News Release

22 May 2008

Tribunal accepts Rank's VAT claim

The Rank Group Plc ('Rank') is pleased to note today's ruling from the VAT and Duties Tribunal that the application of Valued Added Tax ('VAT') to interval bingo in Mecca Bingo clubs is in contravention to European Union laws on fiscal neutrality.

This claim for repayment, which is worth £36.3m, was submitted to HM Revenue and Customs ('HMRC') in 2006 and relates to the fact that certain forms of interval bingo are exempt from VAT.

The European Union's law of fiscal neutrality requires that supplies of services that are the same or similar should be not be treated differently for VAT purposes. This position was confirmed in the European Court of Justice case Finanzamt v Linneweber (2005). The tribunal found that HMRC had not applied fiscal neutrality correctly to interval bingo and that therefore Rank's claim should be accepted.

HMRC has until 10th July 2008 to appeal the tribunal's decision. Should it decide to appeal, it is unlikely that there will be any material benefit to Rank in the current year.

Ends

Further information

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Notes to editors

Interval bingo

Interval bingo is a form of bingo played in licensed bingo clubs during intervals between sessions of main stage bingo. Interval bingo is also known as mechanised cash bingo and cashline.

A copy of the VAT and Duties Tribunal's judgement is expected to be made available shortly from http://www.financeandtaxtribunals.gov.uk

About the Rank Group
Rank is a leading European gaming business, head-quartered in the UK and listed on the London Stock Exchange (RNK.L). The Group's principal activities are: the operation of bingo clubs and casinos in the UK with complementary on-line gaming and bookmaking services.

For more information about The Rank Group, visit www.rank.com.

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