

William Hill US



Joe Asher, CEO
William Hill US

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William **HILL**
RACE & SPORTS BOOK

US business overview: strong and growing

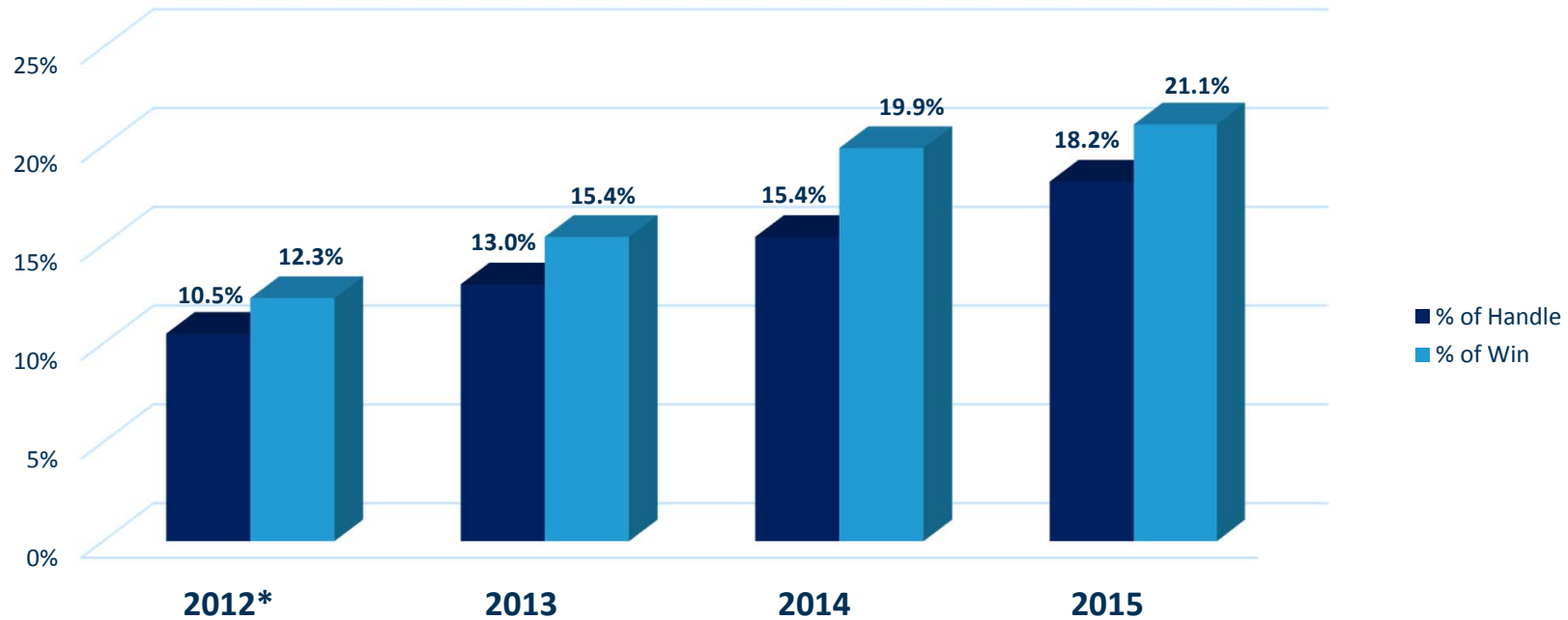
- 105 sports books (55% of Nevada market)
- Nevada market share: 18% of turnover, 21% of win
- Mobile: 48% of turnover
- Strong in-play growth, now 19% of turnover
- Mobile deposits at 200+ 7-Eleven stores
- Virtual racing expected to launch soon
- Strong Delaware growth and recent contract extension
- Brand and reputation are strong
- Well positioned to take advantage of US sports betting expansion opportunities



William Hill US: then and now...

	2012	2015
Number of sports books	100	105
Nevada market share of sports win	12%	21%
Mobile as a % of turnover	16%	48%
In-play as a % of turnover	0%	19%
Delaware handle	\$18m	\$39m
Number of Delaware retailers	34	102
Number of full-time employees	375	420
Operating profit (EBITA)	-\$2.4m	\$14.6m

