13/11/2002

Trading Statement for the four months to 2 November 2002

Trading remains similar in trend and pattern to that previously reported and results are in line with our expectations.

Gaming continues to enjoy strong results. In Mecca Bingo the attendance trend has been affected by a deliberate reduction in the promotional spend from recent high levels, but spend per head has increased further and the operating profit margin has been maintained at around 30%. In Grosvenor Casinos the positive trends shown in the first half have continued, helped by the roll-out of electronic roulette with some 400 positions now in place. The relocated Brighton casino opened in August and the new Hard Rock Casino in London will open later this month.

Across Gaming we are benefiting from the progressive liberalisation of regulations. Within casinos we are now permitted to have alcohol on the gaming floor, live entertainment and additional new games including progressive stud poker. Within Mecca Bingo the higher pay-out slot machines are gradually being installed and we are now hopeful that gross profits tax will replace the existing duty regime during 2003.

Rank Interactive Gaming has expanded its offering with the launch of additional games including a product akin to cash line bingo which is so successful in Mecca Bingo clubs. The run-rate of stakes for this business now exceeds £1.5m per week.

Within Hard Rock, like for like sales comparisons have, as expected, improved against last year when sales were significantly impacted by the events of 11 September. Underlying trading conditions were similar to the first half trend with food and beverage showing a good recovery but merchandise remaining weak, primarily in the major tourist locations. The Minneapolis cafe opened in September and Leeds will open in December.

Deluxe has maintained the momentum generated in the first half. Film volumes are very high in both North America and Europe. The joint venture with Atlab in Australia is now in place and technically advanced facilities are being installed to improve operational efficiency. The integration of the combined Deluxe and Ritek DVD facilities has been completed successfully and trading is in line with our expectations. Combined DVD and VHS volumes in the period were ahead of last year.

We consider that the general trading outlook for Rank for the balance of 2002 is firm.

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