview

WHG (International) Ltd is a company incorporated in Gibraltar whose registered office and principal place of business in Gibraltar is at 6/1 Waterport Place, Gibraltar, telephone number +350 2000 2600.

Business Activities

WHG's principal activities are the operation of the Group's Online business, William Hill Online. For a full description of these activities, please see "*Description of William Hill PLC — Product Offering*" starting on page 53 and "*Description of William Hill PLC — Principal Segments*" starting on page 54 of this Prospectus.

In the 2015 financial year WHG reported revenues of £542.4 million and operating profits of £88.5 million.

Organisational Structure

WHG (International) Ltd is a wholly owned subsidiary of the Issuer. Please see "*Corporate and Business Structure*" on page 19 of this Prospectus for an overview of the corporate and business structure of the Group.

Administration and Management

The directors of WHG and their principal outside activities are as follows:

Name	Position Held	Principal outside activities
James Davies	Director	None
Crispin Nieboer	Director	None
Juergen Reutter	Director	None

The business address of the directors is 6/1 Waterport Place, Gibraltar.

No potential conflicts of interest exist between the duties to the Issuer of the directors of WHG, as listed above, and their private interests and/or duties.

Material Contracts

For a description of WHG's material contracts outside of the ordinary course of its business, please see "*Description of Other Indebtedness*" starting on page 76 of this Prospectus.

DESCRIPTION OF WILLIAM HILL AUSTRALIA HOLDINGS PTY LIMITED

Overview

William Hill Australia Holdings Pty Limited is a company incorporated in Australia whose registered office and principal place of business in Australia is at Level 30, 2 Park Street, Sydney, NSW 2000, Australia, telephone number +61 2 9284 8900.

Business Activities

William Hill Australia acts as the holding company for the Group's Australian business whose principal activity is the operation of a licensed betting operation over telephone, internet and mobile platforms, primarily for customers located in Australia. For a full description of these activities, please see "*Description of William Hill PLC — Product Offering*" starting on page 53 and "*Description of William Hill PLC — Principal Segments*" starting on page 54 of this Prospectus.

In the 2015 financial year William Hill Australia reported revenues of £11,000 and a loss before income tax of £91,000.

Organisational Structure

William Hill Australia Holdings Pty Limited is a wholly-owned subsidiary of the Issuer. Please see "*Corporate and Business Structure*" on page 19 of this Prospectus for an overview of the corporate and business structure of the Group.

Administration and Management

The directors of William Hill Australia Holdings Pty Limited and their principal outside activities are as follows:

Name	Position Held	Principal outside activities
Robindar Raj Chhabra	Director	None
Daniel Joseph Pickering	Director	None
James Henderson	Director	None
Philip Bowcock	Director	None

The business address of the directors is Level 30, 2 Park Street, Sydney, NSW 2000, Australia.

No potential conflicts of interest exist between the duties to the Issuer of the directors of William Hill Australia, as listed above, and their private interests and/or duties.

Material Contracts

For a description of William Hill Australia Holdings Pty Limited's material contracts outside of the ordinary course of its business, please see "*Description of Other Indebtedness*" starting on page 76 of this Prospectus.

INDUSTRY OVERVIEW AND REGULATION

Market Overview

Gambling takes many forms and varies from country to country. The industry is made up of government run operations, licensed monopolies or open commercial markets. In some countries there is an outright ban on gambling. There is a wide range of gambling products available to consumers including lotteries, sports betting, casino games, bingo and poker which are available in many different formats from land-based pubs, clubs, casinos, betting shops and race tracks to online gambling. Land-based activities are the format of choice for most gambling customers across all leading countries by gambling revenues. Online gambling first started in earnest in the late 1990s while more recently mobile gambling has become more prominent with the advent of smartphone and tablet technology.

In many countries gambling regulations were designed with land-based operations in mind. The advent of digital gambling which overcomes physical borders has led governments to update their regulations to take account of online and mobile gambling. William Hill believes this trend creates opportunities for companies like William Hill which have built successful digital gambling businesses. In particular the competitive intensity of the liberalised UK online market has led to high levels of industry innovation that are proving attractive in other markets.

William Hill believes there are three important trends that are having a significant impact on the gambling industry particularly in the UK, the Group's primary market which accounted for 85 per cent. of its revenues in the 2015 financial year. First the importance of having a large scale operation is increasing. Scale enables investment in marketing and technology whilst being able to absorb the impact of regulatory and tax changes. In particular the Group believes that investment in technology is key to further developing the customer offering in terms of product depth and breadth, user experience and ultimately being able to personalise the customer proposition. The Issuer believes that the desire for scale is behind the significant consolidation activity being seen in the UK market, with six major operators coming together in mergers: Paddy Power and Betfair, Ladbrokes and GalaCoral and GVC and Bwin.Party. William Hill is already one of the largest scale operators in the market with a substantial UK land-based business and one of the leading Online businesses. The Group expects to see further consolidation amongst the smaller UK operators as a result of the introduction of the Point of Consumption Tax which has significantly impacted profit margins hindering their ability to compete with the large scale operators.

The second trend is technology which William Hill believes is a key enabler of differentiation. The fastest growing products have been supported by innovations in technology, for example in recent years in-play betting and mobile gambling. To exploit this trend requires significant investment in innovation and know-how. The increasing cost of such investment to drive differentiation favours the large scale operator. In many countries, land-based gambling operators have struggled to capitalise fully on the online opportunity because of these hurdles in terms of technology and expertise. To date much of the gambling industry has relied on third party software suppliers for core technology. Increasingly the small number of companies that can afford to do so – like William Hill – are looking to control more of the technology themselves in order to bring customers a differentiated offering.

The third trend is changing regulation which is now a key feature of the gambling industry with many countries revising their regulatory regimes to cater for digital developments. Typically the legal framework will involve the licensing of companies that are required to comply with the domestic regulatory regime and pay gambling taxes in return for being allowed to advertise locally. Licensing regimes, such as the UK's, can

also focus on key social objectives such as encouraging responsible gambling, treating customers fairly, protecting the vulnerable and preventing crime. Regulation is a complex area with each country taking a different approach but William Hill believes that a competitive and regulated market drives out illegal gambling and delivers better value for customers in a safe and responsible way. For operators it provides a level playing field for competition and greater clarity around revenues. However, as regulations are changing gambling law is not always clear. In Europe for instance some local country laws are at odds with European Union legislation that provides for the free movement of goods and services across the EU. Depending on the Group's response this regulatory uncertainty can affect the Group's revenues. William Hill's strategy is to invest in regulated markets where the Group can take a local licence and do so profitably. Approximately 88 per cent. of the Group's Online division's revenues are generated from such markets. Where the Group does not hold a local licence it has a clear legal and risk-assessed position on each significant market from which it generates revenues.

Overview of the Gambling Industry in the Group's Markets

UK

The UK is William Hill's primary market, representing 85 per cent. of Group revenue in the 2015 financial year. Around 70 per cent. of the UK adult population participates in gambling each year including the National Lottery. An estimated 8 million people regularly use land-based and digital gambling, equivalent to 17 per cent. of the UK adult population.³³ This has increased over time with the National Lottery and TV advertising making gambling more socially acceptable as a leisure activity while mobile devices are making gambling products more accessible.

UK Retail Market

The National Lottery is the largest product in the gambling sector offered from 38,000 outlets. LBOs are the second largest segment, generating £3.2 billion of gross gambling yield in 2014/15.³⁴ Between 2010 and 2015 LBO gross gambling yield grew at a compound annual growth rate of 2 per cent.³⁵

LBOs were first legalised in 1961 when the UK government recognised that significant levels of gambling were taking place illegally outside race tracks. The UK government elected to regulate and control the industry through licensing and to tax it. Over the years regulatory change has benefitted the retail market allowing LBOs to broadcast sports events, open for longer hours and provide a more welcoming shop environment. Bookmakers have increasingly offered a wider range of betting and gaming products in LBOs with football betting and gaming machines proving particularly popular.

The number of betting shops has stayed relatively stable for some years at around 9,000, having peaked at circa 16,000 in the 1970s. It declined to 8,800 in 2015 as a number of operators, including William Hill, closed shops in response to the Government increasing gambling duties. The market continues to consolidate slowly with four major operators (87 per cent. of the market as at 30 September 2015)³⁶ continuing to open shops and a gradual reduction in the number of small chains and independent operators. William Hill was the largest UK operator with 26 per cent. of LBOs and an estimated 32 per cent. of revenues for the year April

³³ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

³⁴ Gambling Commission industry Statistics April 2010-March 2015.

³⁵ Gambling Commission Industry Statistics April 2010-March 2015.

³⁶ Gambling Commission Industry Statistics April 2010-March 2015.

2014 to March 2015.³⁷ Plans to merge Ladbrokes and Coral have been announced which would create the largest retail estate. This is being reviewed by the CMA.

Despite the growth of online gambling, LBOs are still very popular with around 70-80 per cent. of UK gamblers,³⁸ even among younger customers. William Hill believes the customer experience is a critical driver of continued LBO usage with shops providing a social environment and many being a hub within their local community.