William Hill US has grown Nevada market share by 72% since 2012

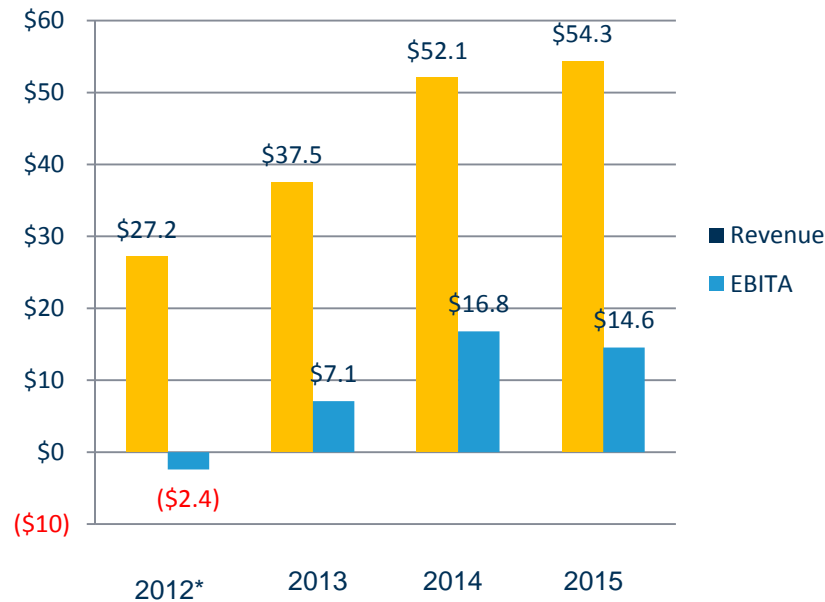


- 190 Nevada sports books as of February 2016; William Hill has 105
- 2015 Nevada sports win was \$232m on handle of \$4.2bn (5.47% margin)
- Total Nevada gaming revenue was \$11.1bn in 2015

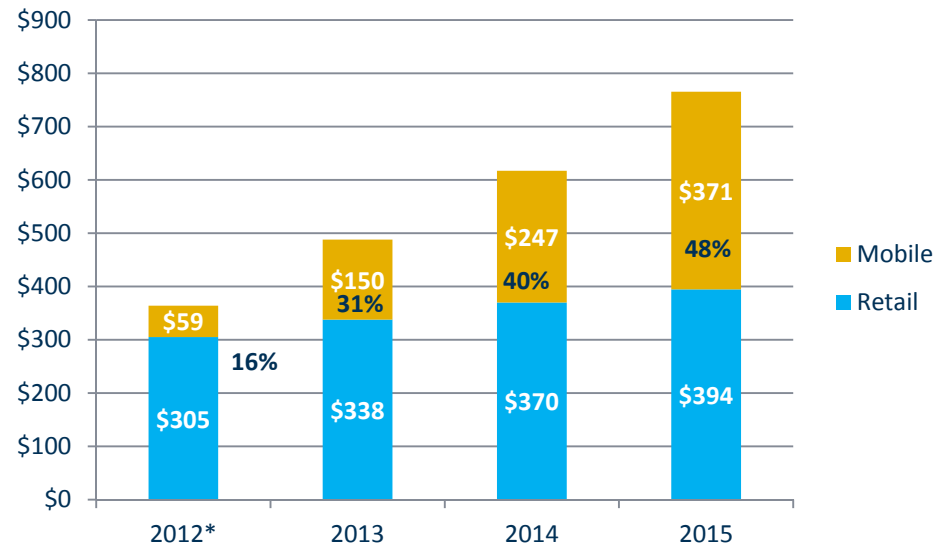
*Includes full year 2012

Rapid growth of US business

**William Hill US
revenue and EBITA
(\$m)**



**William Hill Nevada
sports handle
(\$m)**



*Full year

Virtual racing launching soon

- Led change of Nevada regulations to allow for virtual sports
- Signed an agreement with Inspired to license their virtual product in Nevada
 - Using famous announcer Tom Durkin for commentary
- Expected launch into field trial soon
- May offer other virtual sports in the future



Delaware Sports Lottery

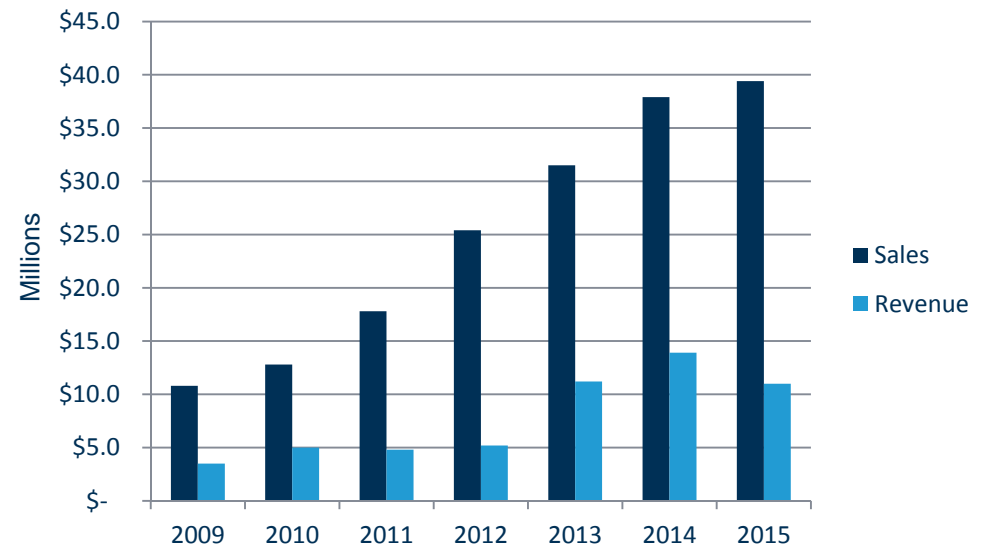


William Hill serves as the exclusive risk manager for the Delaware State Lottery

- Only significant legal sports betting outside of Nevada
- Wagering offered at three racetrack casinos and 102 lottery retailers in 2015
- Offerings limited to parlays of three or more NFL games by Third Circuit decision

