



William Hill PLC

(incorporated with limited liability in England and Wales with registered number 04212563)

£350,000,000 4.750 per cent. Guaranteed Notes due 2026

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)

Issue price: 100 per cent.

The £350,000,000 4.750 per cent. Guaranteed Notes due 2026 (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**”) and WHG (International) Limited (“**WHG**”) (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 25), 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 holder of the Notes (“**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 1 May 2026.

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 “**FCA**”) for the Notes to be admitted to the Official List of the FCA 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 the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, “**MiFID II**”).

The Notes are expected to be rated on issue Ba1 by Moody’s Investors Service Ltd. (“**Moody’s**”) and BB by S&P Global Ratings 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 1 May 2019 (the “**Closing Date**”) with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**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 10 June 2019 (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*”.

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (each as defined in MiFID II) (all distribution channels). No Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) key information document (“**KID**”) has been prepared as the Notes are not available to retail investors in the European Economic Area (the “**EEA**”). See page 5 of the Prospectus “*MiFID II Product Governance / Professional Investors and ECPs only Target Market*” and “*PRIIPs Regulation – Prohibition of Sales to EEA Retail Investors*” for further information.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “Risk Factors” on pages 35 to 56.

Barclays

Active Joint Lead Managers
Lloyds Bank Corporate Markets

NatWest Markets

**Santander Corporate & Investment
Banking**

Joint Lead Managers

Mediobanca

The date of this Prospectus is 29 April 2019.

IMPORTANT INFORMATION

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended or superseded (and includes any relevant implementing measure in a relevant Member State of the EEA) (the “**Prospectus Directive**”).

The Issuer, WHO and WHG accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, WHO and WHG (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 and WHG, having made all reasonable enquiries, confirm that this Prospectus contains all material information with respect to the Issuer, WHO, WHG and the Notes (including all information which, according to the particular nature of the Issuer, WHO, WHG 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 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 and WHG 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 The Law Debenture Trust Corporation p.l.c. (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 or WHG 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 or WHG in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, WHO or WHG, 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, 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, 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. 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 or WHG, 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

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, 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, 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 EEA (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 EEA 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 (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) 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.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market of the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for the distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IN CONNECTION WITH THE ISSUE OF THE NOTES, NATWEST MARKETS PLC 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, STABILISATION MAY NOT NECESSARILY OCCUR. 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 CEASE 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 “**\$**” refer to the lawful currency of the United States. All references in this document to “**SEK**” refer to the lawful currency of the Kingdom of Sweden.

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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 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, 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 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 FCA, the Issuer, WHO and WHG 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 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 31 December in each year. The audited consolidated financial statements of the Issuer for each of the years ended 26 December 2017 (the “**2017 financial year**”) and 1 January 2019 (the “**2018 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 (“**Gross Win**”). 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 (“**Gross Win Margin**”). 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.

Please see “*Summary historical financial data and other information — Gross Win and Gross Win Margin*” on page 34 for more information.

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 26 December 2017	Managing our risks	45-50
	Independent Auditors' Report	102-107
	Consolidated Income Statement	108
	Consolidated Statement of Comprehensive Income	109
	Consolidated Statement of Changes in Equity	110
	Consolidated Statement of Financial Position	111
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	Statement of Group Accounting Policies	113-115
	Notes to the Group Financial Statements	116-148
William Hill PLC Annual Report and Accounts for the 53 weeks ended 1 January 2019	Managing our risks	57-61
	Independent Auditors' Report	109-115
	Consolidated Income Statement	116
	Consolidated Statement of Comprehensive Income	117
	Consolidated Statement of Changes in Equity	118
	Consolidated Statement of Financial Position	119
	Consolidated Cash Flow Statement	120
	Statement of Group Accounting Policies	121-123
	Notes to the Group Financial Statements	124-158

Reference document	Information incorporated by reference	Page number in the reference documents
William Hill Organization Limited Annual Report and Financial Statements for the 52 weeks ended 27 December 2016	Independent auditor's report	7-8
	Income Statement	9
	Statement of Comprehensive Income	10
	Statement of Financial Position	11
	Statement of Changes in Equity	12
	Cash Flow Statement	13
	Notes to the Financial Statements	14-45
William Hill Organization Limited Annual Report and Financial Statements for the 52 weeks ended 26 December 2017	Independent auditor's report	7-8
	Income Statement	10
	Statement of Comprehensive Income	11
	Statement of Financial Position	12
	Statement of Changes in Equity	13
	Cash Flow Statement	14
	Notes to the Financial Statements	15-47
WHG (International) Limited Report and Financial Statements for the period ended 27 December 2016	Independent auditor's report	6-7
	Income Statement	8
	Statement of Changes in Equity	9
	Balance Sheet	10
	Cash Flow Statement	11
	Notes to the Financial Statements	12-27

Reference document	Information incorporated by reference	Page number in the reference documents
WHG (International) Limited Report and Financial Statements for the period ended 26 December 2017	Independent auditor's report	6-7
	Income Statement	8
	Statement of Changes in Equity	9
	Balance Sheet	10
	Cash Flow Statement	11
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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.

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 betting and gaming companies, employing approximately 15,500 people in eight countries. Its origins are in the UK where it was founded in 1934, and where it is listed on the London Stock Exchange and is a member of both the FTSE 250 and FTSE4Good Indices. In the 2018 financial year Group revenue was £1,621.3 million (compared to £1,592.8 million in the 2017 financial year and £1,603.8 million the 2016 financial year) and adjusted operating profits were £233.6 million.

William Hill PLC is the parent company of the Group and is registered under the Companies Act 1985 with registered number 04212563. The registered office and the principal place of business in the UK of William Hill is at 1 Bedford Avenue, London WC1B 3AU, United Kingdom.

The Group's business is organised into three separate divisions: Online, William Hill US and Retail. The Group's ambition is to build William Hill into a digitally led, internationally diverse gambling business.

Online

William Hill took its first online bet in 1998, and is now the third largest operator in the UK online betting market as measured by revenue for any single brand. Online accounted for 39 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year, serving online customers in the UK and throughout the world. The Group operates its Online business in separate segments of UK and international. The UK remains the Group's principal market, accounting for 76 per cent. of Online net revenue in the 2018 financial year, although the Group is focused on diversifying the sources of Online's revenue streams by expanding its international markets, which accounted for 24 per cent. of Online net revenue in the same period, with Spain and Italy representing the Group's two biggest markets behind the UK.

As part of this diversification, in January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries. The acquisition of Mr Green has allowed the Group to move its international Online operations to Malta from Gibraltar, which will provide continued access to a licensed operational hub within the EU in order to conduct business with customers internationally, including within the EU, following the UK's exit from the EU and enabling the existing team in Gibraltar to focus on growing the UK Online business.

William Hill US

William Hill US, originally established in 2012 with a focus on retail and mobile operations in Nevada, accounted for 5 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year and is now the largest sports betting business in the US.¹ The division is divided into two business segments: (i) the US existing business, which comprises all activity undertaken in the US business before the US Supreme Court's decision on 14 May 2018 to overturn PASPA (the “**US Existing Business**”); and (ii) the US

¹ Source - based on monthly market data released by relevant US state regulators in 2018.

expansion business, which includes all operations in new US locations where gambling is being regulated following the US Supreme Court's overturning of PASPA (the "US Expansion Business").

As part of the Group's US Existing Business, in Nevada, William Hill US holds a gaming licence issued by the Nevada Gaming Commission. In addition, 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 partner. William Hill is the largest such outsourced sports betting specialist partner to land-based licensed operators, operating 109 out of 191 sports books in the state as at the end of 2018. The US Existing Business delivered strong growth for a sixth consecutive year in 2018 with net revenue growing by 38 per cent.

US Existing Business – revenue and EBITA:

	2013	2014	2015	2016	2017	2018
	<i>\$m</i>					
Revenue	36	49	51	59	73	118
EBITA	8	16	14	19	23	0 ²

Following the US Supreme Court's decision to overturn PASPA in May 2018, William Hill has sought to build its US Expansion Business and has launched or expanded operations in six other US states that have legalised land-based sports betting following the US Supreme Court's decision. In the 2018 financial year the US Expansion Business generated net revenue of £11.8 million. In the US states in which the US Expansion Business has launched or expanded retail-only operations following the US Supreme Court's decision, such operations have achieved profitability within a year of such launch or expansion. William Hill's target is for mobile operations to become profitable within approximately the next three years and the Group estimates that by 2023, subject to the speed and nature of state-by-state regulation, William Hill US could be generating EBITDA of approximately \$300 million.

Retail

The Group's Retail business operates LBOs, where customers can use gaming machines and place bets over-the-counter or via SSBTs on a wide range of sporting and non-sporting events. William Hill has a strong presence in the UK retail market, where it is the leading individual brand by number of LBOs with approximately 2,320 LBOs and a 27 per cent. market share.³ The Retail business, which accounted for 55 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year, is focused on addressing the challenges the implementation of the Triennial Review decision in April 2019 presents by adapting to ensure it remains viable and competitive. The Group expects implementation of the Triennial Review decision, including the £2 stake limit on B2 gaming products (as classified under the Gambling Act), to drive substantial structural change across the LBO sector over the coming years. The Group estimates a reduction in Retail's gaming revenues by approximately 50 per cent. if no mitigation measures are implemented. However, the Group expects to mitigate the reduction in gaming revenues through a number of measures, including (i) product innovation to provide alternatives to B2 gaming (with customer migration to alternative products expected to retain between 10-20 per cent. of gaming revenues), (ii) capturing market share from

² -£0.1 million EBITA as a result of 140 per cent. increase in operating costs related to US Expansion Business costs (including central costs not directly attributable to the retail or online operations of William Hill US).

³ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

its competitors which have closed shops as a result of the impact of the Triennial Review decision (with captured revenue from closed shops expected to further retain between 20-30 per cent. of gaming revenues) and (iii) remodelling the retail estate, including by reducing the average lease length of its LBOs to under three years and assessing the potential to amend lease terms. The Group also continues to invest in its proprietary SSBTs, increasing their availability in shops and widening the range of products they offer by adding 17 more sports in addition to football and increasing the number of SSBTs to over 3,700 with an over 60 per cent. increase in the average amount wagered on each machine per week in 2018 due to strong customer adoption. Although the Group anticipates the Retail business' EBIT to be reduced by approximately £70-100 million in 2019 following such mitigation measures with up to an estimated 900 shops at risk of closure, as a result of such preparation and adaptations to the challenges presented, the Group expects the Retail business to continue to deliver positive cash flows to the Group on an annual basis, with the Group estimating that Retail could generate cash between £105 million and £215 million in the financial years from 2019 to 2021, which can be reinvested in high growth opportunities in the Online and William Hill US divisions.

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

Online

The Group operates in a number of online markets, including in the UK, EU and US. The UK online market, which includes mobile, is the fastest growing segment of the UK gambling industry. Since it was first 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 remote sector in Great Britain, which consists of predominantly the online sector, was estimated to have generated £5.4 billion of gross gambling yield from April 2017 to March 2018, representing 37 per cent. of total industry gross gambling yield. The proportion of online gamblers who have gambled using either a mobile phone or tablet was 55 per cent. in the year to December 2017, an 8 per cent. increase from the previous year (to December 2016) as mobile devices continue to make the product more accessible.⁴

In addition to the UK online market, the Group operates in a number of international online markets and expects international markets to contribute 21 per cent. of annual revenues in the 2019 financial year (up from 15 per cent. in 2018). In January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland, allowing the Group to expand its Online offering into other international markets. The Group also operates in other online markets with large populations with a propensity to bet. Such markets include Italy and Spain, where the Group's Online business has licences and local market websites. The Group aims to build its revenue and profit streams from such markets as it seeks to diversify the sources of its revenue stream.

US

The Group operates in several states in the US. In the US, the gambling market as a whole is dominated by land-based casinos and lotteries with online gaming largely illegal other than in Delaware, New Jersey and Nevada, which allow for licensed operators to provide gaming products. The US Supreme Court's decision

⁴ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>.

to overturn PASPA in May 2018, which had banned state-sponsored land-based sports betting in all but four states, has enabled each US state to decide for itself whether to legalise and regulate land-based sports betting. Following the US Supreme Court's decision, in addition to Nevada, by the end of 2018, each of Pennsylvania, West Virginia, New Jersey, Rhode Island and Mississippi had legislation and regulations in place that allowed sports betting for the first time in their state and Delaware had expanded its sports betting offering. Other US states are expected to follow in the coming years, with legislation to legalise and regulate sports betting pending in the following 21 US states: Arizona, Connecticut, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, North Carolina, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, Texas and Vermont. Moreover, legislation to expand or reform existing state laws is pending in five US states (Arkansas, Montana, Nevada, New York and Rhode Island) and bills are pending that would require a study of sports betting in two further US states (Hawaii and Virginia).⁵ Market estimates suggest that the US could generate between approximately \$5 billion and \$16-19 billion⁶ of sports betting revenues by 2023, depending on the speed and nature of state-by-state regulation, and the Group's aim is to establish operations in each US state that legalises and regulates sports betting and achieve an average market share of at least 15 per cent. in relation to all such US states.

Each US state can be expected to approach the legalisation and regulation of sports betting differently. Currently, 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 partner. Nevada permits mobile betting for customers who open their accounts through land-based outlets as well as in-person betting at land-based licensed properties. William Hill is the largest operator of sports betting shops in the state with an approximately 32 per cent. market share by revenue and a 57 per cent. market share by number of outlets and is also the largest outsourced sports betting specialist partner to land-based licensed operators in Nevada, operating 109 out of 191 sports books in the state as at the end of 2018. Other US states may approach the regulation of sports betting by permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware (where William Hill provides risk management services to the Delaware State Sports Lottery) and Rhode Island (where William Hill provides exclusive risk management services to the Rhode Island state lottery). Other than Nevada, the only US state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey, however, the Group believes legislators in US states may favour tethered mobile (which requires customers to open mobile accounts in casinos or other licensed locations prior to using such mobile accounts) when considering legislating and regulating for sports betting and that a number of US states are likely to follow the New Jersey legislative model.

Retail

The Group operates LBOs, predominantly in the UK, which 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. The UK is William Hill's primary market contributing 85 per cent. of its revenues in the 2018 financial year. The total gross gambling yield of the gambling industry in Great Britain for the year to March 2018 was £14.4 billion, an increase of 4.5 per cent. from the previous year (to March 2017) with the National Lottery and TV advertising continuing to make gambling more socially acceptable as a mainstream leisure activity.⁷ According to surveys conducted by the Gambling Commission, 46 per cent. of adults in Great Britain claim to have participated in at least one form of gambling in the

⁵ Source – Gambling Compliance paper: U.S. Sports Betting Tracker March 2019.