UK Online Market

The online market including mobile gambling is the fastest growing segment of the UK industry.³⁹ Since it first became established in 1998 the online sector's growth has coincided with an expansion of the total gambling population, suggesting online has offered access to customers who would not naturally use LBOs. In the early years the market was led by the major land-based operators such as William Hill and Ladbrokes which were the most recognised and trusted brands. The entry into the UK online market of more technology-led and specialist online gambling operators has eroded the leaders' market share.

The UK online market was estimated to have generated £2.7 billion of gross gambling yield in 2014 of which sports betting was the biggest contributor. William Hill has an estimated 15 per cent. market share by revenues. Currently the market is fragmented with the Gambling Commission licensing more than 400 online operators. The introduction of the Point of Consumption Tax in December 2014 which applies UK gambling duties based on where the customer is located rather than where the operator is located is expected to lead to greater concentration in the market as smaller scale, lower margin operators withdraw from the market, become less competitive or consolidate.

William Hill believes that sports betting is the most important product for attracting and retaining customers in the UK. It targets the largest segment of the online gambling population, has a lower cost per customer acquisition, the longest customer lifespan and the best potential for cross-selling other gambling products. It also provides the greatest opportunity for product differentiation. In the Group's view the sports betting market has high barriers to entry with the most successful operators like William Hill benefitting from large-scale, well-resourced specialist teams who produce increasing volumes of innovative betting opportunities and use proprietary algorithms to derive pricing for new markets.

Technology acts as a further barrier to entry into the UK online market with significant investments required to support the delivery of a high quality, seamless and differentiated user experience across multiple access channels. As with sports betting differentiation of the gaming product range is also important and companies such as William Hill are increasingly developing and sourcing exclusive proprietary gaming content for their customers.

Australia

William Hill believes that Australia is one of the most attractive gambling markets in the world having the highest spend per capita among the ten largest regulated gambling markets.⁴⁰

Betting – or wagering as it is known locally – now accounts for 21 per cent. of the Australian gambling market at A\$25 billion of turnover and A\$3 billion of gross gambling yield in 2014.⁴¹ Online betting has

³⁷ Company analysis of Gambling Commission Industry Statistics, April 2010-March 2015.

³⁸ Kantar Betscope Study Q2 2015 – Q1 2016, published April 2016.

³⁹ Gambling Commission Industry Statistics, April 2011-March 2015.

⁴⁰ H2GC Global Gambling Data, July 2015.

⁴¹ Roy Morgan Research, State of the Nation, September 2014.

expanded rapidly as a proportion of turnover⁴² as a result of the shift to mobile and high smartphone penetration rates. Betting is the only gambling segment that is fully open to online operators (online gaming being prohibited) and has benefitted from structural growth drivers including a shift to digital betting and an increase in demand for fixed odds betting and wagering on sports as well as horseracing.

For many years the market was dominated by land-based, state monopolies. Since 2006 online has grown from 9 per cent. of the market to around one third today.⁴³ Advertising was allowed in 2008 and William Hill believes mobile betting has grown strongly. Betting on sports has grown to 28 per cent. of the market,⁴⁴ particularly on Australian and American professional sports but betting continues to be dominated by racing. Online in-play betting is banned under the 2001 Interactive Gambling Act but is permitted via a telephone line. William Hill became the first company to launch an in-play offering via digital devices that is consistent with the Act. The Australian Government has recently announced that it considers such betting services breach the provisions and intent of the Act and will therefore introduce legislation to clarify the Act as soon as possible.

In 2015 the Australian Government commissioned a review of the 2001 Interactive Gambling Act to examine: the economic impacts of illegal offshore wagering on licensed Australian wagering businesses; measures from other international regulatory regimes that could be applied in Australia; technological and legislative options to mitigate the costs of illegal offshore wagering and the efficacy of measures to protect the consumer. The Australian Government has now responded to the review and reaffirmed its commitment to taking tougher action against illegal offshore operators. However, the Australian Government also stated that it does not intend to further expand the online betting market in Australia by legalising online in-play betting and will introduce a ban on wagering companies offering lines of credit to strengthen consumer protections.

The Australian online betting market is already more consolidated than the UK's with three leading operators – Tabcorp, Sportsbet (Paddy Power Betfair) and William Hill. A number of European operators have moved into the market in recent years including William Hill, Ladbrokes, Paddy Power Betfair and Bet365 who are looking to use their established expertise in the Australian market. William Hill believes that in the Australian market scale is increasingly important not least because there have been significant increases in betting taxes and levies in recent years including higher race field fees which are paid to support the horseracing industry.

Italy and Spain

A number of European countries have followed the UK in amending or establishing licensing regimes for online gambling. William Hill has obtained licences to operate in Italy, Spain and Ireland.

William Hill believes that Italy is the largest of the European gambling markets with spend per capita on gambling the second highest among the top ten regulated markets in the world, behind only Australia.⁴⁵ Online regulations were first introduced in 2006 to legalise real-money skill games and betting exchanges. Tournament poker was legalised in 2007 and sports betting followed. The Italian online market continues to evolve with further liberalisation of regulation, for instance introducing the Palinsesto Supplementare which has gradually allowed operators to expand their sports betting offerings. The online market was initially dominated by the existing land-based operators in Italy such as Lottomatica, Sisal and Snai but regulatory changes have enabled new operators such as William Hill with skills and capabilities honed in more open competitive markets elsewhere to take leading positions in the market.

⁴² Australian Racing Board Fact Book, January 2016.

⁴³ Roy Morgan Research, State of the Nation, September 2014.

⁴⁴ Roy Morgan Research, State of the Nation, September 2014.

⁴⁵ Company Analysis (March 2016) of H2GC Global Gambling Data (July 2015).

In Spain sports betting features more strongly in the online market, representing around 47 per cent. of gross gaming yield in 2014.⁴⁶ In 2015 Spain regulated online slots for the first time. With no prominent land-based sports betting incumbent the market is led by the major European operators.

USA

The US market is dominated by land-based casinos and lotteries. Online gaming is largely illegal with only Delaware, New Jersey and Nevada having licensed operators allowed to provide certain gaming products. Online sports betting is illegal under the Interstate Wire Act 1961 and state-sponsored land-based sports betting is banned under the PASPA in all but four states – Nevada, Delaware, Montana and Oregon.

In Nevada sports books have to be sited within casinos and typically are either run by the casino operator or outsourced to a specialist operator. William Hill US is the largest such operator by number of outlets and was created through the acquisition and consolidation of three small operators. Nevada also permits mobile betting for customers who create their accounts through land-based outlets. In Delaware sports betting is run by the Delaware State Lottery and William Hill US is the exclusive risk manager for that service. New Jersey is challenging PASPA to allow land-based sports betting in the state. Should this be permitted William Hill has an agreement in place with Monmouth Park racetrack to take advantage of this opportunity.

In the US there has been increased debate about the legalisation of sports betting which has been prompted in part by the increasing popularity of Daily Fantasy Sports Betting. William Hill believes it is well-positioned to capitalise on any opportunities that may arise from changing regulation in the US.

Non-Core Markets

William Hill generates revenues in other countries outside of its five core markets through the provision of online sports betting and gaming products and services. There are approximately 100 countries within this category and revenues from these markets in financial year 2015 made up about 4 per cent. of the Group total. The Group makes regular legal assessments of whether existing regulations allow it to provide these services. As legislation is updated William Hill either applies for a licence or withdraws from the market.

Regulation

The gambling industry is generally highly regulated but the nature and form of the regulatory regime varies from country to country and is subject to ongoing changes.

In Great Britain the gambling industry is regulated under the provisions of the 2005 Gambling Act which authorises the Gambling Commission to act as the central regulatory body for gambling. The Gambling Commission has a duty to permit gambling where it is reasonably consistent with the objectives set out in the Gambling Act which are: (i) to prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime; (ii) to ensure gambling is conducted in a fair and open way and (iii) to protect children and other vulnerable persons from being harmed or exploited by gambling.

William Hill's UK LBO business is regulated by the Gambling Commission and requires three types of licence in order to operate. First is an operating licence issued to the relevant trading company. Second are personal management licences which the Gambling Commission specifies must be held by certain individuals undertaking particular roles. Third are premises licences issued by local authorities for each LBO. The Gambling Commission has issued licence conditions and codes of practice for each type of licence with which operators must comply.

⁴⁶ H2GC Global Gambling Data, July 2015.

The Group's Online business which is headquartered in Gibraltar is licensed and regulated by the Gibraltar Licensing Authority and the Gibraltar Gambling Commissioner respectively. Following changes to the UK regulatory regime in 2014 the business is now also licensed by the Gambling Commission. The Online business also holds licences to operate online businesses in Italy, Spain and Ireland which are subject to the regulatory regime in those countries.

