**14/6/2000**

**The Rank Group Plc announces changes to Deluxe Video Services Inc. in USA**

The Rank Group announces that Deluxe Video Services Inc. has reached an agreement whereby its video duplication and distribution contract with Twentieth Century Fox Home Entertainment ("Fox") will end. Full service will continue until August 2000 after which time the services provided by Deluxe will gradually reduce over the remainder of the year.

Deluxe's other contracts with Fox - US film contract and European video contract - are unaffected.

As previously announced, Rank's management has embarked upon a substantial restructuring programme for its US video duplication and distribution business. This was to address both the operating performance of Deluxe Video Services Inc., which has not been at the required levels since 1998, and also the increasing expectation that demand for videos will decline over time. This programme will now be accelerated, with a particular emphasis on focussing production and distribution on the more cost-effective facilities, particularly Arkansas.

An exceptional charge in the region of £35m will be included in the Group's 2000 results to cover the costs of the restructuring programme and write-off of certain assets relating to Fox.

The effect of the reduction in volume on profits for the division is expected to be moderated by the benefits of the restructuring programme. The effect on operating profit in the current year is not expected to be material to the Group's results.

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RG/06/00