Year	Handle	Win	Hold %	Locations
2015	\$39.4m	\$11.0m	28%	105
2014	\$37.9m	\$13.9m	37%	85
2013	\$31.5m	\$11.2m	36%	73
2012	\$25.4m	\$5.2m	20%	34
2011	\$17.8m	\$4.8m	27%	3
2010	\$12.8m	\$5.0m	39%	3
2009	\$10.8m	\$3.5m	32%	3

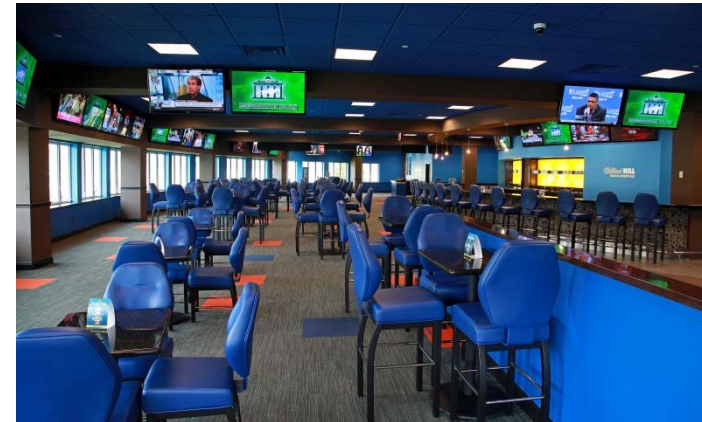
Delaware Sports Lottery sales and revenue



New Jersey sports betting rights

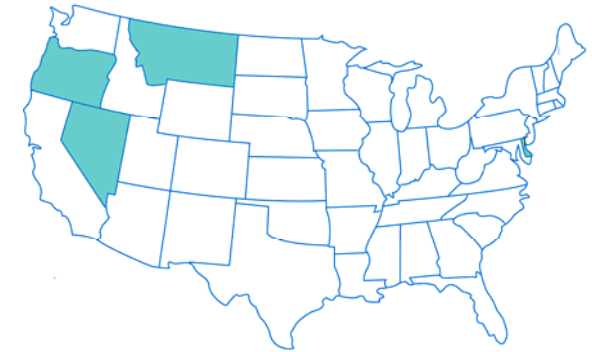


- Signed agreement with Monmouth Park in 2013 gives us the exclusive sports betting rights for 50 years in a 50/50 profit sharing deal
 - Legal sports betting at Monmouth could generate \$50-100m in revenue annually
- We developed a full sports bar that could be converted into a sports book
- We were the title sponsor of the \$1m William Hill Haskell Invitational for three years; proved fortuitous as Triple Crown winner American Pharoah won the race last year



Legal Framework: PASPA

- The Professional and Amateur Sports Protection Act of 1992 (PASPA) prohibits state-sponsored sports betting
 - Nevada, Delaware, Montana and Oregon fall within PASPA's exemptions
- New Jersey has been involved in a four-year battle challenging the constitutionality of PASPA
 - Most recently, the Third Circuit Court of Appeals in February held a rare 'en banc' hearing after NJ passed a bill removing its prohibitions against sports betting; there is no timetable for a decision
- The American Gaming Association will pursue legislation to repeal PASPA as a key priority of its strategic plan
 - William Hill is on the AGA Board and part of its Sports Betting Task Force
- PASPA challenges in other jurisdictions are inevitable



Overview of Daily Fantasy Sports Betting

- Fueled by hundreds of millions of dollars in private equity that helped fund massive nationwide ad campaigns, Daily Fantasy Sports Betting (“DFSB”) sites rose to prominence last year
 - NBA has equity position in FanDuel; MLB in DraftKings
 - Numerous professional sports teams receive substantial sponsorship money
- DFSB sites claim that they are not gambling and initially argued that they did not need to be regulated
- Last October, the Nevada Gaming Control Board declared that DFSB is gambling under Nevada law and that DFSB operators must be licensed; major DFSB websites pulled out of Nevada
- Alabama, Georgia, Hawaii, Illinois, Mississippi, New York, South Dakota, Tennessee, Texas and Vermont subsequently declared DFSB illegal under state law
- After lobbying by the DFSB operators, Indiana and Virginia recently passed laws legalizing DFSB to include light-touch regulation; at least 22 other states have legislation pending
 - DFSB legislation at the state level may violate PASPA
 - Congress has scheduled hearings for next month

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