The Online business accepts bets and wagers in Gibraltar where it is licensed to do so from customers which may be located in any country. The terms and conditions of the Group's websites make it clear that it is the customer's responsibility to ensure that transacting with William Hill is legal in the jurisdiction in which they are located. Nevertheless the Group has decided not to accept business from customers located in certain jurisdictions including the United States, China and Turkey amongst others and maintains systems and controls to ensure that it does not offer its products and services into such jurisdictions. As William Hill's Online business is regulated in European Union jurisdictions it may accept business from customers located in certain EU and European Economic Area member states believing it is permitted to do so under EU freedom of movement of goods and services principles. There have, however, been instances of betting and gaming operators being prosecuted by a relevant authority or sued by a monopoly right holder or other market participant for offering their products and services in a particular EU member state in which they are not licensed or otherwise regulated. The Group's legal and regulatory teams monitor developments for all jurisdictions which it believes may pose material risks for William Hill and takes external legal advice where appropriate. The Group does not monitor the legal and regulatory position for all countries in which its online customers may be located or from which its adverts can be accessed via the internet and it may therefore be subject to laws and regulations of which it is not aware. In some countries gambling legislation may not have been updated to take account of the internet and the ability to offer gambling products and services online and therefore there may be uncertainty as to the legality of online gambling.

In Australia interactive and internet gambling is regulated by each individual state and by the Gambling Act 2001 which purports to regulate certain types of interactive and internet gambling occurring both within and outside Australia. William Hill Australia holds licences in the Northern Territory approved by the Northern Territory Racing Commission which provide that its Australian Online business may accept bets from customers located anywhere in the world provided these are made in accordance with the provisions of the Racing and Betting Act 1983 (NT) through servers located in the Northern Territory.

The activities of William Hill US in Nevada are subject to the licensing and regulatory control of the Nevada Gaming Commission, the Nevada State Gaming Control Board and numerous local regulatory agencies, collectively referred to as the "Nevada Gaming Authorities". William Hill's subsidiaries that conduct gambling business in Nevada are licensed to do so by the Nevada Gaming Authorities. William Hill's subsidiary that conducts online gambling in Nevada has obtained a licence which allows it to offer online sports betting on mobile devices for customers physically located in the state of Nevada. It uses geolocation technology to ascertain a customer's location and ensure that no bets from customers outside the state of Nevada are accepted.

Industry Issues

There are a number of issues that affect the gambling industry. The focus of the discussion below is on issues affecting the UK gambling industry as this is the Group's primary market but similar issues may affect the gambling industry in other international markets in which the Group operates or in which its customers may be located.

Responsible Gambling

The growth of the gambling industry in the UK over recent years has led to an increasing focus on responsible gambling. For the majority of customers gambling is a safe and pleasurable pastime. However, for a small number of people gambling can become a problem. This is not confined to addictive gambling but extends to “at risk” gamblers who may simply spend too much time and money gambling. In the UK the levels of problem gambling are stable and low by international standards with 0.6 per cent. of the adult population having a propensity to have a problem with gambling.⁴⁷

Research shows that any gambling product has the capacity to cause harm to a minority of customers but public concern has particularly focused on the availability and accessibility of gaming machines found in betting shops. Under current regulations each LBO is allowed to have up to four gaming machines. William Hill recognises the level of public concern around gaming machines and ensures that the Group is compliant with the Gambling Commission’s Licensing Conditions and Codes of Practice and has also implemented further responsible gambling measures including Codes adopted by industry bodies such as the Association of British Bookmakers and the Senet Group. The UK government is also expected to start its triennial review of gaming machines stakes and prize levels in 2016.

The Group provides a range of tools and processes to encourage responsible gambling and to help its customers stay in control. These include: enabling gaming machine customers to set limits on their time and spend; enabling Online customers to set daily, weekly and monthly deposit limits and to restrict the products on which they play; facilitating customer self-exclusion; requiring customers wanting to stake over £50 on a gaming machine to transact via an account or after gaining authorisation from LBO staff; applying risk-based customer due diligence and conducting responsible gambling interactions with “at risk” customers by trained staff. Responsible gambling controls apply across the UK Retail and Online businesses and in addition the Group applies age verification measures to ensure that under 18 year olds do not gamble with William Hill.

The Group supports the proportionate regulation of gambling, based on evidence, to protect those at risk of harm from gambling and through its business practices encourages responsible gambling. However, regulation to restrict or prohibit gambling products that the Group currently offers could have a material adverse impact on the Group’s business, financial condition and results of operations.

Taxation

In general gambling is a heavily taxed industry. In addition to the taxes incurred by other companies generally gambling operators are often liable for specific gambling related taxes and duties in markets where they may be licensed. For example against revenues of £1,590.9 million earned in the 2015 financial year the Group incurred taxes and duties totalling £418 million.

The trend over recent years in the UK has been for the government to increase the tax burden on gambling companies with for example the introduction of a Machines Games Duty and a subsequent increase in the rate of this duty to 25 per cent. and also the introduction of a Point of Consumption Tax regime for online gambling operators which applies gambling duties based on where the customer is located rather than where the operator is located as previously. In the 2015 financial year such tax increases cost the Group approximately £87 million. In the 2016 Budget the Chancellor announced that free plays on gaming products would no longer be exempt from Remote Gaming Duty further increasing tax costs for operators.

William Hill supports proportionate taxation of the gambling industry but at a level that allows it to continue to invest in and grow its business and generate an appropriate commercial return from its activities. When the UK government announced it was increasing the rate of Machines Games Duty from 20 per cent. to 25 per

⁴⁷ British Gambling Prevalence Survey 2010, Health Survey for England 2013 and Scottish Health Survey 2013.

cent. William Hill decided to close 108 LBOs that it considered would no longer be profitable. Other operators also followed suit. There remains a risk that further tax increases could have a significant negative impact on the Group's business financial condition and results of operations.

Cost of Content

One of the major costs for the UK betting industry is the cost of content. In the UK under a statutory Horserace Betting Levy Scheme the LBO industry supports the UK horseracing industry with a subsidy based on 10.75 per cent. of the betting revenues from UK horseracing. In addition, the industry pays for TV pictures from the racetracks that are broadcast in LBOs. In the 2015 financial year William Hill paid £17.3 million in Horserace Betting Levy including an additional voluntary contribution and picture and data costs of £71.6 million for its Retail business. The Group does not pay Horserace Betting Levy in respect of UK horseracing bets taken from UK customers by its Online business in Gibraltar. The UK government has confirmed that it intends to replace the statutory Horserace Betting Levy with a "racing right" which will extend to cover UK horseracing bets taken online even if struck offshore.

The Group also supports the greyhound racing industry with a voluntary payment calculated at 0.6 per cent. of amounts wagered in the UK on greyhound racing in the UK. In the 2015 financial year the Group paid £2.2 million in respect of this greyhound levy.

The Group pays licence fees to content suppliers for their established intellectual property rights but does not pay for the right to bet on other sports. The Group does support other sports through its sponsorship activities, sponsoring a number of teams and events across football, tennis and darts amongst others. There have been suggestions emanating from the UK government that bookmakers should make additional contributions to support sport in the UK. To date there have been no concrete developments affecting the Group from these suggestions. Changes to the cost of content could have a material adverse impact on the Group's business, financial condition and results of operations.

Sports Integrity

The gambling industry can suffer negative publicity from the association of betting with match fixing which undermines the integrity of sporting competition. Most recently this has been seen in relation to alleged match fixing in tennis.

The Group has a strategy to uphold integrity in sports betting. Internal monitoring mechanisms identify unusual or suspicious betting activity and these are reported to the relevant regulatory bodies and to ESSA, the sports betting integrity body established by the leading regulated sports betting operators to monitor suspicious betting patterns. Reports made to ESSA by one operator are assessed by the trading teams of the other operators within an hour to identify wider issues and determine a rapid response. ESSA also shares information with the relevant regulators and sporting authorities and has information sharing agreements with a large number of sports governing bodies such as the International Olympic Committee.

The Group incorporates integrity as part of the relationship with sports bodies when entering into sponsorship agreements with them and has established memoranda of understanding with individual sports governing bodies such as the British Horseracing Authority and the Tennis Integrity Unit. William Hill is also a member of the Gambling Commission's Sports Betting Integrity Forum.

Cybercrime

Cybercrime is now one of the key risks facing companies, particularly digital companies which hold sensitive customer data. William Hill takes the security of customers' data very seriously throughout the Group and has invested in an ongoing programme of security reviews and testing.

Both the Group's Retail and Online operations are certified compliant with the Payment Card Industry's data security standards. The Group undertakes annual security audits for its regulators and has extended its security compliance monitoring to key third party suppliers. It has implemented several innovative and leading edge technology solutions to enhance its security monitoring and response capabilities which has enabled it to respond quickly to evolving threats. Through awareness initiatives the Group has reviewed its information security practices in its customer service teams and has embedded secure development and security testing practices in its development teams.

The external security threats faced by the Group are becoming increasingly sophisticated and evolve rapidly. The Group proactively assesses threats so it can adapt its response and controls in line with the risk. As part of this William Hill actively engages with the UK government-sponsored Cyber Security Information Sharing Partnership and also participates in a cyber threat sharing forum for the gambling sector. The Group also works with a number of partners to manage these threats which include denial of service attacks and unauthorised attempts to access the Group's systems or customer accounts. The Group has a dedicated Security Operations team which is alerted to and investigates suspicious activity and which successfully mitigated multiple cyber threats against the Group's websites and systems in 2015.