⁶ Sources - H2GC, Oxford Economics and Eilers & Krejcik Gaming.

⁷ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

previous four weeks. In addition, 18 per cent. of adults in Great Britain claim to have gambled online in the past four weeks.⁸

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 LBO market has consolidated over the decades and four brands now account for 88 per cent. of LBOs. Following the Triennial Review decision, the Group estimates that, after the £2 stake limit is introduced, the LBO gambling market in the UK as a whole will still be worth approximately £1.5 billion in revenues a year.

The Group has good positions in its core markets

Online

In the UK, the Group is the third largest operator in the online betting market as measured by revenue for any single brand.⁹ The market is highly competitive, with over 880 remote gambling activities licensed in the year to March 2018.¹⁰ However, regulatory tightening is contributing to raise barriers to entry and scale is also becoming increasingly important as technological complexity and the costs of marketing grow. The market has consolidated over recent years and now the top five online operators account for 74 per cent. of the market. 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.

The Group is focused on diversifying the sources of Online's revenue streams by expanding its international markets, which accounted for 24 per cent. of Online net revenue in the 2018 financial year. The Group's completion of the acquisition of Mr Green in January 2019 forms part of its diversification strategy, allowing the Group to take its Online offering into other international 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.

US

As part of the Group's US Existing Business, William Hill US has been operating a successful sports betting business in Nevada (where the US Existing Business is headquartered) since 2012 and is the largest operator of sports betting shops in the state with approximately 32 per cent. of the market by revenue and 57 per cent. of the market by number of outlets. William Hill is also the largest outsourced sports betting specialist partner to land-based licensed operators in Nevada, operating 109 out of 191 sports books in the state as at the end of 2018. Notwithstanding the strong retail presence the Group has in Nevada, the Group has also advanced its mobile offering, with mobile accounting for 65 per cent. of revenue in Nevada as at the end of the 2018. The US Existing Business is strongly profitable and continues to grow, with operating profits increasing from \$22.8 million in the 2017 financial year to \$43.6 million in the 2018 financial year and net revenue of \$106 million in the 2018 financial year.

⁸ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>

⁹ Source - H2 Gambling Capital.

¹⁰ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

William Hill US - amounts wagered by customers in relation to sports betting in Nevada:

	2013	2014	2015	2016	2017	2018
	<i>\$m</i>					
Retail	338	370	394	452	487	498
Mobile	150	247	371	492	666	945
Total expansion (William Hill as operator only)	-	-	-	-	-	212

William Hill's US Expansion Business has been able to set up operations, receive regulatory approval and take land-based sports bets by the end of 2018 in each of the US states that had legalised land-based sports betting following the US Supreme Court's decision on 14 May 2018 to overturn PASPA.

As the sports betting market has been regulated on a state-by-state basis, the Group has moved quickly to expand in six further states, including taking the first bets in Rhode Island, West Virginia, New Jersey and Pennsylvania and expanding its sports betting offering in Delaware. The Group has secured access to 17 states so far, principally through strategic partnerships with Eldorado Resorts Inc. ("**Eldorado**"), one of the US's leading multistate casino operators, Golden Entertainment, IGT and Prairie Meadows, meaning the Group is well-positioned to take advantage of further opportunities as the US market continues to liberalise on a state-by-state basis.

Retail

William Hill is one of the most recognisable names on the UK high street, with a strong presence in the UK retail market, where it is the leading individual brand by number of LBOs with approximately 2,320 LBOs and 27 per cent. of market share, providing betting opportunities on a wide range of sporting and non-sporting events.

The Group's markets benefit from barriers to entry

Online

The Group's Online business is protected by licensing and regulatory requirements although it is possible for unlicensed competitors operating from offshore locations to win business in the markets in which Online operates. Although barriers to entry may be lower in respect of online gambling, the Group 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, for which there is a limited availability of expertise and operators such as William Hill benefit 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 important and companies such as William Hill are increasingly sourcing exclusive and proprietary gaming content for customers.

US

In the US, the Group's land-based business in the states in which it operates is protected by stringent licensing and regulatory compliance requirements. Moreover, the Group's US Existing Business has a strong market position in Nevada since it began operating in the state in 2012, being the largest operator of sports betting shops and the leading sports betting brand in the state, with an approximately 32 per cent. market share by revenue and a 57 per cent. market share by number of outlets. In addition, in September 2018 the Group entered into an exclusive 25-year nationwide partnership with Eldorado, for digital and land-based sports betting and online gaming in the US, building on the strategic partnerships already entered into with Golden Entertainment, IGT and Prairie Meadows. Eldorado is a leading casino entertainment company that owns and operates 27 properties in 13 states. The exclusive partnership extends William Hill US's leadership in sports betting through access to Eldorado's leading regional casino portfolio and customer base of 23 million people and widens William Hill's reach to 13 states where sports betting is either legal or sports betting bills are tabled.

Retail

The UK LBO market benefits from high barriers to entry based on licensing and planning restrictions. The LBO market has consolidated over the decades and four brands now account for 88 per cent. of LBOs with a gradual reduction in the number of small chains and independent operators. The Group remains the largest single gambling brand on the UK high street by number of LBOs and benefits from a loyal customer base. The Group is therefore confident that it will be able to leverage its scale to manage difficult trading conditions and capture market share from its competitors by diversifying its business and developing its product offering. This includes continued investment in its proprietary SSBTs, increasing their availability in shops and widening the range of products they offer, and the Group is the only operator with proprietary SSBTs in the UK retail market.

Large scale operator

William Hill believes it is important to have a large-scale operation in its core markets and the Group is the leading individual brand in the UK retail market by number of LBOs, the largest sports betting business in the US and the third largest operator in the UK online betting market as measured by revenue for any single brand. In particular, for the Online business, scale enables investment in marketing and technology which drives future growth whilst being able to absorb the impact of regulatory change and increases in gambling taxes. 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. Given the Group's scale, particularly in the UK retail and online markets and the US in comparison to its competitors, particularly in Nevada, William Hill has the resources to mitigate or adapt to 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. Net cash from continuing operating activities was £197 million in the 2018 financial year (representing a reduction from £273 million in the 2017 financial year and £266 million in the 2016 financial year). Good control of capital expenditure has enabled the Group to deliver high levels of free cash flow, with capital expenditure expected to be £120-130 million in the 2019 financial year before reducing to an estimated level of £90-110 million in the 2020 financial year. Over recent years surplus cash flow after dividends has been used to reduce net debt.

The Group has a robust and flexible balance sheet with net debt to EBITDA standing at 1.0 times at 1 January 2019 and EBITDA to net cash interest standing at 9.4 times at 1 January 2019. 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. Depending on the actual impact of the Triennial Review, the net debt to EBITDA ratio may temporarily exceed 2.0 times in 2019. However, the Group expects the net debt to EBITDA ratio will naturally reduce as the business normalises in the period following the implementation of the Triennial Review. In addition, the Group expects that sources of liquidity available to it will exceed uses by more than 1.5 times over the next 12 month period. The Group expects growth in the William Hill US and Online businesses to be self-financing and not to require increased leverage.

The Group's capital allocation priorities are:

- investment in growth in the US, including a \$70 million investment in technology available to William Hill US;
- investment in the remodelling of its Retail business and driving cost savings, including a total cost reduction of £35 million and one-off exceptional costs of 0.5-1 times the annual saving as a result of such remodelling;
- payment of regular dividends to shareholders: calculated at approximately 50 per cent. of the Group's operating profit, excluding operating profit/loss of the US Expansion business for the 2018 financial year and including profit/loss of the US Expansion business from the 2019 financial year, underpinned at 8 pence per share for the 2018 financial year; and
- investment in growth opportunities through bolt-on mergers and acquisitions.

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 Philip Bowcock, the Chief Executive Officer and Ruth Prior, the Chief Financial Officer, who have strong and diverse backgrounds in a number of business sectors.

Strategy

William Hill's strategic objectives reflect the different life stages of its three business divisions and are underpinned by the Group's ambition that nobody is harmed by gambling. The purpose of the strategic objectives is to meaningfully reshape William Hill over the coming years, moving from a business that is predominantly UK centric and land-based to being digitally led, internationally diverse and sustainable for the long term.

Driving digital growth in the UK and internationally

The objective for the Online business is to build the world's most trusted digital gambling brand and business with greater scale, more geographic diversity and higher operating profit margins. The Group's ambition is to increase the Online business's revenue to £1 billion and to double profits from its Online business by 2023.

In 2018, improvements in the Group's online products and increased marketing efficiency, with growth in active customers outpacing the increase in Online's marketing expenditure, drove underlying net revenue growth of approximately 6 per cent. and adjusted operating profit growth of approximately 11 per cent. in respect of the Online business. A reduction in annual costs for Online created approximately £10 million of cost savings, with an approximate £6 million additional cost saving expected as a result of synergies following the acquisition of Mr Green. However, the Group closed a significant number of customer accounts as a result of the enhanced due diligence measures and this reduced Online's net revenue by £22 million and operating profit by £17.5 million respectively which, together with increased costs from the Remote Gaming Duty, caused adjusted operating profit to decline 2 per cent. The Group is successfully broadening its customer base by focusing more on mass market customers. Greater focus is placed on lower-staking recreational players and increasing new accounts, which were up 10 per cent. in 2018.

International markets accounted for 24 per cent. of Online's net revenue in 2018 and the Group is focused on diversifying Online's revenue streams. As part of this diversification, in January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries. Mr Green generated revenue growth in 2018, principally from European markets with the majority of its revenues generated in the Nordics and mainland Europe. The acquisition of Mr Green has also allowed the Group to establish an international hub of operations in Malta, inside the EU and therefore not subject to any direct impact from the UK's exit from the EU, from which the Group will manage its non-UK expansion. The acquisition is expected to be accretive to earnings in the first full year, with returns expected to be in excess of the Group's cost of capital. Overall, the Group's cost per acquisition reduced by 3 per cent. in the 2018 financial year.

Growing a business of scale in the US

William Hill's goal is to be the market leader in the US and the Group intends to enter every state that legalises and regulates sports betting, whether land-based or mobile. The US Supreme Court's decision in May 2018 to overturn PASPA represents a major new market opportunity that William Hill is well placed to pursue as the US's leading sports betting company with its strategy focused on:

- Market access – William Hill US is the only company operating in all seven states to have regulated sports betting to date and has secured access to 17 states so far, 15 of which are expected to

regulate sports betting in the next 2-3 years. Access has been secured principally through strategic partnerships with Eldorado, one of the US's leading multistate casino operators, Golden Entertainment, IGT and Prairie Meadows;

- Operational excellence – the Group is investing in the delivery of both online and retail in the US, including in a new technology platform to support the scalability of the US business and efficient entry into new US states, future product innovation and high levels of operational performance. This technology will also be flexible to suit different operating models, enabling William Hill US to adapt to the nuances of the US market depending on how each US state chooses to regulate sports betting; and
- Brand and marketing – the Group has an established brand name in the US through its existing Nevada business and is seeking to market across a variety of channels in other US states, including New Jersey where it markets through television, radio, digital and street teams. In addition, the Group has agreed sponsorship deals with two major US sports franchises: the Vegas Golden Knights ice hockey team and the New Jersey Devils ice hockey team. The Group continues to develop its marketing activities in order to increase brand awareness and develop market share in the US.

The US Existing Business delivered its sixth consecutive year of strong growth with net revenue increasing by 38 per cent. and adjusted operating profit increasing by 84 per cent. in 2018. The Group's market share by revenue in Nevada reached 32 per cent. in 2018, up from 29 per cent. in the previous year and 12 per cent. when the Group began operating as William Hill in Nevada in 2012.

Remodelling UK Retail

The Retail business is focused on addressing the challenges laid down by the Triennial Review decision, which will drive substantial structural change across the LBO sector over the coming years.

Preparations for implementation in April 2019 across the UK, including voluntary implementation in Northern Ireland, include product innovation as alternatives to B2 gaming, as well as remodelling the retail estate and the business. The remodelling of the Group's estate since the decision was announced in May 2018 has involved working to reduce the average lease length of its LBOs to under three years and assessing the potential to amend lease terms.

Following implementation of the £2 stake limit on B2 gaming products, the Group will experience the full impact of changes to customer behaviour from the second quarter of 2019 without the offsetting benefit of mitigation measures and cost savings until later in the year and it estimates up to 900 shops will become at risk of closure. The Group estimates that exceptional cash costs of remodelling Retail are expected to be approximately £40-60m over the next two to three years, predominantly relating to shop closures. The impact and thus the extent of mitigation and cost savings will in part depend on assessing the impact on consumer behaviour seen during this initial period following implementation of the new limit. However, the Group expects the Retail business' annual profitability to be reduced by approximately £70-100 million annually after mitigation.

Increased differentiation through technology

William Hill believes differentiation drives growth and that technology is crucial in enabling this given that the fastest growing products are supported by technological innovations. 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, a number of operators, including William Hill, are looking to control more technology internally in order to provide customers with a differentiated offering. This requires significant investment in innovation and know-how but the costs of such investments favour large scale operators such as William Hill.

Online

The Group's Online business has continued to innovate its gaming offering. Alongside its popular Vegas product suite, the Group offers a more high-end gaming experience via its "Mayfair" product suite with exclusive content and more themed or branded live dealer tables, as well as a comprehensive offering of online slots and progressive jackpots on its Games product suite. Online has also built its own bonus engine to support the Vegas-and Live Casino offerings.

The Group's online sportsbook, like many others, uses OpenBet's software comprising back-end functions such as the betting engine and e-wallet capabilities and front-end interfaces with desktop and mobile website and applications. The Group's proprietary service layer and application programme interfaces between the front and back-ends of the sportsbook system and continues to deliver benefits, 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.

US

The Group is building a new retail operating system interface that will be rolled out initially to US states in which the US Expansion Business operates and will deliver an enhanced customer experience both over—the-counter and at kiosks. In addition, William Hill is investing in improved proprietary technology specifically for the US market.

