News Release

18 June 2003

The Rank Group Plc

Hard Rock Hotel Joint Venture with Sol Meliá

The Rank Group ("Rank" or the "Group") is pleased to announce that it has agreed to form a 50:50 joint venture between Hard Rock Hotels and Resorts ("HRHR") and Sol Meliá SA ("Sol"), to develop the Hard Rock Hotel concept throughout the Americas and Europe.

The joint venture will combine the strength of the Hard Rock brand and the hotel management and distribution capabilities of Sol Meliá to offer hotel owners a unique proposition in the 4/5 star segment of the market. Under the terms of long term management or franchise agreements, the joint venture will develop a portfolio of hotels in both resort and urban locations. HRHR has established an experienced development team which will be responsible for the concept, design and branding within the hotels, and the sourcing of hotel contracts. Sol will be responsible for the management of the hotels including the sales, marketing and distribution operations. As the services provided to hotel owners by the joint venture will be performed either by Sol or HRHR, there will be minimal operational funding required by the joint venture.

HRHR will contribute to the joint venture the management contract for the 381 room Hard Rock Hotel in Chicago, which is scheduled to open in late 2003. This will be part of a total commitment by HRHR to contribute contracts over 1,300 rooms located in the United States and the Caribbean before the end of June 2006. Sol will contribute management contracts for a minimum of three hotels before the end of June 2007. These hotels will be located in the Americas and Europe.

Under the terms of a separate agreement, Becker Ventures ("Becker") has agreed to provide equity capital of up to US$1 billion to finance the development of Hard Rock Hotels to be managed by the joint venture. Becker is a major US provider of private equity for property-based projects and is the majority owner of the Hard Rock Hotel in Chicago. Becker has agreed to fund 50% of all HRHR's development costs up to US$1m per annum.

Mike Smith, Chief Executive of Rank, said:

"We have always believed that hotels represent a major opportunity to further capitalise on the strength of the Hard Rock brand. This joint venture is another step towards our objective of broadening our earnings base in Hard Rock through brand licensing. Hotel owners are increasingly seeking to differentiate their products and the success of the hotel in Orlando has demonstrated that the Hard Rock brand can offer consumers a unique hotel experience. Combining the hotel expertise of Sol Meliá, the power of the Hard Rock brand and the financial support from Becker, we now have a strong platform upon which to build an additional source of revenue."

Sebastian Escarrer, Executive Vice Chairman and Chief Executive Officer of Sol Meliá said:

"This is an exciting development for Sol Meliá. The strength of the Hard Rock brand, particularly in the US market, supported by our management expertise and extensive distribution network, will we believe combine to deliver a valuable addition to our existing brand portfolio. Both Sol Meliá and Hard Rock are committed to establishing a sizeable portfolio of Hard Rock Hotels and believe we have an excellent opportunity to create an exciting new hotel concept."

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NOTES FOR EDITORS

Hard Rock
Hard Rock Cafe, one of the most globally recognised music and entertainment brands, has a network of more than 100 signature cafes in 38 countries and one of the world's largest collections of music memorabilia. There are currently four Hard Rock Hotels which are open: in Orlando (650 rooms), Bali (418 rooms), Pattaya (320 rooms) and also Las Vegas (670 rooms) (owned and operated by Peter Morton). In addition, there are three locations currently under construction in Chicago (381 rooms), Tampa (250 rooms) and Hollywood, Florida (500 rooms). The Hard Rock Hotel Chicago is scheduled to open in late 2003. The locations in Tampa and Hollywood are both linked to casino developments that are scheduled to open in Summer 2004 and are part of a previously announced licensing agreement with the Seminole Indian Tribe of Florida.

Sol Meliá
Sol is the largest resort hotel Group in the world with a total of over 350 hotels in 30 countries, under its Meliá Hotels, Tryp Hotels, Sol Hotels and Paradisus Resorts brands. As at March 2003, 60% of the Group's 86,000 rooms are located in holiday resorts. Sol has substantial international sales and marketing operations, offering distribution services in 18 countries.