Money Laundering

As part of the regulatory and legislative framework, online gambling is a regulated sector for money laundering purposes pursuant to the Third EU Money Laundering Directive. In the UK the Group also complies with the Proceeds of Crime Act 2002. It has in place processes to detect and report suspicious activity and to handle requests for assistance from law enforcement agencies and regulators all of which is overseen by the Group's Money Laundering Reporting Officer.

In June 2015 the European Parliament passed the Fourth EU Money Laundering Directive which may bring transactions in retail bookmakers under its auspices for the first time. The Group has contributed to HM Treasury's and the Home Office's national risk assessment of the money laundering and terrorist financing risk in the UK as part of the Government's preparations for implementing the Directive. In that risk assessment retail betting and gaming were classed as low risk activities and the impact on the UK gambling sector is expected to be finalised in 2016. However, the Gambling Commission has issued a draft gambling sector risk assessment suggesting retail betting is high risk and is consulting on plans to include additional money laundering measures in its licensing conditions and codes of practice. The Group disputes the Gambling Commission's assessment but awaits the Treasury's consultation on implementation of the Directive which Member States have to complete before May 2017. Depending on the outcome of this consultation the implementation of the Fourth EU Money Laundering Directive could have a material impact on the LBO segment of the gambling industry.

Economy

The success of the gambling industry is not divorced from the underlying economic conditions in which it operates. These can vary between countries. In the UK gambling is generally a low ticket leisure activity which, in the Retail sector, proved to be relatively resilient during the last economic downturn (the Online sector was relatively immature as an industry at this time). Despite the squeeze on consumer discretionary spending due to cost inflation being higher than wage inflation this has not prevented some sectors of the gambling industry growing strongly such as online and mobile. With wage inflation now exceeding cost inflation William Hill expects the industry to benefit from growth in discretionary consumer spending.

DESCRIPTION OF OTHER INDEBTEDNESS

The following financing arrangements have been entered into by members of the Group:

(a) *2014 Revolving Credit Facility*

In May 2014 the Issuer entered into a loan agreement with a syndicate of banks under which such banks made available a £540 million revolving credit facility (the “**2014 Revolving Credit Facility**”). The facility is unsecured but is guaranteed by certain operating subsidiaries of the Group – William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited.

The facility had a five year tenor at inception and expires in May 2019. It is to be used for the Group’s general corporate and working capital purposes. Borrowings under the 2014 Revolving Credit Facility bear interest at LIBOR plus a margin which varies between 1.25 per cent. and 2.50 per cent. depending on the ratio of the Group’s consolidated net debt to its consolidated EBITDA measured over four accounting quarters. Utilisation fees of 0.20 per cent. and 0.40 per cent. are payable if more than one third and two thirds respectively of the facility are drawn. In addition a commitment fee in respect of any undrawn amounts is also payable at a rate of 40 per cent. of the applicable margin.

The facility includes two maintenance financial covenants requiring: (i) the ratio of consolidated EBITDA to consolidated net cash interest payable not to fall below 3.00:1 and (ii) the ratio of consolidated net debt to consolidated EBTDA not to exceed 3.50:1. Both covenants are measured semi-annually. The facility also contains a guarantor coverage test requiring the facility be guaranteed by companies contributing at least 80 per cent. of consolidated Group EBIT.

The agreement includes representations, information and general undertakings and events of default that are customary for debt facilities of this nature involving a publicly listed company.

(b) *7.125 per cent. Guaranteed Notes due 2016*

In November 2009, the Issuer issued £300 million of 7.125 per cent. Guaranteed Notes to investors (the “**7.125 per cent. Guaranteed Notes**”). These notes are unsecured but are guaranteed by certain subsidiaries of the Group – William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited. The 7.125 per cent. Guaranteed Notes had a seven year tenor at inception and are repayable in November 2016 and carry a fixed rate of interest of 7.125 per cent. per annum payable semi-annually. The funds raised were used for general corporate purposes and were applied to repay borrowings under the Group’s then existing credit facilities.

The terms and conditions of the 7.125 per cent. Guaranteed Notes include terms and conditions, including events of default, that are customary for notes of this nature. These includes restrictions on the creation of security (with certain exemptions) and an investor put option that, subject to certain conditions, allows noteholders to request that the Issuer redeem their notes early at 101 per cent. of their face value upon a change of control of the Issuer. There is also a call option that allows the Issuer to redeem the 7.125 per cent. Guaranteed Notes.

(c) *4.25 per cent. Guaranteed Notes due 2020*

In June 2013, the Issuer issued £375 million of 4.25 per cent. Guaranteed Notes to investors (the “**4.25 per cent. Guaranteed Notes**”). These notes are unsecured but are guaranteed by certain subsidiaries of the Group – William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited. The 4.25 per cent. Guaranteed Notes had a seven year tenor at inception and are repayable in June 2020 and carry a fixed rate of interest of 4.25 per cent. per annum

payable semi-annually. The funds raised were used for general corporate purposes and were applied to repay borrowings under the Group's then existing credit facilities.

The terms and conditions of the 4.25 per cent. Guaranteed Notes include terms and conditions, including events of default, that are customary for notes of this nature. These includes restrictions on the creation of security (with certain exemptions) and an investor put option that allows, subject to certain conditions, noteholders to request that the Issuer redeem their notes early at 101 per cent. of their face value upon a change of control of the Issuer. There is also a call option that allows the Issuer to redeem the 4.25 per cent. Guaranteed Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The £350,000,000 4.875 per cent. Guaranteed Notes due 2023 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 and forming a single series with the Notes) of William Hill PLC (the “**Issuer**”) are constituted by a Trust Deed dated 27 May 2016 (the “**Trust Deed**”) made between the Issuer and William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited (each a “**Guarantor**” and together, the “**Guarantors**” and the expression “**Guarantors**” shall include any Subsidiary of the Issuer which becomes a Guarantor pursuant to Condition 3(d) but shall not include any Subsidiary of the Issuer which has ceased to be a Guarantor pursuant to Condition 3(c)) as guarantors and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the holders of the Notes (the “**Noteholders**”) and the holders of the interest coupons appertaining to the Notes (the “**Couponholders**” and the “**Coupons**” respectively).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 27 May 2016 (the “**Agency Agreement**”) made between the Issuer, the Guarantors, Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent and together with any other paying agents appointed from time to time, the “**Paying Agents**”, which expression shall include any additional or successor paying agents) and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Notes at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 Form, Denomination And Title

(a) *Form and Denomination*

The Notes are in bearer form, serially numbered, in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, each with Coupons attached on issue. Notes of one denomination may not be exchanged for Notes of any other denomination.

(b) *Title*

Title to the Notes and to the Coupons will pass by delivery.

(c) *Holder Absolute Owner*

The Issuer, each Guarantor, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2 Status of the Notes

The Notes and the Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3 Notes Guarantee

(a) Notes Guarantee

The payment of the principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally unconditionally and irrevocably (subject to the provisions of Condition 3(c)) guaranteed by each of the Guarantors (the "Notes Guarantee") in the Trust Deed. As of the Issue Date, the Guarantors are William Hill Organization Limited, WHG (International) Limited and William Hill Australia Holdings Pty Limited.

(b) Status of the Notes Guarantee

The obligations of each Guarantor under the Notes Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of such Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

(c) Release of a Guarantor

The Issuer may by written notice to the Trustee signed by two Directors of the Issuer request that a Guarantor cease to be a Guarantor if such Guarantor is no longer providing a Guarantee in respect of any Debt of the Issuer. Upon the Trustee's receipt of such notice, such Guarantor shall automatically and irrevocably be released and relieved of any obligation under the Notes Guarantee. Such notice must also contain the following certifications:

- (i) no Event of Default is continuing or will result from the release of that Guarantor;
- (ii) no part of the Debt in respect of which that Guarantor is or was providing a Guarantee is at that time due and payable but unpaid; and
- (iii) such Guarantor is not (or will cease to be simultaneously with such release) providing a Guarantee in respect of any other Debt of the Issuer.

If a Guarantor provides a Guarantee in respect of any other Debt of the Issuer at any time subsequent to the date on which it is released from the Notes Guarantee as described above, such Guarantor will be required to provide a guarantee as described in Condition 3(d).

(d) Additional Guarantors

If at any time after the Issue Date, any Subsidiary of the Issuer provides or at the time it becomes a Subsidiary is providing a Guarantee in respect of any Debt of the Issuer, the Issuer covenants that it shall procure that such Subsidiary shall at or prior to the date of the giving of such Guarantee or at the time it so becomes a Subsidiary and is providing such a Guarantee execute and deliver a supplemental trust deed with the Trustee, such supplemental trust deed to be in a form and with substance reasonably satisfactory to the Trustee, and accompanied by such opinion(s) as the Trustee shall require pursuant to

which such Subsidiary shall guarantee the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed on terms *mutatis mutandis* as the Notes Guarantee including, but not limited to, such guarantee being joint and several. Each other Guarantor has in the Trust Deed confirmed that it has consented to any such entity becoming a Guarantor as aforesaid without any need for it to execute any supplemental trust deed.

(e) ***Notice of change of Guarantors***

Notice of any release of a Guarantor or addition of a Guarantor pursuant to this Condition will be given to the Noteholders in accordance with Condition 13.