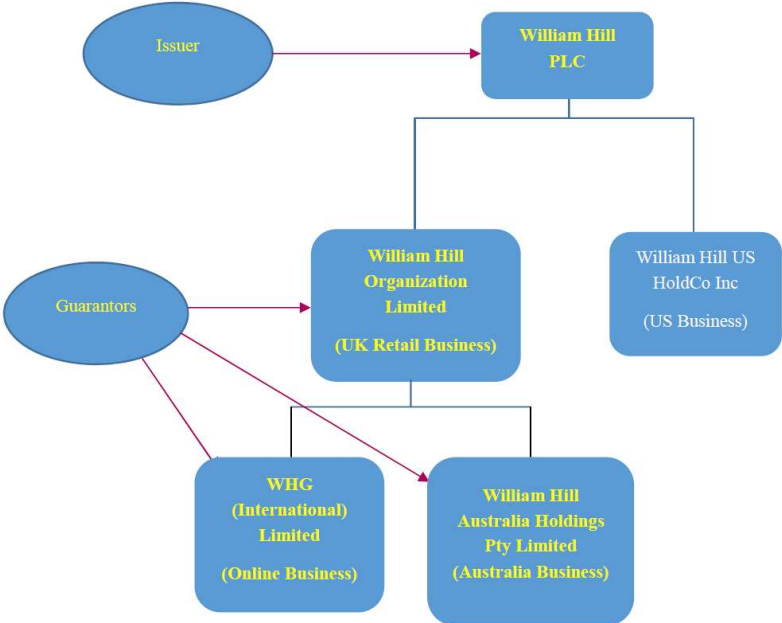
Retail

The Retail business is expected to benefit from an expanded product range provided through William Hill's continued investment in its own SSBTs, increasing their availability in shops and widening the range of products they offer. William Hill currently offers 19 sports on its SSBTs, which will increase to 20 with the launch of motor sports. The Group is looking to strengthen its proposition by increasing the number of SSBTs in its LBOs and working to ensure that it offers a compelling product that continues to drive an increase in the average amount wagered per machine per week.

The new retail operating system interface being introduced in the US is also expected to provide a number of reusable services that William Hill will be able to capitalise on during the process of remodelling the Retail business.

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 and WHG (International) 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 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	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.
Description of Notes	£350,000,000 4.750 per cent. Guaranteed Notes due 2026 (the “ Notes ”), to be issued by the Issuer on 1 May 2019 (the “ Issue Date ”).
Trustee	The Law Debenture Trust Corporation p.l.c.
Active Joint Lead Managers	Barclays Bank PLC Lloyds Bank Corporate Markets plc NatWest Markets Plc
Joint Lead Managers	Banco Santander, S.A. Mediobanca-Banca di Credito Finanziario S.p.A.
Interest	4.750 per cent. per annum payable semi-annually in arrear.
Optional Redemption by Issuer for tax reasons	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> ”.
Optional Redemption by Issuer at any time	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> ”.
Noteholders’ put option upon Put Event	Upon the occurrence of a Put Event (as defined in Condition 20), 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 “ <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 "*Terms and Conditions of the Notes — Negative Pledge*".

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 *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.

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 *pari passu* 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 14 and 15(b), 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 FCA 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 £200,000 and integral multiples of £1,000 in excess thereof up to and including £399,000.
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 S&P Global Ratings 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 withdrawal at any time by the assigning rating agency.</p>
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 EEA) only in compliance with applicable laws and regulations. See " <i>Subscription and Sale</i> " below.
MiFID II Product Governance/PRIIPs Regulation	Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. No PRIIPs Regulation KID has been prepared as the Notes are not available to retail investors in the EEA.
Use of Proceeds	The net proceeds of the issue of the Notes will be used by the Group for general corporate purposes, including (without limitation) to fund the repurchase of any and all of the Issuer's outstanding £375 million of 4.25 per cent. Guaranteed Notes due 2020.

SUMMARY HISTORICAL FINANCIAL DATA AND OTHER INFORMATION

The table below sets out selected financial information for the Group for the 2017 and 2018 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 2017 and 2018 financial years.

	53 weeks ended 1 January 2019	52 weeks ended 26 December 2017
	<i>(£m)</i>	
Selected Income Statement Data		
Revenue	1,621.3	1,592.8
Gross profit	1,235.7	1,192.2
(Loss) / Profit before interest and tax.....	(687.9)	177.4
(Loss) / Profit before tax.....	(721.9)	146.5
(Loss) / Profit for the period (attributable to equity holders of the parent).	(712.3)	(83.2)
Selected Balance Sheet Data		
Non-current assets	937.8	1,968.6
Current assets	573.9	393.4
Current liabilities	(429.3)	(477.9)
Non-current liabilities	(783.5)	(821.4)
Net assets	298.9	1,062.7
Cash Flow Data		
Net cash from operating activities – continuing operations	197.1	272.6
Net cash from operating activities – discontinued operations	1.0	17.5
Net cash from / (used in) investing activities – continuing operations	112.8	(69.5)
Net cash from / (used in) investing activities – discontinued operations	(2.9)	(8.8)
Net cash used in financing activities – continuing operations	(115.4)	(108.1)
Net cash used in financing activities – discontinued operations	-	-

The tables below set out selected financial information for the Group for the 2017 and 2018 financial years (as applicable), relating to the Group's operational cash flow and the performance of the Group's three separate divisions: Online, William Hill US and Retail.

Group

Operational cash flow

	2018	2017
	£m	£m
Cash generation		
Adjusted operating profit	233.6	273.8
Depreciation and amortisation	73.6	72.3
Non-cash share remuneration charge	5.5	5.2
EBITDA	312.7	351.3
Working capital/other	(65.7)	(3.9) ¹¹
Interest and tax	(46.9)	(64.7) ¹²
Pension scheme deficit funding	(8.5)	(9.6)
Capital and investing receipts	230.0	14.6 ¹³
Capital expenditure	(117.3)	(84.1) ¹⁴
Other	5.5	(0.4)
Discontinued operations	(1.9)	8.7
Free Cash Flow	308.0	211.8
Uses of cash		
Dividends and share buybacks	(113.5)	(108.1)

¹¹ Approximately £65 million outflow due to exceptional spend on the transformation programme and the settlement of various provisions and accruals including indirect tax liabilities taken in 2017.

¹² Tax payments down approximately £17 million due to the sale of the Group's Australian business, lower US profits and an offset in 2018 of prior year overpayments in the UK and Gibraltar.

¹³ Sale of the Group's Australian business and equity interest in NYX.

¹⁴

Cash capex	2018	2017
	£m	£m
Online	51.4	43.3
Retail	21.5	28.6
US	28.5	1.9
IT/other	15.9	10.3
Total capex	117.3	84.1

Other	(1.9)	-
Net Cash Flow	192.6	103.7

Group Revenue and adjusted operating profit

	2011	2012	2013	2014	2015	2016	2017	2018
	<i>£m</i>							
Revenue	1,137	1,277	1,487	1,609	1,591	1,604	1,593	1,621
Adjusted operating profit	272	326	324	363	283	262	274	234

Online

Revenue, EBIT and margin

	2011	2012	2013	2014	2015	2016	2017	2018
	<i>£m</i>							
Revenue	321	407	446	527	563	545	616.9	634.4
EBIT	107	145	148	178	125.3	100.5	132.5	130.2
Margin	7.0%	7.9%	8.1%	7.6%	7.7%	7.2%	7.6%	8.0%

William Hill US

Revenue, EBIT and margin

	2011	2012	2013	2014	2015	2016	2017	2018
	<i>£m</i>							
Revenue	0	9	23	30	33.3	43.7	57.9	79.7
EBIT Existing	0	-1	5	10	9.2	14.3	17.7	32.6
EBIT Expansion								-33.2
Margin	-	6.3%	7.3%	7.9%	6.5%	6.2%	6.3%	7.2%

Market share

	Operator			Service Provider			Lottery		Total
	Nevada	NJO	NJR	WV ¹⁵	MS	PA	DE	RI	
Market share¹⁶	32%	8% (mobile)	37% (retail)	95%	36%	32%	100%	100%	34%

¹⁵ West Virginia, William Hill is both operator and service provider, depending on the contract.

¹⁶ Market share figures calculated using monthly data from state regulators for calendar year 2018 and company data.

Retail

Revenue, EBIT and margin

	2011	2012	2013	2014	2015	2016	2017	2018
	<i>£m</i>							
Revenue	790	838	907	911	890	894	913.1	895.2
EBIT	197	212	196	193	171	162	160.9	150.3
Margin	16.8%	18.3%	19.4%	18.3%	17.8%	17.6%	18.0%	18.2%

LBO performance

	2018 £m	2017 £m	% change
Average no. of LBOs	2,333	2,362	-1%
Average no. of machines	9,229	9,313	-1%
Gross win/machine/week ¹⁷	£1,015	£1,028	-1%
Gaming gross win margin	3.79%	3.67%	+0.12ppts

¹⁷ Excludes free bets.

Gross Win and Gross Win Margin

For the 53 weeks ended 1 January 2019:

	Online	US	Retail
	(£m)		
Amounts wagered.....	7,627	1,249	15,287 ¹⁸
Other income.....	0	3	0
Customer winnings.....	(6,873)	(1,160)	(14,391)
Fair value adjustments ¹⁹	(120)	(1)	0
Revenue.....	634	92	895

For the 52 weeks ended 26 December 2017:

	Online	US	Retail
	(£m)		
Amounts wagered.....	7,697	894	15,874 ²⁰
Other income.....	0	0	0
Customer winnings.....	(6,969)	(837)	(14,960)
Fair value adjustments ²¹	(111)	0	0
Revenue.....	617	58	913

¹⁸ Includes amounts wagered in relation to both sports betting and gaming.

¹⁹ Includes free bets, bonuses and other goodwill gestures.

²⁰ Includes amounts wagered in relation to both sports betting and gaming.

²¹ Includes free bets, bonuses and other goodwill gestures.

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 and WHG, the operator of the Group's Online 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, including as a result of an economic downturn following the UK's exit from the EU. 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 and the Group's existing digital business continues to operate in a crowded and competitive market. 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. In addition, the US Supreme Court's decision to overturn PASPA presents an opportunity to expand in the US market, but there is a risk that competitors will be more successful in taking this opportunity and that the Group's investments will not meet expectations. The Group believes it has the scale to succeed in this environment and its acquisition of Mr Green further reduces the Group's reliance on the core UK market and increases the online share of Group revenue with continued investment in improving products and the customer experience across the Online business, including through the use of data analytics. The Group's response to the Triennial Review decision includes product innovation to offer alternatives to B2 gaming, as well as remodelling the retail estate and the business. In the US, careful selection of strategic partners and key suppliers has enabled William Hill US to diversify into all states currently regulating sports betting and have the ability to expand quickly into other US states as they regulate sports betting. As well as having an established brand name in the US through the Group's existing Nevada business, the Group has also agreed sponsorship deals with major US sport franchises in the form of the Vegas Golden Knights ice hockey team and the New Jersey Devils and continues to develop its marketing activities in order to increase brand awareness and develop market share in both its Retail and Online channels in the US. However, 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 taxation

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 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. (increasing to 21 per cent. for accounting periods that begin on or after 1 April 2019) on its remote gaming (online and telephone) revenues derived from UK customers;
- Machine Games Duty ("**MGD**") 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 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 are conducted through its Online business, with UK Online operations based in Gibraltar and international Online operations based in Malta following the Group's acquisition of Mr Green in January 2019, with support functions located in Poland, 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.

US taxation

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.

UK

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 the UK government's Triennial Review into gaming machine stakes and prizes in April 2019, which has reduced the limit on stakes on fixed odds betting terminals from £100 to £2. The Group expects implementation of the Triennial Review decision to lead to a substantial structural reshaping of the UK LBO market and present significant challenges to the Group's Retail business and therefore may have a material adverse effect on the Group's business, financial condition and results of operations. The Group anticipates the changes as a result of the Triennial Review to reduce the Retail business' operating profit on an annualised basis by approximately £70-100 million following mitigation measures.

Substantial planning has been conducted in order to manage the change. Preparations have involved product innovation as alternatives to B2 gaming, as well as remodelling the business and the retail estate,

including by reducing the average lease length of its LBOs to under three years and assessing the potential to amend lease terms. The Group is confident its Retail business will adapt to remain viable and competitive by leveraging its scale to manage the difficult trading conditions and also capturing market share from its competitors by diversifying its business and developing its product offering. As a result, the Group expects its Retail business to remain a profitable and cash-generative business. However, if such preparations and mitigation measures are not successful or effective, the consequences of the implementation of the Triennial Review decision may have a material adverse effect on the Group's business, financial condition and results of operations.

EU

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 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.

US

UIGEA

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.

Wire Act

Moreover, the Interstate Wire Act of 1961 (the "**Wire Act**") 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. In January 2019 the US Department of Justice (the "**DOJ**") publicly released a November 2018 opinion from its Office of Legal Counsel which reversed the DOJ's previous guidance from 2011 that interpreted the provisions of the Wire Act as only applying to sports-related gambling, thereby potentially bringing all online gaming under the scope of the legislation. Although the opinion acknowledged that the DOJ expects to actively enforce this new interpretation, in March 2018 it officially extended its non-prosecution period for its revised Wire Act opinion to June 2019.

PASPA

The US Supreme Court ruled to overturn the federal ban on sports betting under PASPA in May 2018 permitting individual states to regulate land-based sports betting. Previously, PASPA effectively prohibited sports betting in the US, excluding Nevada and sports lotteries in Oregon, Montana, and Delaware. Since the US Supreme Court's decision, the sports betting market has been regulated on a state-by-state basis by a number of states - Rhode Island, West Virginia, New Jersey, Pennsylvania and Mississippi, while Delaware has expanded its sports betting offering. However, other than Nevada, the only state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey. Certain states may approach the regulation of sports betting by permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware (in respect of which William Hill provides risk management services) and Rhode Island (in respect of which William Hill provides exclusive risk management services).

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 state laws and regulations applicable to sports betting following the US Supreme Court's decision to overturn PASPA, there can be no assurance that these procedures will be completely effective. In addition, although the Group does not expect the DOJ's new interpretation of the Wire Act to be detrimental to its US business given that the interpretation is relevant to the US online gaming market and, in practice, the legislation already applied to sports betting, there can be no guarantee that the Group will not be detrimentally effected. 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 US. 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, Denmark, Jersey, Malta, Italy, Ireland, Latvia, Sweden, Spain and the US States of Nevada, Pennsylvania, West Virginia, New Jersey, Rhode Island, Delaware and Mississippi. 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.

Online

The Group's UK Online operations are based in Gibraltar and licensed and regulated by the Gibraltar Licensing Authority and the Gibraltar Gambling Commissioner respectively as well as being licensed by the Gambling Commission. Following the acquisition of Mr Green in January 2019, the Group's international Online operations have moved to Malta from Gibraltar, providing access to a licensed operational hub within the EU. Mr Green has operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland. The Online business also holds licences to operate online businesses in Italy, Spain and Ireland and is therefore subject to the regulatory regime in those countries. 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.