4 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), each of the Issuer and each Guarantor shall not, and the Issuer shall procure that no other Subsidiary of it shall create, assume or permit to subsist, as security for any Debt, any Security other than any Permitted Security upon the whole or any part of its present or future revenues or assets unless, in any such case, the Issuer and/or the relevant Guarantor and/or the other Subsidiary, as the case may be, shall simultaneously with, or prior to, the creation or assumption of such Security and, in any other case, promptly, take any and all action necessary to procure that all amounts payable in respect of the Notes by the Issuer and by the Guarantors in respect of the Notes Guarantee, are secured equally and rateably with the Debt secured by such Security to the satisfaction of the Trustee or that such other Security is provided or such other arrangement (whether or not including the giving of Security) is made as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

5 Interest

(a) ***Interest Rate and Interest Payment Dates***

The Notes bear interest on their principal amount from and including the Issue Date at the rate of 4.875 per cent. per annum (the “**Rate of Interest**”), payable semi-annually in arrear on 7 March and 7 September in each year (each an “**Interest Payment Date**”). The first payment (for the period from and including 27 May 2016 to but excluding 7 September 2016 and amounting to £13.64 per Calculation Amount) shall be made on 7 September 2016. Each payment thereafter (for each full half-year from and including 7 September 2016 to but excluding 7 September 2023 and amounting to £24.375 per Calculation Amount) shall be made on the relevant Interest Payment Date. In the case of any such period, the amount of interest payable in respect of a Note shall be the product of the relevant amount per Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the denomination of such Note.

(b) ***Interest Accrual***

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

(c) ***Calculation of Broken Interest***

Whenever interest is required to be calculated in respect of a period other than the periods described in Condition 5(a), it shall be calculated by (i) applying the Rate of Interest to the Calculation Amount, (ii)

multiplying such product by (a) the actual number of days in the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due (such period, the “**Accrual Period**”) divided by (b) the product of (A) the number of days in the Determination Period in which the Accrual Period falls (“**Determination Period**” means the period from and including the earlier of the 7 March or 7 September (as the case may be) preceding the date on which such interest falls due to but excluding the earlier of the next following 7 September or 7 March (as the case may be)) and (B) two and (iii) rounding the resultant figure to the nearest pence, half of any pence being rounded upwards. In the case of any such period, the amount of interest payable in respect of a Note shall be the product of the amount (determined in the manner provided above) per Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the denomination of such Note, without any further rounding.

6 Payments

(a) *Payments in respect of Notes*

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

(b) *Method of Payment*

Payments will be made by credit or transfer to an account in pounds sterling maintained by the payee with or, at the option of the payee, by a cheque in pounds sterling drawn on, a bank in London.

(c) *Missing Unmatured Coupons*

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

(d) *Payments subject to Applicable Laws*

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment but without prejudice to the provisions of Condition 8.

(e) *Payment only on a Presentation Date*

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

(f) ***Initial Paying Agent***

The name of the initial Paying Agent and its initial specified office are set out at the end of these Conditions. The Issuer and the Guarantors reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (i) there will at all times be a Principal Paying Agent; and
- (ii) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Notes are admitted to official listing on the London Stock Exchange shall be London or such other place as the UK Listing Authority may approve.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

7 Redemption and Purchase

(a) ***Redemption at Maturity***

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 7 September 2023, subject as provided in Condition 6(e).

(b) ***Redemption for Taxation Reasons***

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (i) on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or (ii) the Issuer is unable to make payment itself and all of the Guarantors in making payment themselves would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after (i) in the case of the Issuer or the Subsidiary of the Issuer which is the Guarantor as at the Issue Date, 25 May 2016 or (ii) in the case of any Subsidiary of the Issuer which becomes a Guarantor after the Issue Date, the first day after such Subsidiary becomes a Guarantor pursuant to Condition 3(d); and
- (ii) the requirement cannot be avoided by the Issuer or, as the case may be, any Guarantor or Guarantors taking reasonable measures available to it or them, as the case may be,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantors would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the requirement referred to in (i) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it or them, as the case may be, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the

conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) ***Redemption at the Option of the Holders upon a Put Event***

If a Put Event occurs, unless notice of redemption of all of the Notes has previously been given pursuant to Condition 7(b) or 7(d), each Noteholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase the Notes of such holder at a cash purchase price equal to 101 per cent. of the principal amount thereof together with interest accrued to but excluding the date of redemption or purchase, as the case may be. Such option shall operate as set out below.

As soon as practicable after the occurrence of a Put Event and in any case not later than 30 days thereafter, the Issuer shall, and at any time upon the Trustee becoming aware that a Put Event has occurred the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give a notice (the “**Change of Control Notice**”) to the Trustee (in the case of a notice from the Issuer) and the Noteholders in accordance with Condition 13 stating:

- (i) that a Put Event has occurred and that each Noteholder is entitled to require the Issuer to redeem or purchase the Notes of such holder pursuant to this Condition 7(c);
- (ii) the circumstances and relevant facts regarding such Put Event;
- (iii) the redemption or purchase price and the redemption or purchase date (which shall be the date falling seven days after the expiry of the Put Period (the “**Put Date**”)); and
- (iv) the procedures for exercising the option in this Condition 7(c).

To exercise the option to require the redemption or purchase of a Note under this Condition 7(c), the holder of the Note must deliver such Note at the specified office of a Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Put Period**”) of 45 days after the Change of Control Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of each Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the Put Date, failing which the relevant Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6(c). The relevant Paying Agent will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. If the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, payment in respect of any Note so delivered will be made on the Put Date by transfer to that bank account. In every other case, payment in respect of any Note so delivered will be made on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of a Paying Agent. A Change of Control Put Notice, once given shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition shall be treated as if they were Notes. The Issuer shall redeem or purchase the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

The Trustee is under no obligation to ascertain whether a Put Event or any event which could lead to the occurrence of or could constitute a Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or other such event has occurred.

A “**Put Event**” will occur if while any of the Notes remains outstanding:

- (i) a Change of Control occurs; and
- (ii) either (a) the Notes do not have an Investment Grade rating from at least two of the Rating Agencies at the time the Change of Control occurs or (b) the Notes do have an Investment Grade rating from at least two of the Rating Agencies (and if there are more than two such ratings, the Issuer shall be entitled to determine which two Rating Agencies shall be relevant for the purposes of this provision) at the time the Change of Control occurs but at any time during the Change of Control Period either such Rating Agency rates the Notes as non-Investment Grade and such rating is not within the Change of Control Period restored to an Investment Grade rating by such Rating Agency or replaced by an Investment Grade rating of another Rating Agency, or any such Rating Agency withdraws its rating of the Notes and the rating of such Rating Agency is not within the Change of Control Period replaced by an Investment Grade rating of another Rating Agency; and in each case such Rating Agency announces or publicly confirms or informs the Trustee in writing that such non-Investment Grade rating or withdrawal of rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control (whether or not the Change of Control shall have occurred at the time such rating is given or rating is withdrawn).

(d) ***Redemption at the Option of the Issuer***

The Issuer may, having given:

- (i) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 13; and
- (ii) notice to the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (i),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all of the Notes or, subject as provided in Condition 7(e) below, from time to time some only at any time at such amount as is equal to the greater of the following together with interest accrued to but excluding the date of redemption:

- (A) the principal amount outstanding of the Notes; and
- (B) the price, expressed as a percentage (as reported in writing to the Issuer and the Trustee by a financial adviser approved by the Trustee), at which the Gross Redemption Yield on the Notes (if the Notes were to remain outstanding to their original maturity) on the Calculation Date is equal to (x) the Gross Redemption Yield at 3.00 p.m. (London time) on that date of the 2.25 per cent. Treasury Stock due September 2023 (or, where such financial adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other government stock as such financial adviser may recommend) plus (y) 0.50 per cent.

For such purposes, “**Calculation Date**” means the date which is the second business day in London prior to the date of redemption and “**Gross Redemption Yield**” means a yield calculated on the basis set out by the United Kingdom Debt Management Office in the paper “**Formulae for Calculating Gilt Prices from Yields**” page 5, Section One: Price/Yield Formulae “**Conventional Gilts; Double-dated and Undated Gilts and Assumed (or Actual) Redemption on a Quasi-Coupon Date**” (published 8 June 1998 and subsequently updated on 15 January 2002 and 16 March 2005 and as further updated or amended from time to time). For the purposes of

the above calculation, “**business day in London**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

(e) ***Provisions relating to Partial Redemption***

In the case of a partial redemption of Notes, Notes to be redeemed will be selected, in such place as the Trustee may approve and in such manner as the Trustee may deem appropriate and fair, not more than 30 days before the date fixed for redemption. Notice of any such selection will be given not less than 15 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the serial numbers of the Notes called for redemption, the serial numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

(f) ***Purchases***

The Issuer, any Guarantor or any of the Issuer’s other Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation.

(g) ***Cancellations***

All Notes which are purchased and surrendered to the Principal Paying Agent pursuant to Condition 7(f) or redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly cannot be reissued or resold.

(h) ***Notices Final***

Upon the expiry of any notice as is referred to in Condition 7(b) or 7(d) above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

8 Taxation

(a) ***Payment without Withholding***

All payments in respect of the Notes by or on behalf of the Issuer or a Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any Relevant Jurisdictions unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on

the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date.