US

The activities of the Group's US Existing Business, in Nevada, and its US Expansion Business, in each of Pennsylvania, West Virginia, New Jersey, Rhode Island, Delaware and Mississippi, are subject to the licensing and regulatory control of the of the relevant state commissions and control boards, as well as numerous local regulatory agencies.

As part of the Group's US Existing Business, in Nevada, William Hill US 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.

The growth of the Group's US Expansion Business 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.

Retail

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.

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 Sports Information Services Limited ("SIS") and The Racing Partnership Limited ("RPL"), 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 on-sale 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. In July 2018 the Group stated its ambition that nobody is harmed by gambling. A visible step towards the Group's ambition that nobody is harmed by gambling is the Group's support to the industry-

wide initiative, independent of any regulator intervention, to ban television betting adverts during pre-watershed live sport. This new gambling advertising ban is estimated to lead to a 40-50 per cent. reduction in the number of people seeing gambling advertisements on television pre-watershed and William Hill recognises that there will be short-term commercial impacts from actions such as this, but the Group's sustainability relies on keeping customers safe and gambling with William Hill for the long term as part of its 'Nobody Harmed' policy.

However, publicity regarding problem gambling and other concerns with the gambling industry, even if not directly connected to the Group and its products, could still 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

Exposure to UK political developments, including the ongoing negotiations between the UK and EU, could have a material adverse effect on the Group

On 23 June 2016, the UK held a referendum (the "**UK EU Referendum**") on its membership of the EU, in which a majority voted for the UK to leave the EU. Immediately following the result, the UK and global stock and foreign exchange markets commenced a period of significant volatility, including a steep devaluation of the pound sterling. There remains significant uncertainty relating to the process, timing and negotiation of the UK's exit from, and future relationship with, the EU and the basis of the UK's future trading relationship with the rest of the world.

On 29 March 2017, the UK Prime Minister gave notice under Article 50(2) of the Treaty on European Union of the UK's intention to withdraw from the EU. The delivery of the Article 50(2) notice triggered a two year period of negotiation to determine the terms on which the UK will exit the EU, taking account of the framework for the UK's future relationship with the EU. On 21 March 2019, a political agreement was reached between the UK and the EU to delay the UK's withdrawal from the EU and extend the negotiation period until either 12 April 2019 or, subject to the UK Parliament approving a withdrawal bill, 22 May 2019. On 10 April 2019, the EU subsequently agreed to extend the negotiation period until 31 October 2019, provided that the UK holds elections to the European Parliament in May 2019. As a result, subject to any further extensions or other political developments and unless the UK Parliament approves a withdrawal bill in the interim period, the UK's EU membership will cease on 31 October 2019, or 1 June 2019 in the event the UK does not hold elections to the European Parliament.

The timing of, and process for, the negotiations and the resulting terms of the UK's future economic, trading and legal relationships are uncertain, as is the basis of the UK's future trading relationship with the rest of the world. There is a possibility that the UK's membership will end at such time without reaching any agreement on the terms of its relationship with the EU going forward. As at the date of this Prospectus, the withdrawal agreement including the proposed transition period has not been finalised or approved.

While the longer term effects of the UK's imminent departure from the EU are difficult to predict, the effects of the UK EU Referendum, could include further financial instability and slower economic growth as well as higher unemployment and inflation in the UK. For instance, the UK government has stated its intention for the UK to leave both the single market and the customs union (thereby ceasing to be part of the EU's internal market and party to the global trade deals negotiated by the EU on behalf of its members) and this could affect the attractiveness of the UK as a global investment centre and increase tariff and non-tariff barriers for the UK's trading relationships and, as a result, could have a detrimental impact on UK economic growth.

The Group is subject to EU-derived regulation and oversight, for example, in relation to licensing. Although legislation has now been passed transferring the accumulated legal regime of the EU into UK law, there remains significant uncertainty as to the respective legal and regulatory environments in which the Group will operate, when the UK is no longer a member of the EU, and the basis on which cross-border financial business will take place after the UK leaves the EU. If the UK leaves the single market, Gibraltar will also no longer be within the EU, which may give rise to certain regulatory and tax issues. However, any such issues will be mitigated by the move of the Group's international Online operations to Malta from Gibraltar following the Group's acquisition of Mr Green in January 2019 thereby providing continued access to a licensed operational hub within the EU in order to conduct business with customers within the EU following the UK's exit from the EU.

Ongoing uncertainty within the UK Government and Parliament, and limited progress in the negotiations between the UK and EU, increase the possibility of the UK leaving the EU without a withdrawal agreement (and associated transition period) in place. Such a 'cliff edge' or 'hard' Brexit is likely to cause significant market and economic disruption.²²

The UK political developments described above, along with any further changes in government structure and policies, may lead to further market volatility and changes to the fiscal, monetary and regulatory landscape in which the Group operates. The UK is the Group's primary market contributing 85 per cent. of its revenues in the 2018 financial year. Therefore the Group is particularly exposed to and dependent on the economic developments in the UK. If the UK market is adversely effected, including as a result of an economic downturn following the UK's exit from the EU, there is a risk that customers will have reduced amounts of disposable income available and demand for the Group's products is reduced. Such an economic downturn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group cannot guarantee the success of its business strategy

The Group's business strategy objectives reflect the different life stages of its three business divisions:

- Driving digital growth in the UK and internationally – the Group's ambition for Online is to build the world's most trusted digital gambling brand and a business with greater scale, more geographic diversity and higher profit margins;
- Growing a business of scale in the US – following the US Supreme Court's decision to overturn PASPA, the US represents a major new market opportunity and one that the Group believes it is well placed to pursue as the US's leading sports betting company; and
- Remodelling UK Retail – the Group's Retail business is focused on addressing the challenges laid down by the Triennial Review decision, including through product innovation to offer alternatives to B2 gaming, as well as remodelling the retail estate and the business.

²² NB: to be updated based on relevant political developments.

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 be able to continue to deliver levels of change delivered under its transformation programme and may not be able to meet resourcing needs

The Group's transformation programme will conclude in 2019 and projects which remain open have been transferred into the core business for ownership and oversight. The formal transformation programme delivered material change across the business and the Group continues to drive change where required and make key decisions to deal with its rapidly evolving competitive, technological and regulatory environments. Ensuring the delivery of a continual level of change has the potential to impact the core business if not properly managed. In addition, the level of continuing change in the business must be managed alongside the delivery of other resource-heavy challenges the business faces, including the development of the Group's technology offering, expansion in the US and the integration of Mr Green.

The Group may not keep up to date with consumer trends and product innovation in its industry and may fail to manage the consequences of such changes, such as a loss of competitiveness or revenue

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 SSBTs 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 notably in the US following the US Supreme Court's decision to overturn PASPA. 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. Other than the US states expected to regulate sports betting in the coming years, 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 increasing compliance risks and complexities as the Group seeks to maintain the standards required by multiple regulatory bodies, each with differing regulations and approaches to compliance. Moreover, other risks related to international expansion include 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.

In addition, the Group must develop its services from commodity-driven offerings in order to enhance customer experience through the time to market, front-end flexibility and performance, customer analytics and personalisation. The Group's global technology footprint comprises a sophisticated combination of core central services and capabilities and more targeted, more localised and business-specific capabilities, delivered from multiple locations, to meet specific local business needs.

Specifically, as the Group's US business grows the Group must ensure that technology platforms are fit for purpose to deal with high volumes and varying local requirements, as the offering in each US state differs between channels and partnerships. The complexity of the Group's technologies and changing business needs means that execution within IT is a key area of management focus.

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, for example, the Group's acquisition of Mr Green in January 2019. 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 Group's UK and international Online businesses accept bets using a technology platform supplied by OpenBet, in conjunction with a number of proprietary technologies. The Group's Online business also relies on third parties to provide network services through which Online's websites and services are made accessible to customers via the internet. In the retail channel, SIS and RPL provide television pictures and data content to the Group's LBOs and gaming machines are maintained by Inspired Gaming. Although the Group exercises contractual control over these third party suppliers, it is reliant on them to perform their services in accordance with the terms of their contracts, which increases the Group's 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 ability to source 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 cybercrime attacks.

As with all gambling companies, the Group's business may be vulnerable to cybercrime attacks which could adversely affect its business. These attacks may include distributed denial of service ("DDoS") attacks and other forms of cybercrime, 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. Further, this threat landscape has evolved particularly rapidly over the course of the last year and continues to do so. The sports betting and online gaming industries, and the increasing digital footprint of the Group's global operations, means that this risk is a material threat facing the Group. 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, Europe (Malta, Sofia, Krakow, and Stockholm), the Philippines (Manila) and the US (Nevada). The Group's UK Online operations are based in Gibraltar, with a large proportion of staff based in Gibraltar commuting from mainland Spain regularly and there is a risk travel may be disrupted if the UK leaves the EU on 29 March 2019 without a withdrawal agreement (and associated transition period) in place. Such disruption or the destruction or closure of any of the Group's key 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. For example, the recruitment needs of the US business as it expands presents risks and challenges as the Group seeks to maintain and develop

existing teams. 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.

Following the imposition of the £6.2 million fine by the Gambling Commission as part of the Group’s regulatory settlement, the Group undertook a number of internal and external reviews and established an improvement programme in order to better identify risk and protect customers.

The Group’s measures to maintain the secrecy and integrity of personal data and protected information, as well as the justification and lawfulness of handling the personal data, could prove to be insufficient

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.

In the EU, the GDPR came into direct effect in all EU Member States on 25 May 2018, replacing previous EU data privacy laws. Although a number of basic existing principles have remained the same, the GDPR has introduced new obligations on data controllers and rights for data subjects, including, among others accountability and transparency requirements, enhanced data consent requirements, constraints on using data to profile data subjects and providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances.

The GDPR has also introduced new fines and penalties for a breach of requirements, including fines for systematic breaches of up to the higher of 4 per cent. of annual worldwide turnover or €20 million and fines of up to the higher of 2 per cent. of annual worldwide turnover or €10 million (whichever is highest) for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

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, including the GDPR.

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. In relation to the GDPR specifically, the Group has been required to make substantial amendments to its policies and procedures that have impacted, and could further adversely impact, the Group's business by increasing its operational and compliance costs. Further, there is a risk that the measures may not be implemented correctly or that there may be partial non-compliance with the new procedures. If there are breaches of the GDPR obligations or of any data protection and privacy laws in the jurisdictions in which the Group operates, the Group could face significant administrative and monetary sanctions as well as reputational damage, which could have a material adverse effect on its operations, financial condition and prospects.

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 Retail business' 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's Retail business 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 Retail business' revenue is likely therefore to have a proportionately greater adverse impact on its profitability if the Retail business is unable to reduce its costs to mitigate the effect of any decrease in revenue on profit. Due to this operating leverage the Retail business' 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, including as a result of an economic downturn following the UK's exit from the EU, 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 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, including as a result of an economic downturn following the UK's exit from the EU, which could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group is exposed to the risk of the defined benefit section of the Group's pension plan falling into deficit in the future

The Group has a closed defined benefit pension scheme which is in surplus on a funding basis. The most recent triennial actuarial valuation, on 30 September 2016, showed a funding surplus of £1.5 million. The Group has agreed to pay £8.8 million per annum towards ongoing funding requirements until December 2019. In addition, the Group contributes £1.9 million per annum towards the cost of insured death benefits and the administrative expenses of running the scheme. The Group is exposed to the risk of the scheme falling into deficit which may require 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 online channel and the expansion of the US business, 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 a certain percentage of William Hill's voting securities may be required to be found suitable by applicable gaming regulatory authorities, and if a shareholder is found to be unsuitable or refused to apply for a finding of suitability, he could be guilty of a criminal offence if he continues to hold voting securities and William Hill could be subject to disciplinary action if it continues to interact with that shareholder

William Hill is subject to a wide range of gaming laws and regulations in several jurisdictions, in which William Hill is licensed or has applications pending. Many of these jurisdictions require certain of William Hill's shareholders to file an application, be investigated and be found suitable to own any of William Hill's voting securities. Each of these jurisdictions require that any person who owns more than a certain percentage of William Hill's voting securities to report his ownership to the relevant gaming regulatory authorities and apply

for a finding of suitability. Most of the relevant gaming authorities allow an “institutional investor” to apply for a waiver that allows such investor to acquire, in most cases, up to 10 per cent. of William Hill’s voting securities without applying for a finding of suitability.

For example, the terms of the licence issued to William Hill by the Nevada Gaming Commission 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 Chair 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 Chair 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 voting securities 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 voting securities; (ii) allows that person to exercise, directly or indirectly, any voting right conferred through voting securities 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 in the State of Nevada or any similar consequences in any other jurisdiction could have a material adverse effect on the Group’s business, financial condition and results of operations.

Risks relating 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 14 and 15(b) 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 £200,000 and integral multiples of £1,000 in excess thereof up to and including £399,000. It is possible that the Notes may be traded in amounts that are not integral multiples of £200,000. In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than £200,000 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 £200,000.

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 relating 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 Limited and BB by S&P Global Ratings 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 will be used by the Group for general corporate purposes, including (without limitation) to fund the repurchase of any or all of the Issuer's outstanding £375 million of 4.25 per cent. Guaranteed Notes due 2020.

DESCRIPTION OF WILLIAM HILL PLC

Introduction

The Group is one of the world's leading betting and gaming companies, employing approximately 15,500 people in eight countries. Its origins are in the UK where it was founded in 1934, and where it is listed on the London Stock Exchange and is a member of both the FTSE 250 and FTSE4Good Indices. In the 2018 financial year Group revenue was £1,621.3 million (compared to £1,592.8 million in the 2017 financial year and £1,603.8 million the 2016 financial year) and adjusted operating profits were £233.6 million.

William Hill PLC is the parent company of the Group and is registered under the Companies Act 1985 with registered number 04212563. The registered office and the principal place of business in the UK of William Hill is at 1 Bedford Avenue, London WC1B 3AU, United Kingdom (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 for an aggregate amount of \$49 million. 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 which the Group disposed of in April 2018. 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. In January 2018, the Group sold its shareholding in NYX Gaming Group Limited. On 23 April 2018, the Group sold William Hill Australia Holdings Pty Limited for a total equity value of £173.2 million to CrownBet Holdings Pty Limited. On 31 October 2018, the Group announced a recommended cash offer to acquire Mr Green for a total offer value for all shares in Mr Green of approximately SEK 2,819 million (or approximately £242 million) and announced on 1 February 2019 that the offer to the shareholders of Mr Green had been accepted to such extent that the Group controlled approximately 98.5 per cent. of the shares and voting rights in Mr Green. Mr Green is a high-growth European online gaming company with operations in 13 countries. The Group has initiated compulsory acquisition of the remaining shares of Mr Green and expects the acquisition to complete in April 2019.