Notwithstanding any other provision of the Terms and Conditions of the Notes or the Trust Deed, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to FATCA (any such withholding or deduction, a “**FATCA Withholding**”). None of the Issuer, any Guarantor or any other person will be required to pay any additional amounts in respect of FATCA Withholding.

(b) *Additional Amounts*

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

9 Prescription

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6(c).

10 Events of Default

(a) *Events of Default*

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in subparagraphs (ii) to (iv) (other than the winding up or dissolution of the Issuer or a Guarantor), and (v) to (vii) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (“**Events of Default**”):

- (i) if default is made in the payment of any (1) principal or (2) premium or purchase moneys due under Condition 7(c) in respect of any of the Notes for a period of seven days or more or if default is made in the payment of any interest due in respect of any of the Notes for a period of 14 days or more; or
- (ii) if the Issuer or a Guarantor fails to perform or observe any of its obligations under these Conditions or the Trust Deed (other than any obligation for either the payment of any (1) principal or (2) premium or purchase moneys due under Condition 7(c) or (3) interest or as provided in (x) below) and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if (1) any Indebtedness for Borrowed Money of the Issuer, a Guarantor or any Principal Subsidiary becomes due and repayable prematurely by reason of an event of default (however

described); (2) the Issuer, a Guarantor or any Principal Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (3) any security given by the Issuer, a Guarantor or any Principal Subsidiary for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or (4) default is made by the Issuer, a Guarantor or any Principal Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other Person; provided that no event described in this subparagraph (iii) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and remaining unpaid as referred to in (1) to (4) above which have occurred and are continuing, amounts to at least £25,000,000 (or its equivalent in any other currency); or

- (iv) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, a Guarantor or any Principal Subsidiary, save for (1) the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (2) in the case of a Principal Subsidiary, a voluntary solvent winding up in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Principal Subsidiary; or
- (v) if any of the Issuer, a Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for (1) the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, (2) in the case of a Principal Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Principal Subsidiary or (3) the purposes of a Permitted Disposal; or the Issuer, a Guarantor or any Principal Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts (in the case of the Issuer and William Hill Organization Limited, within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) if (1) proceedings are initiated against the Issuer, a Guarantor or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of a liquidator, administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, a Guarantor or any Principal Subsidiary or, as the case may be, in relation to the whole or any substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of any of them, and (2) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 21 days, save in any such case for the purpose of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or, in the case of a Principal

Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Principal Subsidiary; or

- (vii) if the Issuer, a Guarantor or any Principal Subsidiary (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium), save in any such case for the purpose of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or, in the case of a Principal Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Principal Subsidiary; or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (viii) if the Notes Guarantee ceases to be, or is claimed by the Issuer or a Guarantor not to be, in full force and effect in relation to any Guarantor (except in accordance with Condition 3(c)); or
- (ix) if a Guarantor ceases to be a Subsidiary wholly-owned and controlled, directly or indirectly, by the Issuer; or
- (x) if the Issuer or a Guarantor fails to perform or observe any of its obligations under Condition 4 and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (xi) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (iv) to (vii).

(b) ***Reports***

A report by two Directors of the Issuer addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11 Enforcement

(a) ***Enforcement by the Trustee***

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or any one or more of the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

(b) ***Enforcement by the Noteholders***

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12 Replacement of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13 Notices

(a) ***Notices to the Noteholders***

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

(b) ***Notices from the Noteholders***

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

14 Substitution

The Trustee may agree, subject to the conditions set out in the immediately following sentence, but without the consent of the Noteholders or the Couponholders, to the substitution of the Holding Company or of a Subsidiary of the Issuer or of a Successor in Business (as defined in the Trust Deed) in place of the Issuer as principal debtor under the Notes and the Coupons and under the Trust Deed. Such agreement may only be granted if, *inter alia*, the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders and the Couponholders.

15 Meetings of Noteholders, Modification, Waiver, Authorisation and Determination

(a) ***Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing

an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (as more fully described in the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one third, of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the persons voting at such meeting or three-fourths of the votes cast on a poll, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consents given by way of electronic consents through the relevant clearing system(s) (in accordance with the Trust Deed) by or on behalf of the holder(s) of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) ***Modification, Waiver, Authorisation and Determination***

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

(c) ***Trustee to have Regard to Interests of Noteholders as a Class***

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

(d) ***Notification to the Noteholders***

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

16 Indemnification of the Trustee And Its Contracting with the Issuer and/or a Guarantor

(a) *Indemnification of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

(b) *Trustee Contracting with the Issuer and/or a Guarantor*

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17 Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

18 Governing Law

(a) *Governing Law*

The Trust Deed (including the Notes Guarantee), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with any of them are governed by, and will be construed in accordance with, English law.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Note or Coupons and accordingly any legal action or proceedings arising out of or in connection with any Notes or Coupons ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantors irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes and Coupons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or

more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) ***Agent for Service of Process***

Each of WHG (International) Limited and William Hill Australia Holdings Pty Limited irrevocably appoints William Hill PLC as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by WHG (International) Limited or William Hill Australia Holdings Pty Limited). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of WHG (International) Limited and William Hill Australia Holdings Pty Limited irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

19 Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 Definitions

For the purposes of these Conditions:

“Applicable Percentage” means:

- (i) for so long as any of the Existing Bonds remains outstanding, 5 per cent.; and
- (ii) from (and including) the date on which none of the Existing Bonds remains outstanding, 10 per cent.;

“Business Day” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place;

“Calculation Amount” means £1,000;

“Capital Stock” of any Person means any and all shares, interests, participations or other equivalents of or interests (including partnership interests) in (however designated) equity of such Person, including any Preferred Stock, and all rights to purchase, warrants, options or other equivalents with respect to any of the foregoing, but excluding any debt securities convertible into or exchangeable for such equity;

“Change of Control” means:

- (i) any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer or any holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (b) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; or

- (ii) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any Person;

“**Change of Control Period**” means the period:

- (i) commencing on the date that is one Business Day in London before the date of the relevant Change of Control; and
- (ii) ending 90 days after the date of the Change of Control or such longer period for which the Notes are under consideration by a Rating Agency for rating or rating review (such consideration having been announced publicly within the period ending 90 days after the date of the Change of Control and such period not to exceed 60 days after the public announcement of such consideration);

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended;

“**Consolidated EBIT**” means, in respect of any period, the EBIT for such period of all members of the Group included in the Group’s consolidated financial statements for such period, calculated on a consolidated basis without double counting; provided that if, in respect of any period, such calculation results in zero or a negative number, Consolidated EBIT for such period shall be deemed to be £1;

“**Debt**” means, with respect to any Person on any date of determination (without duplication):

- (i) the principal of and premium (if any such premium is then due and owing) in respect of:
 - (a) moneys borrowed by such Person; and
 - (b) indebtedness evidenced by bonds, notes, debentures, loan stock or other similar instruments for the payment of which such Person is responsible or liable;
- (ii) all finance or capital leases (as defined by reference to GAAP applied in the preparation of the Original Financial Statements) of such Person;
- (iii) all the principal of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);
- (iv) the principal of any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;
- (v) the principal of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (vi) all obligations of such Person in respect of bid, performance, advanced payment, completion, surety or appeal bonds or Guarantees or counter-indemnities of any of the foregoing, VAT guarantees or similar instruments and all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction (including Guarantees or indemnities related thereto);
- (vii) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person (but excluding, in each case, any accrued dividends); and
- (viii) all obligations of the type referred to in subparagraphs (i) through (vii) of other Persons and all dividends of other Persons for, the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee,

provided that “Debt” shall not include any netting, set-off or other cash pooling arrangement entered into by any member of the Group in the ordinary course of its banking arrangements;

“**Disqualified Stock**”, with respect to any Person, means any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

- (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise prior to the stated maturity of the Notes;
- (ii) is convertible or exchangeable at the option of the holder for Debt or Disqualified Stock; or
- (iii) is mandatorily redeemable or must be purchased, upon the occurrence of certain events or otherwise, in whole or in part, in each case on or prior to the first anniversary of the stated maturity of the Notes,

and any Preferred Stock of a Subsidiary of the Issuer, provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Issuer or a Subsidiary of it to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “**change of control**” occurring prior to the first anniversary of the stated maturity of the Notes shall not constitute Disqualified Stock if:

- (i) the “change of control” provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes and described under Condition 7(c) (“*Redemption at the Option of the Holders upon a Put Event*”); and
- (ii) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the redemption or purchase of any Notes tendered pursuant thereto.

If Capital Stock is issued to any plan for the benefit of directors, officers or employees of the Issuer or any of its Subsidiaries or by any such plan to such directors, officers or employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary of it in order to satisfy applicable statutory or regulatory obligations;

“**EBIT**” means, in respect of a member of the Group, in respect of any period, the profit or loss of that member of the Group for such period:

- (i) before any deduction of tax;
 - (ii) before interest or other finance income or expense;
 - (iii) before any write off, charge or amortisation of any fair value adjustments on acquisitions;
 - (iv) excluding extraordinary or exceptional items;
 - (v) after deducting (to the extent otherwise included) the amount of profit (or adding back the loss) of that member of the Group which is attributable to any third party (not being a member of the Group) which is a shareholder in that member of the Group;
 - (vi) after deducting (to the extent otherwise included) any gain over book value arising in favour of that member of the Group on the disposal of any asset (not being any disposals made in the ordinary course of trading) during such period and any gain arising on any revaluation of any asset during such period;
 - (vii) after adding back (to the extent otherwise included) any loss against book value incurred by that member of the Group on the disposal of any asset (not being any disposals made in the ordinary course of trading) during such period and any loss arising on any revaluation of any asset during such period;
- and

(viii) without taking into account any non-cash and non-trading items included in the statement of total recognised income and expense;

“**Existing Bonds**” means the Issuer’s £300 million 7.125 per cent. Guaranteed Notes due 2016 and the Issuer’s £375 million 4.25 per cent. Guaranteed Notes due 2020;

“**FATCA**” means (i) sections 1471 through 1474 of the Code; (ii) any similar or successor legislation to sections 1471 to 1474 of the Code; (iii) any regulations or guidance pursuant to any of the foregoing; (iv) any official interpretations of any of the foregoing; (v) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an “**IGA**”); (vi) any law implementing an IGA; or (vii) any agreement with the United States or any other jurisdiction or authority pursuant to the foregoing;

“**GAAP**” means generally accepted accounting practice in the United Kingdom;

“**Group**” means the Issuer and its Subsidiaries;

“**Guarantee**” means any obligation of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, of such Person:

- (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (ii) entered into for purposes of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

The term “Guarantee” used as a verb has a corresponding meaning;

“**Holding Company**” means the ultimate holding company for the time being of the Issuer or, if at any relevant time there shall be no such Holding Company, then Holding Company shall mean the Issuer itself;

“**Indebtedness for Borrowed Money**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) moneys borrowed, (ii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash or (iii) any liability under or in respect of any acceptance or acceptance credit;

“**Investment Grade**” means, with respect to a rating given by a Rating Agency, an investment grade credit rating (Baa3 or BBB-, as the case may be, or equivalent, or better) from such Rating Agency;

“**Issue Date**” means 27 May 2016;

“**Original Financial Statements**” means the audited consolidated financial statements of the Issuer, for the financial year ended 29 December 2015;

“**Permitted Disposal**” means a *bona fide* disposal for full value on an arm’s length basis of the whole or substantially the whole of the business, undertaking and assets of the Issuer, a Guarantor or a Principal Subsidiary;

“**Permitted Security**” means:

- (i) any Security existing at the Issue Date;

- (ii) any Security on assets acquired by a member of the Group after the Issue Date provided that (a) any such Security is in existence prior to, and has not been created at the instigation of the Issuer and/or any Guarantor, as the case may be, in contemplation of, such acquisition and (b) the amount secured by such Security does not exceed, at any time, the amount secured thereby as at the date of acquisition (the “**Maximum Amount**”);
- (iii) any Security on assets of a company which becomes a member of the Group after the Issue Date provided that (a) any such Security is in existence prior to, and has not been created at the instigation of the Issuer and/or any Guarantor, as the case may be, in contemplation of, such company becoming a member of the Group and (b) the amount secured by such Security does not exceed, at any time, the amount secured thereby as at the date such company becomes a member of the Group (the “**Maximum Amount**”);
- (iv) any Security created after the Issue Date as additional security for the amount secured by any Security falling within (i), (ii) or (iii) above the agreement for which contains an obligation to create such additional security;
- (v) any Security created for the purpose of securing a counter-indemnity or any other obligations provided by any member of the Group in connection with the issuance of any performance bonds, advance payment bonds or documentary letters of credit arising in the ordinary course of its business;
- (vi) any Security created as security for any Debt incurred solely for the purpose of any extension of maturity, renewal or refinancing of any indebtedness secured by Security permitted by (i) to (v) above; and
- (vii) (x) any Security on assets acquired by a member of the Group or on assets of a company which becomes a member of the Group, in each case referred to in (ii) and (iii) above to the extent that the Debt secured thereby exceeds the relevant Maximum Amount and (y) any other Security created over any asset of any member of the Group (other than any Security referred to in (i) to (vi) above) provided that the maximum aggregate amount of the Debt secured by such Security referred to in (x) and (y) (being, in the case of any Security referred to in (x) above, the excess over the relevant Maximum Amount) does not, on the date of creation of the latest such Security or, as the case may be, the assumption of any such additional Debt, exceed £150,000,000;

“**Person**” means, any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

“**Preferred Stock**”, as applied to the Capital Stock of any corporation, means Capital Stock of any series (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other series of such corporation;

“**Presentation Date**” means a day which (subject to Condition 9):

- (i) is or falls after the relevant due date;
- (ii) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (iii) in the case of payment by credit or transfer to a pounds sterling account in London as referred to above), is a Business Day in London;

“Principal Subsidiary” means each Subsidiary of the Issuer whose contribution to Consolidated EBIT equals or exceeds the Applicable Percentage of Consolidated EBIT in respect of any financial year. For this purpose:

- (i) the contribution of a Subsidiary of the Issuer shall be made by reference to:
 - (a) the latest unconsolidated financial statements of the relevant company used for the purpose of the latest annual or semi-annual consolidated financial statements of the Issuer; and
 - (b) the latest annual or semi-annual consolidated financial statements of the Issuer; and
- (ii) any Subsidiary of the Issuer to which any Principal Subsidiary transfers all or substantially all of its assets or business shall be deemed to be a Principal Subsidiary. In such case, the relevant transferring Subsidiary shall cease to be a Principal Subsidiary; and
- (iii) any company that becomes a member of the Group shall (on becoming a member of the Group) be a Principal Subsidiary if such would have been the case had the relevant company become a member of the Group prior to the end of the relevant financial year, but a company becoming a Principal Subsidiary under this paragraph (iii) shall cease to be a Principal Subsidiary on the next occasion on which such financial statements are published, unless it is otherwise determined to be a Principal Subsidiary in accordance with the other provisions of this definition;

“Put Event” is as defined in Condition 7(c);

“Rating Agency” means (i) Moody’s Investors Services Ltd., (ii) Standard & Poor’s Credit Market Services Europe Limited or (iii) Fitch Ratings Ltd or their respective successors or any internationally recognised securities rating agency or agencies substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee (which approval may be given by the Trustee if to do so would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders) (and the Trustee may (and shall if so required by the Issuer, subject to its being indemnified and/or secured and/or prefunded to its satisfaction) consult promptly and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable to the Noteholders, Couponholders or any other person for such reliance) and, in each case, their successors but excluding any rating agency providing a rating of the Notes on an unsolicited basis;

“Relevant Date” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13;

“Relevant Jurisdiction” means:

- (i) in respect of the Issuer and (for so long as it is a Guarantor) William Hill Organization Limited, the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or William Hill Organization Limited, as the case may be, is or becomes subject in respect of payments on the Notes and Coupons;
- (ii) in respect of William Hill Australia Holdings Pty Limited (for so long as it is a Guarantor), Australia or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which William Hill Australia Holdings Pty Limited is or becomes subject in respect of payments on the Notes and Coupons;

- (iii) in respect of WHG (International) Limited (for so long as it is a Guarantor), Gibraltar or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which WHG (International) Limited is or becomes subject in respect of payments on the Notes and Coupons; and
- (iv) in respect of any other Subsidiary of the Issuer that becomes a Guarantor pursuant to Condition 3(d), the jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which such Subsidiary is or becomes subject in respect of payments in respect of the Notes and Coupons;

“Security” means (a) any mortgage, charge, pledge, lien or other security interest other than a lien arising solely by operation of law; (b) any trust or similar agreement or arrangement entered into with the intention of creating security; and (c) any right of set-off, flawed asset or similar arrangement relating to credit balances and which (in the case of any of (a), (b) or (c)) secures any Debt of any Person; and

“Subsidiary” means a subsidiary within the meaning of section 1159 of the Companies Act 2006 as amended.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.

Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

- (a) upon the happening of any of the events defined in the Trust Deed as “Events of Default”;
- (b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
- (c) if the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

Payments

On and after 6 July 2016, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying

Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 and Condition 7(c)) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Prescription

Claims against the Issuer and the Guarantors in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 20).

Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of

the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

Put Option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 7(c) may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common depository for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly within the time limits set forth in that Condition.

Redemption at the Option of the Issuer

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no drawing of Notes will be required under Condition 7(e) in the event that the Issuer exercises its call option pursuant to Condition 7(d) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Note(s) are to be subject to such option.

Euroclear and Clearstream, Luxembourg

References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

TAXATION

United Kingdom

The following summary of certain United Kingdom tax issues applies only to persons who are the beneficial owners of Notes. It is based on a summary of the Issuer's understanding of United Kingdom law and published practice relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may therefore differ to that set out below or may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. This summary only deals with the matters expressly set out below.

Interest on the Notes

Withholding tax on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act"). The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to any other available exemptions or reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The references to "interest" above mean "interest" as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any Notes redeemable at a premium may constitute a payment of interest which is subject to the withholding tax provisions discussed above.