The Group's business is organised into three separate divisions: Online, William Hill US and Retail. The Group's ambition is to build William Hill into a digitally led, internationally diverse gambling business.

Online

William Hill took its first online bet in 1998, and is now the third largest operator in the UK online betting market as measured by revenue for any single brand. Online accounted for 39 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year, serving online customers in the UK and throughout the world. The Group operates its Online business in separate segments of UK and international. The UK remains the Group's principal market, accounting for 76 per cent. of Online net revenue in the 2018 financial year, although the Group is focused on diversifying the sources of Online's revenue streams by

expanding its international markets, which accounted for 24 per cent. of Online net revenue in the same period, with Spain and Italy representing the Group's two biggest markets behind the UK..

As part of this diversification, in January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries. The acquisition of Mr Green has allowed the Group to move its international Online operations to Malta from Gibraltar, which will provide continued access to a licensed operational hub within the EU in order to conduct business with customers internationally, including within the EU, following the UK's exit from the EU and enabling the existing team in Gibraltar to focus on growing the UK Online business.

William Hill US

William Hill US, originally established in 2012 with a focus on retail and mobile operations in Nevada, accounted for 5 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year and is now the largest sports betting business in the US. The division is divided into two business segments: the US Existing Business; and (ii) the US Expansion Business.

As part of the Group's US Existing Business, in Nevada, William Hill US holds a gaming licence issued by the Nevada Gaming Commission. In addition, 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 partner. William Hill is the largest such outsourced sports betting specialist partner to land-based licensed operators, operating 109 out of 191 sports books in the state as at the end of 2018. The US Existing Business delivered strong growth for a sixth consecutive year in 2018 with net revenue growing by 38 per cent.

US Existing Business – revenue and EBITA:

	2013	2014	2015	2016	2017	2018
	<i>\$m</i>					
Revenue	36	49	51	59	73	118
EBITA	8	16	14	19	23	0

Following the US Supreme Court's decision to overturn PASPA in May 2018, William Hill has sought to build its US Expansion Business and has launched or expanded operations in six other US states that have legalised land-based sports betting following the US Supreme Court's decision. In the 2018 financial year the US Expansion Business generated net revenue of £11.8 million. In the US states in which the US Expansion Business has launched or expanded retail-only operations following the US Supreme Court's decision, such operations have achieved profitability within a year of such launch or expansion. William Hill's target is for mobile operations to become profitable within approximately the next three years and the Group estimates that by 2023, subject to the speed and nature of state-by-state regulation, William Hill US could be generating EBITDA of approximately \$300 million.

Retail

The Group's Retail business operates LBOs, where customers can use gaming machines and place bets over-the-counter or via SSBTs on a wide range of sporting and non-sporting events. William Hill has a strong presence in the UK retail market, where it is the leading individual brand by number of LBOs with approximately 2,320 LBOs and a 27 per cent. market share. The Retail business, which accounted for 55 per cent. of the Group's £1,621.3 million annual revenues in the 2018 financial year, is focused on addressing the challenges the implementation of the Triennial Review decision in April 2019 presents by adapting to

ensure it remains viable and competitive. The Group expects implementation of the Triennial Review decision, including the £2 stake limit on B2 gaming products (as classified under the Gambling Act), to drive substantial structural change across the LBO sector over the coming years. The Group estimates a reduction in Retail's gaming revenues by approximately 50 per cent. if no mitigation measures are implemented. However, the Group expects to mitigate the reduction in gaming revenues through a number of measures, including (i) product innovation to provide alternatives to B2 gaming (with customer migration to alternative products expected to retain between 10-20 per cent. of gaming revenues), (ii) capturing market share from its competitors which have closed shops as a result of the impact of the Triennial Review decision (with captured revenue from closed shops expected to further retain between 20-30 per cent. of gaming revenues) and (iii) remodelling the retail estate, including by reducing the average lease length of its LBOs to under three years and assessing the potential to amend lease terms. The Group also continues to invest in its proprietary SSBTs, increasing their availability in shops and widening the range of products they offer by adding 17 more sports in addition to football and increasing the number of SSBTs to over 3,700 with an over 60 per cent. increase in the average amount wagered on each machine per week in 2018 due to strong customer adoption. Although the Group anticipates the Retail business' EBIT to be reduced by approximately £70-100 million in 2019 following such mitigation measures with up to an estimated 900 shops at risk of closure, as a result of such preparation and adaptations to the challenges presented, the Group expects the Retail business to continue to deliver positive cash flows to the Group on an annual basis, with the Group estimating that Retail could generate cash between £105 million and £215 million in the financial years from 2019 to 2021, which can be reinvested in high growth opportunities in the Online and William Hill US divisions.

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

Online

The Group operates in a number of online markets, including in the UK, EU and US. The UK online market, which includes mobile, is the fastest growing segment of the UK gambling industry. Since it was first 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 remote sector in Great Britain, which consists of predominantly the online sector, was estimated to have generated £5.4 billion of gross gambling yield from April 2017 to March 2018, representing 37 per cent. of total industry gross gambling yield. The proportion of online gamblers who have gambled using either a mobile phone or tablet was 55 per cent. in the year to December 2017, an 8 per cent. increase from the previous year (to December 2016) as mobile devices continue to make the product more accessible.²³

In addition to the UK online market, the Group operates in a number of international online markets. In January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland, allowing the Group to expand its Online offering into other international markets. The Group also operates in other online markets with large populations with a propensity to bet. Such markets include Italy and Spain, where the Group's Online

²³ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>.

business has licences and local market websites. The Group aims to build its revenue and profit streams from such markets as it seeks to diversify the sources of its revenue stream.

US

The Group operates in several states in the US. In the US, the gambling market as a whole is dominated by land-based casinos and lotteries with online gaming largely illegal other than in Delaware, New Jersey and Nevada, which allow for licensed operators to provide gaming products. The US Supreme Court's decision to overturn PASPA in May 2018, which had banned state-sponsored land-based sports betting in all but four states, has enabled each US state to decide for itself whether to legalise and regulate land-based sports betting. Following the US Supreme Court's decision, in addition to Nevada, by the end of 2018, each of Pennsylvania, West Virginia, New Jersey, Rhode Island and Mississippi had legislation and regulations in place that allowed sports betting for the first time in their state and Delaware had expanded its sports betting offering. Other US states are expected to follow in the coming years, with legislation to legalise and regulate sports betting pending in the following 21 US states: Arizona, Connecticut, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, North Carolina, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, Texas and Vermont. Moreover, legislation to expand or reform existing state laws is pending in five US states (Arkansas, Montana, Nevada, New York and Rhode Island) and bills are pending that would require a study of sports betting in two further US states (Hawaii and Virginia). Market estimates suggest that the US could generate between approximately \$5 billion and \$16-19 billion of sports betting revenues by 2023, depending on the speed and nature of state-by-state regulation, and the Group's aim is to establish operations in each US state that legalises and regulates sports betting and achieve an average market share of at least 15 per cent. in relation to all such US states.

Each US state can be expected to approach the legalisation and regulation of sports betting differently. Currently, 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 partner. Nevada permits mobile betting for customers who open their accounts through land-based outlets as well as in-person betting at land-based licensed properties. William Hill is the largest operator of sports betting shops in the state with an approximately 32 per cent. market share by revenue and a 57 per cent. market share by number of outlets and is also the largest outsourced sports betting specialist partner to land-based licensed operators in Nevada, operating 109 out of 191 sports books in the state as at the end of 2018. Other US states may approach the regulation of sports betting by permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware (where William Hill provides risk management services to the Delaware State Sports Lottery) and Rhode Island (where William Hill provides exclusive risk management services to the Rhode Island state lottery). Other than Nevada, the only US state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey, however, the Group believes legislators in US states may favour tethered mobile (which requires customers to open mobile accounts in casinos or other licensed locations prior to using such mobile accounts) when considering legislating and regulating for sports betting and that a number of US states are likely to follow the New Jersey legislative model.

Retail

The Group operates LBOs, predominantly in the UK, which 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. The UK is William Hill's primary market contributing 85 per cent. of its revenues in the 2018 financial year. The total gross gambling yield of the gambling industry in Great Britain for the year to March 2018 was £14.4 billion, an increase of 4.5 per cent. from the previous year (to March 2017) with the National Lottery and TV advertising continuing to make gambling more socially

acceptable as a mainstream leisure activity²⁴ According to surveys conducted by the Gambling Commission, 46 per cent. of adults in Great Britain claim to have participated in at least one form of gambling in the previous four weeks. In addition, 18 per cent. of adults in Great Britain claim to have gambled online in the past four weeks.²⁵

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 LBO market has consolidated over the decades and four brands now account for 88 per cent. of LBOs. Following the Triennial Review decision, the Group estimates that, after the £2 stake limit is introduced, the LBO gambling market in the UK as a whole will still be worth approximately £1.5 billion in revenues a year.

The Group has good positions in its core markets

Online

In the UK, which accounted for 76 per cent. of William Hill's Online net revenue in 2018, the Group is the third largest operator in the online betting market as measured by revenue for any single brand.²⁶ The market is highly competitive, with over 880 remote gambling activities licensed in the year to March 2018, due in part to low barriers to entry.²⁷ However, regulatory tightening is contributing to raising these barriers and scale is also increasingly important as technological complexity and the costs of marketing grow. The market has consolidated over recent years and now the top five online operators account for 74 per cent. of the market. 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.

The Group is focused on diversifying the sources of Online's revenue streams by expanding its international markets, which accounted for 24 per cent. of Online net revenue in the 2018 financial year. As part of this diversification, in January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland, allowing the Group to take its Online offering into other international 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.

US

As part of the Group's US Existing Business, William Hill US has been operating a successful sports betting business in Nevada (where the US Existing Business is headquartered) since 2012 and is the largest operator of sports betting shops in the state with approximately 32 per cent. of the market by revenue and 57 per cent. of the market by number of outlets. William Hill is also the largest outsourced sports betting

²⁴ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

²⁵ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>

²⁶ Source - H2 Gambling Capital.

²⁷ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

specialist partner to land-based licensed operators in Nevada, operating 109 out of 191 sports books in the state as at the end of 2018. Notwithstanding the strong retail presence the Group has in Nevada, the Group has also advanced its mobile offering, with mobile accounting for 65 per cent. of revenue in Nevada as at the end of the 2018. The US Existing Business is strongly profitable and continues to grow, with operating profits increasing from \$22.8 million in the 2017 financial year to \$43.6 million in the 2018 financial year and net revenue of \$106 million in the 2018 financial year.

William Hill US - amounts wagered by customers in relation to sports betting in Nevada:

	2013	2014	2015	2016	2017	2018
	<i>\$m</i>					
Retail	338	370	394	452	487	498
Mobile	150	247	371	492	666	945
Total expansion (William Hill as operator only)	-	-	-	-	-	212

William Hill's US Expansion Business has been able to set up operations, receive regulatory approval and take land-based sports bets by the end of 2018 in each of the US states that had legalised land-based sports betting following the US Supreme Court's decision on 14 May 2018 to overturn PASPA.

As the sports betting market has been regulated on a state-by-state basis, the Group has moved quickly to expand in six further states, including taking the first bets in Rhode Island, West Virginia, New Jersey and Pennsylvania and expanding its sports betting offering in Delaware. The Group has secured access to 17 states so far, principally through strategic partnerships with Eldorado, one of the US's leading multistate casino operators, Golden Entertainment, IGT and Prairie Meadows, meaning the Group is well-positioned to take advantage of further opportunities as the US market continues to liberalise on a state-by-state basis.

Retail

William Hill is one of the most recognisable names on the UK high street, with a strong presence in the UK retail market, where it is the leading individual brand by number of LBOs with approximately 2,320 LBOs and 27 per cent. of market share, providing betting opportunities on a wide range of sporting and non-sporting events.

The Group's markets benefit from barriers to entry

Online

The Group's Online business is protected by licensing and regulatory requirements although it is possible for unlicensed competitors operating from offshore locations to win business in the markets in which Online operates. Although barriers to entry may be lower in respect of online gambling, the Group 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, for which there is a limited availability of expertise and operators such as William Hill benefit 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 important and companies such as William Hill are increasingly sourcing exclusive and proprietary gaming content for customers.

US

In the US, the Group's land-based business in the states in which it operates is protected by stringent licensing and regulatory compliance requirements. Moreover, the Group's US Existing Business has a strong market position in Nevada since it began operating in the state in 2012, being the largest operator of sports betting shops and the leading sports betting brand in the state, with an approximately 32 per cent. market share by revenue and a 57 per cent. market share by number of outlets. In addition, in September 2018 the Group entered into an exclusive 25-year nationwide partnership with Eldorado, for digital and land-based sports betting and online gaming in the US, building on the strategic partnerships already entered into with Golden Entertainment, IGT and Prairie Meadows. Eldorado is a leading casino entertainment company that owns and operates 27 properties in 13 states. The exclusive partnership extends William Hill US's leadership in sports betting through access to Eldorado's leading regional casino portfolio and customer base of 23 million people and widens William Hill's reach to 13 states where sports betting is either legal or sports betting bills are tabled.

Retail

The UK LBO market benefits from high barriers to entry based on licensing and planning restrictions. The LBO market has consolidated over the decades and four brands now account for 88 per cent. of LBOs with a gradual reduction in the number of small chains and independent operators. The Group remains the largest single gambling brand on the UK high street by number of LBOs and benefits from a loyal customer base. The Group is therefore confident that it will be able to leverage its scale to manage difficult trading conditions and capture market share from its competitors by diversifying its business and developing its product offering. This includes continued investment in its proprietary SSBTs, increasing their availability in shops and widening the range of products they offer, and the Group is the only operator with proprietary SSBTs in the UK retail market.

Large scale operator

William Hill believes it is important to have a large-scale operation in its core markets and the Group is the leading individual brand in the UK retail market by number of LBOs, the largest sports betting business in the US and the third largest operator in the UK online betting market as measured by revenue for any single brand. In particular, for the Online business, scale enables investment in marketing and technology which drives future growth whilst being able to absorb the impact of regulatory change and increases in gambling taxes. 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. Given the Group's scale, particularly in the UK retail and online markets and the US in comparison to its competitors, particularly in Nevada, William Hill has the resources to mitigate or adapt to 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. Net cash from continuing operating activities was £197 million in the 2018 financial year (representing a reduction from £273 million in the 2017 financial year and £266 million in the 2016 financial year). Good control of capital expenditure has enabled the Group to deliver high levels of free cash flow, with capital expenditure expected to be £120-130 million in the 2019 financial year before reducing to an estimated level of £90-110 million in the 2020 financial year. Over recent years surplus cash flow after dividends has been used to reduce net debt.

The Group has a robust and flexible balance sheet with net debt to EBITDA standing at 1.0 times at 1 January 2019 and EBITDA to net cash interest standing at 9.4 times at 1 January 2019. 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. Depending on the actual impact of the Triennial Review, the net debt to EBITDA ratio may temporarily exceed 2.0 times in 2019. However, the Group expects the net debt to EBITDA ratio will naturally reduce as the business normalises in the period following the implementation of the Triennial Review. In addition, the Group expects that sources of liquidity available to it will exceed uses by more than 1.5 times over the next 12 month period. The Group expects growth in the William Hill US and Online businesses to be self-financing and not to require increased leverage.

The Group's capital allocation priorities are:

- investment in growth in the US, including a \$70 million investment in technology available to William Hill US;
- investment in the remodelling of its Retail business and driving cost savings, including a total cost reduction of £35 million and one-off exceptional costs of 0.5-1 times the annual saving as a result of such remodelling;

- payment of regular dividends to shareholders: calculated at approximately 50 per cent. of the Group's operating profit, excluding operating profit/loss of the US Expansion business for the 2018 financial year and including profit/loss of the US Expansion business from the 2019 financial year, underpinned at 8 pence per share for the 2018 financial year; and
- investment in growth opportunities through bolt-on mergers and acquisitions.

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 Philip Bowcock, the Chief Executive Officer and Ruth Prior, the Chief Financial Officer, who have strong and diverse backgrounds in a number of business sectors.

Strategy

William Hill's strategic objectives reflect the different life stages of its three business divisions and are underpinned by the Group's ambition that nobody is harmed by gambling. The purpose of the strategic objectives is to meaningfully reshape William Hill over the coming years, moving from a business that is predominantly UK centric and land-based to being digitally led, internationally diverse and sustainable for the long term.

Driving digital growth in the UK and internationally

The objective for the Online business is to build the world's most trusted digital gambling brand and business with greater scale, more geographic diversity and higher operating profit margins. The Group's ambition is to increase the Online business's revenue to £1 billion and to double profits from its Online business by 2023.

In 2018, improvements in the Group's online products and increased marketing efficiency, with growth in active customers outpacing the increase in Online's marketing expenditure, drove underlying net revenue growth of approximately 6 per cent. and adjusted operating profit growth of approximately 11 per cent. in respect of the Online business. A reduction in annual costs for Online created approximately £10 million of cost savings, with an approximate £6 million additional cost saving expected as a result of synergies following the acquisition of Mr Green. However, the Group closed a significant number of customer accounts as a result of the enhanced due diligence measures and this reduced Online's net revenue by £22 million and operating profit by £17.5 million respectively which, together with increased costs from the Remote Gaming Duty, caused adjusted operating profit to decline 2 per cent. The Group is successfully broadening its customer base by focusing more on mass market customers. Greater focus is placed on lower-staking recreational players and increasing new accounts, which were up 10 per cent. in 2018.

International markets accounted for 24 per cent. of Online's net revenue in 2018 and the Group is focused on diversifying Online's revenue streams. As part of this diversification, in January 2019, the Group completed the acquisition of Mr Green, a high-growth European online gaming company with operations in 13 countries and licences in seven countries. Mr Green generated revenue growth in 2018, principally from European markets with the majority of its revenues generated in the Nordics and mainland Europe. The acquisition of Mr Green has also allowed the Group to establish an international hub of operations in Malta, inside the EU and therefore not subject to any direct impact from the UK's exit from the EU, from which the Group will manage its non-UK expansion. The acquisition is expected to be accretive to earnings in the first full year, with returns expected to be in excess of the Group's cost of capital. Overall, the Group's cost per acquisition reduced by 3 per cent. in the 2018 financial year.

Growing a business of scale in the US

William Hill's goal is to be the market leader in the US and the Group intends to enter every state that legalises and regulates sports betting, whether land-based or mobile. The US Supreme Court's decision in May 2018 to overturn PASPA represents a major new market opportunity that William Hill is well placed to pursue as the US's leading sports betting company with its strategy focused on:

- Market access – William Hill US is the only company operating in all seven states to have regulated sports betting to date and has secured access to 17 states so far, 15 of which are expected to regulate sports betting in the next 2-3 years. Access has been secured principally through strategic partnerships with Eldorado, one of the US's leading multistate casino operators, Golden Entertainment, IGT and Prairie Meadows;
- Operational excellence – the Group is investing in the delivery of both online and retail in the US, including in a new technology platform to support the scalability of the US business and efficient entry into new US states, future product innovation and high levels of operational performance. This technology will also be flexible to suit different operating models, enabling William Hill US to adapt to the nuances of the US market depending on how each US state chooses to regulate sports betting; and
- Brand and marketing – the Group has an established brand name in the US through its existing Nevada business and is seeking to market across a variety of channels in other US states, including New Jersey where it markets through television, radio, digital and street teams. In addition, the Group has agreed sponsorship deals with two major US sports franchises: the Vegas Golden Knights ice hockey team and the New Jersey Devils ice hockey team. The Group continues to develop its marketing activities in order to increase brand awareness and develop market share in the US.

The US Existing Business delivered its sixth consecutive year of strong growth with net revenue increasing by 38 per cent. and adjusted operating profit increasing by 84 per cent. in 2018. The Group's market share by revenue in Nevada reached 32 per cent. in 2018, up from 29 per cent. in the previous year and 12 per cent. when the Group began operating as William Hill in Nevada in 2012.

Remodelling UK Retail

The Retail business is focused on addressing the challenges laid down by the Triennial Review decision, which will drive substantial structural change across the LBO sector over the coming years.

Preparations for implementation in April 2019 across the UK, including voluntary implementation in Northern Ireland, include product innovation as alternatives to B2 gaming, as well as remodelling the retail estate and the business. The remodelling of the Group's estate since the decision was announced in May 2018 has involved working to reduce the average lease length of its LBOs to under three years and assessing the potential to amend lease terms.

Following implementation of the £2 stake limit on B2 gaming products, the Group will experience the full impact of changes to customer behaviour from the second quarter of 2019 without the offsetting benefit of mitigation measures and cost savings until later in the year and it estimates up to 900 shops will become at risk of closure. The Group estimates that exceptional cash costs of remodelling Retail are expected to be approximately £40-60m over the next two to three years, predominantly relating to shop closures. The impact and thus the extent of mitigation and cost savings will in part depend on assessing the impact on consumer behaviour seen during this initial period following implementation of the new limit. However, the Group expects the Retail business' annual profitability to be reduced by approximately £70-100 million annually after mitigation.

Increased differentiation through technology

William Hill believes differentiation drives growth and that technology is crucial in enabling this given that the fastest growing products are supported by technological innovations. 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, a number of operators, including William Hill, are looking to control more technology internally in order to provide customers with a differentiated offering. This requires significant investment in innovation and know-how but the costs of such investments favour large scale operators such as William Hill.

Online

The Group's Online business has continued to innovate its gaming offering. Alongside its popular Vegas product suite, the Group offers a more high-end gaming experience via its "Mayfair" product suite with exclusive content and more themed or branded live dealer tables, as well as a comprehensive offering of online slots and progressive jackpots on its Games product suite. Online has also built its own bonus engine to support the Vegas-and Live Casino offerings.

The Group's online sportsbook, like many others, uses OpenBet's software comprising back-end functions such as the betting engine and e-wallet capabilities and front-end interfaces with the desktop and mobile website and applications. The Group's proprietary service layer and application programme interfaces between the front and back-ends of the sportsbook system and continues to deliver benefits, 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.

US

The Group is building a new retail operating system interface that will be rolled out initially to US states in which the US Expansion Business operates and will deliver an enhanced customer experience both over-the-counter and at kiosks. In addition, William Hill is investing in improved proprietary technology specifically for the US market.

Retail

The Retail business is expected to benefit from an expanded product range provided through William Hill's continued investment in its own SSBTs, increasing their availability in shops and widening the range of products they offer. William Hill currently offers 19 sports on its SSBTs, which will increase to 20 with the launch of motor sports. The Group is looking to strengthen its proposition by increasing the number of SSBTs in its LBOs and working to ensure that it offers a compelling product that continues to drive an increase in the average amount wagered per machine per week.

The new retail operating system interface being introduced in the US is also expected to provide a number of reusable services that William Hill will be able to capitalise on during the process of remodelling the Retail business.

Product Offering

The Group's business consists of offering betting and gaming products and services through land-based and digital distribution channels including mobile.

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 three main divisions: Online, William Hill US and Retail.

Online

William Hill's Online business, which accounted for 39 per cent. of the Group's net revenue in the 2018 financial year (and is expected to contribute 47 per cent. of the Group's net revenue in the 2019 financial year following the acquisition of Mr Green in January 2019), comprises all online and telephone activity, including sports betting, casino, poker and other gaming products along with telephone betting services. The Group's Online revenues increased by £17.5 million or 3 per cent. in the 2018 financial year.

The Online business, which had approximately 3 million customers worldwide with unique active accounts in 2018, provides a vast and engaging product range, tailored for the customer experience, including in-play and pre-match sports betting and a wide range of gaming products. In addition, there was a 10 per cent. increase in new accounts in 2018 as Online invested in offers and incentives to attract a more mass market customer base and cross-sell product features, and going forward there will be opportunities to cross-sell the strong William Hill sportsbook offering to Mr Green customers as well as to broaden the offering of Mr Green's gaming products in the UK. Online net revenue was split evenly by product between gaming and the sportsbook in the 2018 financial year with improvements to the mobile user experience resulting in revenues from mobile devices increasing to 83 per cent. of sportsbook net revenue and 80 per cent. of gaming net revenue.

In the UK, which accounted for 76 per cent. of Online's net revenue in 2018, the Group is the third largest operator in the online betting market as measured by revenue for any single brand. The market is highly competitive, with over 880 remote gambling activities licensed in the year to March 2018, due in part to low barriers to entry. However, regulatory tightening is contributing to raising these barriers and scale is increasingly important as technological complexity and the costs of marketing grow. Although growth has started to slow as the market matures, online gambling revenues in the UK in 2018 were £5.3 billion²⁸, representing the largest regulated market for online gambling in the world, and online and particularly mobile gambling continues to be the fastest growing segment of the UK gambling industry. Over recent years, the market has consolidated and the top five online operators now account for 74 per cent. of the market. The UK remains the Online business' principal market and the Group will continue to focus on growing at or above market growth rates, which it believes it is well-positioned to do given its market position and with a competitive product range and the resources to invest in marketing and improving the customer experience.

The Group is also continuing to diversify internationally and is 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. International markets accounted for 24 per cent. of Online's net revenue in 2018. The combined revenues from Italy and Spain, which followed the UK in establishing licensing regimes for online gambling in 2011 and 2012 respectively, accounted for 12 per cent. of Online's revenue. There has been recent regulatory change in both countries, including tax decreases in Spain in 2018, and a number of regulatory developments in Italy, including new restrictions on advertising to be effective from July 2019, the issue of 70 new online gaming licences in February 2019, an increase in gaming taxes from 20 per cent. to 25 per cent. of gross gaming revenue from January 2019 and an increase in fixed-odds betting tax from 22 per cent. to 24 per cent. of gross gaming revenue also from January 2019. William Hill also accepts customers from many other countries which accounted for the other half of revenue from international markets in 2018.

In January 2019, William Hill completed the acquisition of Mr Green, which increases the diversification of the Group's digital and international revenues and gains it access to a ready-made hub of online operations in Malta, inside the EU. Mr Green is a high-growth gambling company which has operations in 13 countries and holding licences in seven of those countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland. The majority of Mr Green's revenues are generated in the Nordics and mainland Europe, allowing the Group to increase its pan-European footprint and the proportion of international revenue generated by Online by taking its Online offering into other international 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.

William Hill US

²⁸ Source - H2GC.

During the 2018 financial year William Hill US, which comprises the US Existing Business and the US Expansion Business, grew revenue by 58 per cent. to £91.5 million.

The Group's US Existing Business has been operating a successful sports betting business from its headquarters in Nevada since 2012 and is the largest operator of sports betting shops, which have to be sited within casinos, with approximately 34 per cent. of the US market by revenue and 57 per cent. of the Nevada market by number of outlets and the leading sports betting brand in the state. William Hill is also the largest outsourced sports betting specialist partner to land-based licensed operators in Nevada, operating 109 out of 191 sports books in the state as at the end of 2018. The US Existing Business revenue increased by 38 per cent. to £79.7 million in the 2018 financial year (driven by significant growth in mobile) due to a combination of an increase in customer numbers with new customers increasing by 20 per cent., unique actives (being any customer who has placed a bet within the relevant period) increasing by 29 per cent. and the average bet size increasing by 46 per cent. In addition, the US Existing Business is experiencing continued growth in in-play betting, which accounted for 37 per cent. of amounts wagered in 2018.

Since the PASPA decision, the Group's US Expansion Business has launched or expanded operations in six states: New Jersey (where the Group has a digital hub), Delaware, Rhode Island, Mississippi, Pennsylvania and West Virginia. Revenue is derived from both direct revenue and service provider revenue, depending on the nature of the different operating models, partnerships and regulation in each US state. The approach to the regulation of sports betting by such states has varied since the US Supreme Court's decision, with certain states permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware (where William Hill provides risk management to the Delaware State Sports Lottery) and Rhode Island (where William Hill provides exclusive risk management services to the Rhode Island state lottery). Other than Nevada, the only state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey.

The Group has secured access to 17 states so far, principally through strategic partnerships with Eldorado, one of the US's leading multistate casino operators, Golden Entertainment, IGT and Prairie Meadows, meaning the Group is well-positioned to take advantage of further opportunities as the US market continues to liberalise on a state-by-state basis. Market estimates suggest that the US could generate between approximately \$5 billion and \$16-19 billion of sports betting revenues by 2023, depending on the speed and nature of state-by-state regulation following the US Supreme Court's decision. In the six states in which the Group has launched or expanded operations in since the US Supreme Court's decision it has generated total wagering of approximately \$430 million, made up of approximately \$212 million wagered directly with William Hill and approximately \$218 million wagered with partners where it receives income as a service provider.