Guarantee payments in respect of interest

The United Kingdom withholding tax treatment of payments in respect of interest on the Notes made by the Guarantors under the terms of the Notes Guarantee is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemptions described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantors make any such payments, these may be subject to United Kingdom withholding tax at the basic rate subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other relief that may apply.

Further United Kingdom Income Tax Issues

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source properly received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

United Kingdom Corporation Tax Payers

In general, Noteholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all profits and gains from the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their IFRS or UK GAAP accounting treatment.

Other United Kingdom Tax Payers

Interest

Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Notes.

Taxation of Chargeable Gains

Subject to what follows, the Notes will constitute “qualifying corporate bonds” within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a Noteholder of a Note will not give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains.

Whether or not Notes issued under Condition 17 will constitute “qualifying corporate bonds” may depend upon the circumstances at the time of issue.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Act, if that Noteholder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No United Kingdom stamp duty or SDRT is payable on the issue or transfer by delivery of the Notes or on their redemption.

Gibraltar

Overview

The following statements are intended only as a general guide to certain Gibraltar tax considerations and do not purport to be a complete analysis of all potential Gibraltar tax consequences of issuance of the Notes. They are based on current Gibraltar tax law and what is understood to be the current practice (which may not be binding) of HM Government of Gibraltar’s Income Tax Office (“**ITO**”) as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. They relate only to prospective

Noteholders who are ordinarily resident for tax purposes in Gibraltar in respect of Gibraltar tax liability (except insofar as express reference is made to the treatment of non-Gibraltar residents).

Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than Gibraltar are strongly recommended to consult their own professional advisers. In particular, it is recommended that an individual ordinarily resident in Gibraltar and also resident in any one or more other jurisdictions or who is a citizen of a jurisdiction which retains taxation rights on the basis of citizenship should take advice from their professional advisers in each of those jurisdictions in respect of potential liability in those other jurisdictions. This summary only deals with the matters expressly set out below.

Interest on the Notes

Withholding tax on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of Gibraltar income tax.

Further Gibraltar Income Tax Issues

Interest on the Notes constitutes Gibraltar source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a Gibraltar source properly received without deduction or withholding on account of Gibraltar tax will not be chargeable to Gibraltar tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in Gibraltar unless that Noteholder carries on a trade, profession or vocation in Gibraltar through a Gibraltar branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in Gibraltar through a permanent establishment in connection with which the interest is received or to which the Notes are attributable).

Guarantee Payments in respect of interest

There is no withholding in Gibraltar in respect of any payment of interest on the Notes made by the Guarantors under the terms of the Guarantee.

Gibraltar Company Tax Payers

In general, Noteholders which are within the charge to Gibraltar tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

Stamp Duty - Subsequent transfers

There is no stamp duty payable in Gibraltar on any issue or transfer by delivery of the Notes or on their redemption.

Australia

Prospective holders of Notes should seek independent advice on the Australian and foreign tax implications of an investment in the Notes in their particular circumstances. This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes.

The following is a summary of the Australian interest withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia, as at the date of this Prospectus, for payments of interest on

the Notes and payments by William Hill Australia in relation to interest obligations of the Issuer. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including, dealers in securities, custodians or other third parties who hold the Notes on behalf of others).

Payments by the Issuer of interest on the Notes will not be subject to Australian interest withholding tax.

Australian law is not settled in relation to payments by William Hill Australia in relation to interest obligations of the Issuer. The Australian Commissioner of Taxation has expressed the view that payments by an Australian resident guarantor in relation to unpaid interest are themselves in the nature of interest and subject to Australian interest withholding tax. While that expression of opinion has no binding effect, it is an indication that the Australian Commissioner of Taxation may seek to collect Australian interest withholding tax on payments of that kind. In the event that any withholding taxes are required to be withheld or deducted from any payments under the Notes Guarantee, William Hill Australia will, subject to certain exceptions described in this Prospectus, be required to pay such additional amounts as will result, after deduction or withholding of such taxes, in the receipt of the amounts which would have been received under Notes Guarantee had no such withholding or deduction been required.

SUBSCRIPTION AND SALE

Banco Santander, S.A., Lloyds Bank plc and The Royal Bank of Scotland plc (the “**Active Joint Lead Managers**”), Barclays Bank PLC and Mediobanca-Banca di Credito Finanziario S.p.A. (together with the Active Joint Lead Managers, the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 25 May 2016, jointly and severally agreed to subscribe for the Notes at the issue price of 100 per cent. of the principal amount of Notes. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, WHO, WHG or William Hill Australia; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

No action has been taken by the Issuer, WHO, WHG, William Hill Australia or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where

any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief having made all reasonable enquiries, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by resolutions of the Board of Directors of the Issuer dated 20 January 2016 and 22 February 2016 and a resolution of a committee of the Board of Directors of the Issuer dated 6 May 2016.

The giving of the Notes Guarantee was duly authorised by a resolution of the Board of Directors of WHO dated 6 May 2016.

The giving of the Notes Guarantee was duly authorised by a resolution of the Board of Directors of WHG dated 6 May 2016.

The giving of the Notes Guarantee was duly authorised by a resolution of the Board of Directors of William Hill Australia dated 6 May 2016.

Listing

It is expected that official listing will be granted on or about 31 May 2016 subject only to the issue of the Temporary Global Note. Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately £2,000.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS1412547660 and the Common Code is 141254766.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

No Significant or Material Adverse Change

Save as disclosed in "*Recent Developments*" on page 61 of this Prospectus and in the trading update announcements by William Hill dated 23 March 2016 and 11 May 2016 (which are incorporated by reference in this Prospectus), there has been no significant change in the financial or trading position of the Group since 29 December 2015 and there has been no material adverse change in the prospects of the Issuer, WHO, WHG or William Hill Australia since 29 December 2015.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or WHO and/or WHG and/or William Hill Australia is/are aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past had a significant effect on the financial position or profitability of the Issuer, the Guarantors and/or the Group.

Auditors

The auditors of the Issuer are Deloitte LLP, a member firm of the Institute of Chartered Accountants of England, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for the 52 weeks ended on 30 December 2014 and the 52 weeks ended 29 December 2015.

U.S. Tax

The Notes and Coupons will contain the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the articles of association of the Issuer, WHO, WHG and William Hill Australia;
- (b) the Annual Report and Accounts of the Issuer in respect of the 52 weeks ended 30 December 2014 and the Annual Report and Accounts of the Issuer in respect of the 52 weeks ended 29 December 2015;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith; and
- (d) the Trust Deed and the Agency Agreement.

Yield

The yield of the Notes is 4.875 per cent. per annum calculated on the basis of the Issue Price and as at the date of this Prospectus.

Joint Lead Managers Transacting with the Issuer, WHO, WHG and William Hill Australia

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantors and their respective affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their respective affiliates, investor clients, or as principal to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending

relationship with the Issuer or the Guarantors routinely hedge their credit exposure to the Issuer and the Guarantors consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Third Party Information

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

GLOSSARY

“betting duty”	a duty charged by the UK government based on bookmakers’ gross win
“casino”	a sub-category of gaming activities within the online segment which includes traditional casino games, slot machines and skill games
“CMA”	the UK Competition and Markets Authority
“Coral”	Coral Group
“EBITDA”	earnings before interest, taxation, depreciation and amortisation and share remuneration charges
“Gambling Commission”	the UK regulatory body for casinos, bingo clubs, gaming machines, betting, remote gambling and lotteries (excluding the National Lottery)
“gaming machines”	electronic machines into which customers insert coins to play games of chance; the March 2002 Government Paper differentiated these machines into four categories ranging from Category D with a maximum stake of 10p and maximum prize of £5 to Category A with unlimited stakes and prizes
“greyhound racing levy”	a voluntary levy, currently calculated at 0.6 per cent. of the amounts wagered in the UK on greyhound racing in the UK, for the purpose of supporting greyhound racing in the UK
“Gross Win”	total customer stakes less winnings
“Horserace Betting Levy”	a levy attributable to bets taken on horse racing in the UK and payable to the Horserace Betting Levy Board, primarily for the purpose of augmenting the prize money available for winning horses and providing certain racecourse amenities
“Ladbrokes”	Ladbrokes plc
“LBO”	licensed betting office
“LBO estate”	the Group’s LBOs collectively
“Machine Games Duty”	a duty of 25 per cent. of revenue from gaming machines in the UK
“odds”	the ratio of potential winnings to the stake placed by the customer; for example, if the odds are 2-1, the winnings will be £2 for every £1 staked
“Operating Profit”	pre-exceptional profit before interest and tax and before the amortisation of specific defined intangible assets recognised on acquisitions
“PASPA”	The Professional and Amateur Sports Protection Act 1992, legislation in the USA making it illegal to offer state-sponsored land-based sports betting other than in the states of Nevada,

Delaware, Montana and Oregon

“POCT”

point of consumption tax, a UK gambling tax levied on the basis of where the end customer is located rather than where the gambling operator is located

“rake”

the fee charged for participation in the Group’s poker games, comprising a percentage of the total pot in each game plus the fees from entry into tournament poker games

“Senet Group”

an independent body set up to promote responsible gambling standards and ensure the marketing of gambling is socially responsible

“sportsbook”

bets accepted on sporting and other events

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