Retail

The Group's Retail segment consists of the approximately 2,320 LBOs that William Hill operates in the UK, making the Group the leading individual brand by number of LBOs with approximately 27 per cent. of market share, providing betting opportunities on a wide range of sporting and non-sporting events by offering betting products over-the-counter and through SSBTs and gaming products on gaming machines. In the 2018 financial year the Retail business accounted for 55 per cent. of the Group's annual revenue, generating £156.9 million cash in the same period, an increase of 6.4 per cent. compared to the 2017 financial year.

Gaming accounted for 55 per cent. of the Retail business' annual net revenue in 2018. The Group continues to invest in its regular programme of product launches, leading to an increase in B3 gaming content (as classified under the Gambling Act) to 38 per cent. in 2018, and also experienced strong growth from games developed in-house, which not only expand the Group's content portfolio but also do not attract a revenue share.

In betting, the total sportsbook Gross Win Margin was up 0.2 percentage points to 18.2 per cent. in 2018, benefiting from a strong end to the year across horseracing (which accounted for 18 per cent. of Retail's net

revenue for 2018) and football (which accounted for 13 per cent. of Retail's net revenue for 2018), in addition to greyhound racing (which accounted for 6 per cent. of Retail's net revenue for 2018). The Group's proprietary SSBTs contributed 15 per cent. of total staking, with machine weekly average wagering growing 60 per cent. year-on-year. A further 611 SSBTs were rolled out in 2018, bringing the per shop average to 1.6. For a typical set of football fixtures with a 3 p.m. kick-off on a Saturday afternoon in the UK, customers have the choice of over 250 bets per match and the Group takes over 140,000 bets on an average Saturday solely on its SSBTs with over half of football stakes now transacted through SSBTs. In addition, during 2018 the Group added seven further sports to the SSBTs, customer enhancements such as 'Betting Buddy' and multi-match coupons. Despite accounting for the majority of the Group's annual revenue and the Group being the leading individual brand in the UK retail market by number of LBOs, Retail revenue fell £17.9 million or 2 per cent. in the 2018 financial year with the Retail sportsbook experiencing a £16.5 million or 4 per cent. decrease in revenue, driven by a 5 per cent. decrease in wagering, while revenue from gaming machines decreased by £1.4 million with a reduction in footfall on the retail high street offsetting increasing product launches of B3 gaming content.

In addition to tough high street conditions, the Group expects implementation of the Triennial Review decision, including the £2 stake limit on B2 gaming products, to drive substantial structural change across the LBO sector over the coming years, resulting in a substantial number of shop closures across the industry, with the Group estimating 900 of its LBOs may become at risk of closure, contributing to revenue and profit declines for the Retail business.

Competition

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

Online

The Group considers its principal competitors in its key online markets to be other large and successful online operators such as Bet365, GVC 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 such as 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.

US

In the US, the Group considers its principal competitors to be casino operators such as Caesars, GVC, Penn, Wynn, LAS VEGAS SANDS as well as fantasy sports-related contest providers, including PPB-FanDuel and DraftKings. In addition, other competitors in the US market include international sports betting operators such as The Stars Group, Bet365, Kambi and 888.

Retail

The UK LBO market is in practice composed of multiple local markets with competition in such markets predominantly from local and national retail operators operating shops sited in close location to the Group's LBOs. On a national basis the Group's principal competitor in the UK retail market is GVC, owner of LadbrokesCoral, which holds the number one market position by numbers of LBOs. 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.

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 core business divisions the expected range for the Gross Win Margin is between 7 per cent. and 8 per cent. for Online, between 17 per cent. and 18 per cent. for Retail and, in respect of William Hill US, between 5 per cent. and 6 per cent. for online operations and between 7 per cent. and 9 per cent. for retail operations, 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, it may 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 pre-set liability limits on individual events applicable to all customers, and, if appropriate, such limits can be further reduced for specific customers. Any bet placed over this amount is then referred to management for approval. The vast majority of bets are accepted automatically within the pre-defined limits and 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".

The Group's annual profits in the 2019 and the 2020 financial years will be lower as a result of regulatory and tax changes that impact the Group's operations, including the implementation of the Triennial Review decision in April 2019.

The Group's Online business entered into a regulatory settlement with the Gambling Commission in February 2018 following the identification of a number of cases where former policies were insufficient to ensure full regulatory compliance, particularly in relation to the identification of the possible proceeds of crime. As a result, William Hill agreed to pay £6.2 million to the Gambling Commission. William Hill reviewed the circumstances which led to this compliance breach and continues to monitor the introduction of new and improved resources, policies and processes in order to better identify risk and protect customers.

In addition, the Group's Online business was fined €300,000 in December 2018 by the Dutch gambling authority, Kansspelautoriteit, following its investigation into alleged unlicensed online gambling operations. The Group is due to appeal the fine in 2019.

Marketing

The William Hill brand is one of the Group's major assets in the UK and internationally, standing for heritage, trust and expertise. 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 and Gibraltar 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 proven to be successful in the UK and is now also established in certain of the Group's other core markets, including the US.

In 2018, the Group joined other operators in the industry in voluntarily supporting a whistle-to-whistle ban on television betting advertising during pre-watershed live sport. This initiative, which the Group played a role in lobbying the wider industry to support, has been implemented by the industry ahead of any regulation.

Information Technology Systems

The Group is reliant on extensive information and communication systems to support its 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. Developments in recent years include the creation of a global trading platform to enable the Group to support international trading with a single back office function that is available to the Group's operations globally, 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 the Group's online sports betting business depends.

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 maintains gaming machines in the Group's LBOs; SIS, in which William Hill has a 19.5 per cent. shareholding; and RPL, 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 EU 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
Roger Devlin	Chairman	Chairman, Persimmon plc
Philip Bowcock	Chief Executive Officer	None
Ruth Prior	Chief Financial Officer	Non-executive Director, Motability Operations Group PLC
Georgina Harvey	Independent Non-executive Director	Non-executive Director, Big Yellow Group PLC Senior Independent Director, McColl's Retail Group plc
Mark Brooker	Senior Independent Non-executive Director	Non-executive Director, The AA plc Non-executive Director, Equiniti Group plc Non-executive Director, Findmypast Limited Non-executive Director, Seedrs Limited

Robin Terrell	Independent Non-executive Director	None
Gordon Wilson	Independent Non-executive Director	President, Chief Executive and member of the Board of Directors, Travelport Worldwide Limited Chairman, eNett International

The business address of the directors is 1 Bedford Avenue, London WC1B 3AU, 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 2018 financial year was 15,940 (2017 financial year: 16,112), all of whom were engaged in the administration and provision of betting and gaming services.

Material Contracts

On 29 January 2019, the Group, through its subsidiary William Hill U.S. Holdco, Inc., entered into an exclusive partnership with Eldorado, a major casino entertainment company, for digital and land-based sports betting and online gaming in the US.

At the time of entering the partnership, Eldorado had 21 properties across 11 US states and a customer base of approximately 23 million people, and has since acquired Tropicana Entertainment Inc., extending its reach to 26 properties in 13 US states.

Under the terms of the agreement William Hill became Eldorado's exclusive partner in the provision of digital and land-based sports betting services as well as online gaming, providing the Group with access to 13 US states where sports betting is either legal or sports betting bills have been tabled. Following entry into the agreement with Eldorado, William Hill has opened sportsbooks in five properties in three US states (The Tropicana in Atlantic City, New Jersey and The Mountaineer Casino Racetrack and Resort in West Virginia) and has opened three casinos in Mississippi (The Lady Luck Casino in Vicksburg, Isle of Capri in Lula and Tropicana Casino in Greenville).

Important features of William Hill's partnership with Eldorado include:

- the agreement is for an initial 25-year term;
- in addition to providing William Hill US with access to Eldorado's 26 properties across 13 US states, the agreement will provide the Group with access to any new properties Eldorado may acquire or develop;
- William Hill US has retained 80 per cent. equity ownership of William Hill U.S. Holdco, Inc. (with a 20 per cent. equity ownership transferring to Eldorado, which is subject to a 3-5 year lock-up), allowing the Group to retain strategic flexibility and with both parties incentivised to grow the Group's digital and land-based sports betting operations in the US;

- Eldorado received \$50 million of equity in William Hill PLC (equivalent to approximately 1.6 per cent. of its market capitalisation), based on the value of William Hill PLC's equity at the time the agreement was entered, and a share of profits attributable to William Hill PLC's licences, closely aligning the two partners' interests; and
- investment in sportsbooks in five of Eldorado's existing casino properties began immediately following the entry into the agreement, with capital expenditure jointly split between the partners.

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 1 Bedford Avenue, London WC1B 3AU, 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 business. For a full description of these activities, please see “*Description of William Hill PLC — Product Offering*” starting on page 68 and “*Description of William Hill PLC — Principal Segments*” starting on page 69 of this Prospectus.

In the 2017 financial year, WHO reported revenues of £897.9 million and an operating loss of £234.1 million.

Organisational Structure

WHO is a wholly-owned subsidiary of the Issuer. Please see “*Corporate and Business Structure*” on page 24 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
Balbir Kelly-Bisla	Director and Company Secretary	None
Philip Bowcock	Director	None
Claire Pape	Director	None
Ruth Prior	Director	Non-executive Director, Motability Operations Group PLC

The business address of the directors is 1 Bedford Avenue, London WC1B 3AU, 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.

DESCRIPTION OF WHG (INTERNATIONAL) LIMITED

Overview

WHG (International) Limited (“**WHG**”) 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. For a full description of these activities, please see “*Description of William Hill PLC — Product Offering*” starting on page 68 and “*Description of William Hill PLC — Principal Segments*” starting on page 69 of this Prospectus.

In the 2017 financial year WHG reported revenues of £584.4 million and operating profits of £57.0 million.

Organisational Structure

WHG is a wholly owned subsidiary of the Issuer. Please see “*Corporate and Business Structure*” on page 24 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
Phil Walker	Director	None
Janice Duncan	Director	None
Liam Wallwork	Director	None
David Fuke	Director	None
Rebecca Smith	Company Secretary	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.

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 a number of important trends that are having a significant impact on the gambling industry both in the UK, the Group's primary market which accounted for 85 per cent. of its revenues in the 2018 financial year, and internationally:

- Migration to digital – At present only approximately 12 per cent. of total global gambling happens online. However, there is a continued movement of customers from retail channels towards online and mobile. Operators must adapt to meet the challenges of competitors in the digital betting market, including traditional land-based companies who have moved online and companies that began life online. The regulation of the online market varies significantly between jurisdictions, but the trend is towards greater acceptance of digital and greater regulation;
- Increasing regulation – Regulators are responding to increasing customer demand for online products by introducing greater regulation for the digital sector. For example, from April 2019, the outcome of the UK government's Triennial Review into gaming machine stakes and prizes was brought into force, with a reduction in the limit on stakes on fixed odds betting terminals from £100 to £2, which will result in a significant structural reshaping of the UK LBO market and present significant challenges to operators;
- Customer expectations – The global migration to online, beyond the gambling industry, means consumers have become accustomed to enjoying seamless online experiences. Consumers expect high levels of accessibility on mobile devices and to be able to reach content immediately ease, whether they are on social media or a betting application;
- Data-driven personalisation – The effective utilisation of data is key for personalisation that enables customers to get targeted offers and to enjoy an online experience that is specifically designed for them. Tailoring the customer experience to each individual through data profiling makes it possible to make bespoke offers and personalised marketing. The effective use of data is important if gambling companies are to remain relevant in an increasingly competitive environment where consumers expect online offerings to adapt to their preferences;
- Protection of personal data – As technological capabilities for the use of data have become increasingly sophisticated, people have increasingly demanded assurances from companies that they will properly safeguard these data and use them in a responsible way, reflected in the introduction of the GDPR which came into effect in the UK and EU in 2018. The issue of data

protection transcends many industries and it is clear that only companies that protect personal data, reassure consumers and win their trust will succeed in meeting customers' and regulators' expectations;

- Customer protection – The gambling industry must meet and exceed the expectations placed upon it by society. There are general measures that all good corporate citizens need to take, such as complying fully with data protection requirements. Others are industry-specific, including more sophisticated ways to determine whether a customer may be at risk of gambling-related harm. In both cases it is important that customers can trust that a company is behaving in an ethical and responsible way;
- Internationalisation – Major operators in the gambling industry have an increasingly international focus. This is a response to the growing importance of scale in the industry, as well as a result of the dynamic regulatory environment. An internationally diversified business spreads regulatory risk, can be best placed to capitalise on opportunities presented by new markets and enables the cost of common capabilities to be shared across operations, thereby reducing the costs of operating in each one; and
- Consolidation – There has been substantial consolidation across the gambling industry in recent years, particularly in the UK. The majority of the merger and acquisition activity announced in 2018 was focused on operators seeking to build capability to capitalise on the sports betting opportunity in the US and to internationally diversify businesses. This contrasted with merger and acquisition activity in previous years, much of which aimed for value creation through UK consolidation and opportunities for cost synergies.

Overview of the Gambling Industry in the Group's Markets

Online

The total gross gambling yield of the gambling industry in Great Britain for the year to March 2018 was £14.4 billion, an increase of 4.5 per cent. from the previous year (to March 2017), with the online market, including mobile, being the fastest growing segment of the UK gambling industry. Since it was first 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 remote sector in Great Britain, which consists of predominantly the online sector, was estimated to have generated £5.4 billion of gross gambling yield from April 2017 to March 2018, representing 37 per cent. of total industry gross gambling yield, of which betting was the second biggest contributor.²⁹ 18 per cent. of adults in Great Britain claim to have gambled online in the past four weeks³⁰ and the proportion of online gamblers who have gambled using either a mobile phone or tablet was 55 per cent. in the year to December 2017, an 8 per cent. increase from the previous year (to December 2016) as mobile devices continue to make the product more accessible.³¹

²⁹ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

³⁰ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>.

³¹ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2018-behaviour-awareness-and-attitudes.pdf>.

The Group is the third largest operator in the UK online betting market as measured by revenue for any single brand and the UK accounted for 76 per cent. of William Hill's Online net revenue in 2018.³² The market is highly competitive, with over 880 remote gambling activities licensed in the year to March 2018, due in part to low barriers to entry.³³ However, regulatory tightening is contributing to raising these barriers and scale is also increasingly important as technological complexity and the costs of marketing grow. The market has consolidated over recent years and now the top five online operators account for 74 per cent. of the market.

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 important and companies such as William Hill are increasingly developing and sourcing exclusive proprietary gaming content for their customers.

In addition to the UK, the Group operates in other growth markets with large populations with a propensity to bet. Such markets include Italy and Spain, where the Group's Online business has licences and local market websites. The Group aims to build its revenue and profit streams from such markets as it seeks to diversify the sources of its revenue stream. In addition, the Group acquired Mr Green in January 2019, a fast-growing, innovative business with operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland.

US

In the US, the gambling market as a whole is dominated by land-based casinos and lotteries with online gaming largely illegal other than in Delaware, New Jersey and Nevada, which allow for licensed operators to provide gaming products. The US Supreme Court's decision to overturn PASPA in May 2018, which had banned state-sponsored land-based sports betting in all but four states, has enabled each US state to decide for itself whether to legalise and regulate land-based sports betting. Following the US Supreme Court's decision, in addition to Nevada, by the end of 2018, each of Pennsylvania, West Virginia, New Jersey, Rhode Island and Mississippi had legislation and regulations in place that allowed sports betting for the first time in their state and Delaware had expanded its sports betting offering, and other US states are expected to follow in the coming years.

Market estimates suggest that the US could generate between approximately \$5 billion and \$16-19 billion of sports betting revenues by 2023, depending on the speed and nature of state-by-state regulation. Each US state can be expected to approach the legalisation and regulation of sports betting differently. Currently, 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 partner. 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. Other US states may approach the regulation of sports betting by permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware and Rhode Island. However, other than Nevada, the only state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey.

Retail

LBOs were first legalised in the UK 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

³² Source - H2 Gambling Capital.

³³ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>.

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 LBO market has consolidated over the decades and four brands now account for 88 per cent. of LBOs. The Group expects implementation of the Triennial Review decision to drive substantial structural change across the LBO sector over the coming years and have a significant negative impact on revenues, resulting in a substantial number of shop closures across the industry. However, despite such challenges, including tough high street conditions contributing to revenue and profit declines across the industry, the Group estimates that, after the £2 stake limit is introduced, the LBO gambling market in the UK as a whole will still be worth approximately £1.5 billion in revenues a year.

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.

Online

The Group's UK Online operations are based in Gibraltar and licensed and regulated by the Gibraltar Licensing Authority and the Gibraltar Gambling Commissioner respectively as well as being licensed by the Gambling Commission. Following the acquisition of Mr Green in January 2019, the Group's international Online operations have moved to Malta from Gibraltar, providing continued access to a licensed operational hub within the EU in order to conduct business with customers within the EU following the UK's exit from the EU. Mr Green has operations in 13 countries and licences in seven countries, including licences in Denmark, Italy, Latvia, Sweden, Malta and the UK, and a sportsbook licence in Ireland. The Online business also holds licences to operate online businesses in Italy, Spain and Ireland and is therefore 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 US states where the Group does not hold a gaming licence, 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 certain EU jurisdictions it believes it is permitted to accept business from customers located in other EU and EEA member states 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.

US

The activities of the Group's US Existing Business, in Nevada, and its US Expansion Business, in each of Pennsylvania, West Virginia, New Jersey, Rhode Island, Delaware and Mississippi, are subject to the

licensing and regulatory control of the of the relevant state commissions and control boards, as well as numerous local regulatory agencies.

Following the US Supreme Court's decision on 14 May 2018 to overturn PASPA, each US state can be expected to approach the legalisation and regulation of sports betting differently. Currently, 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 partner. 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. Other US states may approach the regulation of sports betting by permitting state lotteries to manage a sports betting monopoly in the state, as seen so far in Delaware and Rhode Island. However, other than Nevada, the only state to legislate and regulate mass market unrestricted mobile sports betting so far has been New Jersey.

In addition, in January 2019 the US Department of Justice (the "DOJ") publicly released a November 2018 opinion from its Office of Legal Counsel which reversed the DOJ's previous guidance from 2011 that interpreted the provisions of the Wire Act 1961 as only applying to sports-related gambling, thereby potentially bringing all online gaming under the scope of the legislation. Although the opinion acknowledged that the DOJ expects to actively enforce this new interpretation, in March 2018 it officially extended its non-prosecution period for its revised Wire Act opinion to June 2019. In any event, the Group does not expect the new interpretation of the Wire Act 1961 to be detrimental to its US business given that the interpretation is relevant to the US online gaming market and, in practice, the legislation already applied to sports betting.

Retail

In Great Britain the gambling industry is regulated under the provisions of the 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 LCCPs for each type of licence with which operators must comply.

Industry Issues in the Group's markets

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 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 Great Britain

the levels of problem gambling are stable and low by international standards with 0.8 per cent. of the adult population having a propensity to have a problem with gambling.³⁴

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. As a result of the above, the UK government began a Triennial Review into gaming machine stakes and prizes levels in 2016. In May 2018 the government announced the outcome of the Triennial Review with its principal decision to reduce the limit on stakes on fixed odds betting terminals from £100 to £2 from April 2019.

William Hill recognises the level of public concern around problem gambling and in July 2018 stated its ambition that nobody is harmed by gambling. In addition, the Group has measures in place to ensure it complies 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 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; 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. In addition, the Group facilitates customer time-outs and self-exclusion (which, together, reduced the Group's annual profits by £15 million in the 2016 financial year). 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 the 2018 financial year the Group paid £413.5 million in taxes. 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. The trend over recent years in the UK has been for the government to increase the tax burden on gambling companies including, for example:

- the introduction of a MGD in 2013 in replacement of the Amusement Machine Licence Duty and value added tax (which reduced the Group's annual profits by £15 million in the 2013 financial year);
- the introduction of the POCT regime for online gambling operators in 2014 (which reduced the Group's annual profits by £70 million in the 2014 financial year);
- an increase in the rate of MGD from 20 per cent. to 25 per cent. in 2015 (which reduced the Group's annual profits by £23 million in the 2015 financial year); and

³⁴ Source - Gambling Commission statistics: <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2017-behaviour-awareness-and-attitudes.pdf>.

- an extension of the POCT regime gaming free bets in 2017, which applies gambling duties based on where the customer is located rather than where the operator is located as previously (which reduced the Group's annual profits by £8 million in the 2017 financial year).

In addition to the impact of the Triennial Review decision, the Group expects the increase in Remote Gaming Duty to 21 per cent. in 2019 to reduce the Group's annual profitability by approximately £15 million in the 2019 financial year and by approximately £5 million in the 2020 financial year.

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. However, 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 per cent. of the betting revenues from UK horseracing. The Horserace Betting Levy Scheme was extended to Online in 2017, which reduced the Group's annual profits by £7 million. In addition, the industry pays for TV pictures from the racetracks that are broadcast in LBOs. In the 2018 financial year William Hill paid £18.5 million in Horserace Betting Levy including an additional voluntary contribution and picture and data costs of £82.8 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 2018 financial year the Group paid £1.8 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 are evolving 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 2018.

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 2017 the Fourth EU Money Laundering Directive (the "**Fourth MLD**") was implemented in the EU and transposed into UK law by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. The Fourth MLD led to changes in the LCCPs set by the Gambling Commission applicable from October 2016, including requirements for operators to have money laundering and terrorism financing risk assessment in place, establish appropriate policies, procedures and controls related to money laundering and terrorism financing risk and ensure policies, procedures and controls are implemented effectively, regularly reviewed and revised appropriately to ensure that they remain effective.

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. However, the uncertainty relating to the process, timing and negotiation of the UK's exit from, and future relationship with, the EU and the basis of the UK's future trading relationship with the rest of the world following the UK EU Referendum result in June 2016, along with any further changes in government structure and policies, may lead to further market volatility and have adverse consequences on the gambling industry in the UK as a whole.

DESCRIPTION OF OTHER INDEBTEDNESS

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

(A) *2018 Revolving Credit Facility*

In October 2018 the Issuer entered into a loan agreement with a syndicate of banks under which such banks made available a £390 million revolving credit facility (the “**2018 Revolving Credit Facility**”). The facility is unsecured but is guaranteed by certain operating subsidiaries of the Group – William Hill Organization Limited and WHG (International) Limited.

The facility has a five year tenor at inception and expires in October 2023. It is to be used for the Group’s general corporate and working capital purposes. Borrowings under the 2018 Revolving Credit Facility bear interest at LIBOR plus a margin which varies between 1.10 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) *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 and WHG (International) 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.

The Issuer intends to repurchase and cancel any and all notes tendered by the holders of the 4.25 per cent. Guaranteed Notes as part of a cash tender offer being conducted by the Issuer concurrently with the issue of the Notes.

(C) *4.875 per cent. Guaranteed Notes due 2023*

In May 2016, the Issuer issued £350 million of 4.875 per cent. Guaranteed Notes to investors (the “**4.875 per cent. Guaranteed Notes**”). These notes are unsecured but are guaranteed by certain subsidiaries of the Group – William Hill Organization Limited and WHG (International) Limited. The 4.875 per cent. Guaranteed Notes had a seven year tenor at inception and are repayable in May 2023 and carry a fixed rate of interest of 4.875 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 4.875 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 4.875 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 4.750 per cent. Guaranteed Notes due 2026 (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 1 May 2019 (the “**Trust Deed**”) made between the Issuer and William Hill Organization Limited and WHG (International) 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 1 May 2019 (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 £200,000 and integral multiples of £1,000 in excess thereof up to and including £399,000, 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 and WHG (International) 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 4.750 per cent. per annum (the “**Rate of Interest**”), payable semi-annually in arrear on 1 May and 1 November in each year (each an “**Interest Payment Date**”). In the case of any such payment of interest on an Interest Payment Date, the amount of interest payable in respect of a Note shall be the product of £23.75 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 as 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 1 May or 1 November (as the case may be) preceding the date on which such interest falls due to but excluding the earlier of the next following 1 May or 1 November (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 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.

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 1 May 2026, 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, 29 April 2019 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 1.5 per cent. Treasury Stock due July 2026 (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) 0.5 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, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability 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 in London. 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 or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. 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.

(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. The Trust Deed provides that, when determining whether an indemnity or any security is satisfactory to it, the Trustee shall be entitled to evaluate its risk in any given circumstance by considering the worst-case scenario and to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(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.

(c) ***Limitation on Trustee actions***

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

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

WHG (International) Limited irrevocably appoints William Hill Organization Limited 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. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, WHG (International) 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 any other Capital Stock that would constitute Disqualified Stock of such Person; 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 £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 1 May 2019;

“**Original Financial Statements**” means the audited consolidated financial statements of the Issuer, for the financial year ended 1 January 2019;

“**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) S&P’s Global Ratings 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 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
- (iii) 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 10 June 2019, 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 7(c) and Condition 10) 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 depositary 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, and does not purport to constitute legal or tax advice. 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 are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**"), or admitted to trading on a "multilateral trading facility" operated by an "EEA-regulated recognised stock exchange" within the meaning, in each case, of section 987 of the Act. The London Stock Exchange is a recognised stock exchange for the purposes of the Act. 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 United Kingdom 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.

SUBSCRIPTION AND SALE

Barclays Bank PLC, Lloyds Bank Corporate Markets plc and NatWest Markets Plc (the “**Active Joint Lead Managers**”), Banco Santander, S.A. 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 29 April 2019, 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 or WHG; 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.

Prohibition of sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any “retail investor” in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

No action has been taken by the Issuer, WHO, WHG 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 27 February 2019 and a resolution of a committee of the Board of Directors of the Issuer dated 11 March 2019.

The giving of the Notes Guarantee was duly authorised by a resolution of the Board of Directors of WHO dated 11 March 2019.

The giving of the Notes Guarantee was duly authorised by a resolution of the Board of Directors of WHG dated 13 March 2019.

Listing

It is expected that official listing will be granted on or about 2 May 2019 subject only to the issue of the Temporary Global Note. Application has been made to the FCA 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 £5,250.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS1989833816 and the Common Code is 198983381. The CFI Code for this issue is DYFXXB and the FISN Code is WILLIAM HILL PL/4.75EUR NT 20260501, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

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

There has been no significant change in the financial or trading position of the Group since 1 January 2019, save for the completion of the acquisition of approximately 98.5 per cent. of the shares and voting rights in Mr Green in January 2019, a high-growth European online gaming company with operations in 13 countries and licences in seven countries, and there has been no material adverse change in the prospects of the Issuer, WHO or WHG since 1 January 2019.

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 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, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for the 52 weeks ended on 26 December 2017 and the 53 weeks ended 1 January

2019. Deloitte LLP is registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales

US 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 and WHG;
- (b) the Annual Report and Accounts of the Issuer in respect of the 52 weeks ended 26 December 2017 and the Annual Report and Accounts of the Issuer in respect of the 53 weeks ended 1 January 2019;
- (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 4.750 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 and WHG

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
“direct revenue”	revenue received by William Hill US from customer wagers made directly with William Hill US
“EBITDA”	earnings before interest, taxation, depreciation and amortisation and share remuneration charges
“EEA”	European Economic Area
“EU”	European Union
“Gambling Act”	Gambling Act 2005, which regulates gambling in Great Britain
“Gambling Commission”	the regulatory body in Great Britain 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
“GDPR”	General Data Protection Regulation (EU) 2016/679 of the European Parliament
“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
“in-play betting”	customers placing bets in relation to an event after the relevant event has started
“Ladbrokes”	Ladbrokes plc
“LadbrokesCoral”	Ladbrokes Coral Group Limited
“LBO”	licensed betting office
“LBO estate”	the Group’s LBOs collectively

“LCCPs”	Gambling Commission’s licence conditions and codes of practice
“Machine Games Duty”	a duty of 25 per cent. of revenue from gaming machines in the UK
“Mr Green”	Mr Green & Co AB
“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
“Online” or “Online business”	the division within the Group responsible for and operating all online betting and gaming products and services provided by the Group
“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 US 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
“Retail” or “Retail business”	the division within the Group responsible for and operating all land-based betting and gaming products and services provided by the Group (other than any land-based betting and gaming products and services provided by William Hill US)
“Senet Group”	an independent body set up to promote responsible gambling standards and ensure the marketing of gambling is socially responsible
“service provider revenue”	revenue received by William Hill US from its partners, where customer wagers are made directly with such partners and William Hill US acts as a service provider
“sportsbook”	bets accepted on sporting and other events
“SSBT”	self-service betting terminal
“Triennial Review”	the UK Government’s Review of Gaming Machines and Social Responsibility Measures launched in October 2016 and concluded in May 2018
“UK”	United Kingdom
“United States” or “US”	The United States of America
“William Hill US”	the division within the Group responsible for and operating all land-based and online betting and gaming products and services provided by the Group’s US Existing Business and US Expansion Business

THE ISSUER

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