Press Release

14 September 2004

The Rank Group Plc

Settlement of Dispute

Since 1993, The Rank Group Plc ("Rank") and its predecessor, The Rank Organisation Plc, has been involved in a dispute with Serena Holdings Limited ("Serena") in relation to a contract it inherited when it acquired Mecca Leisure Group plc ("Mecca") in 1991. The contract related to the acquisition of minority interests in various businesses, principally Hard Rock, acquired by Mecca following its acquisition of Pleasurama plc in 1988. The dispute centred on the purchase price of the acquisition and, in particular, the parties' contentions in relation to the accounts and profits of the relevant businesses, based upon which an additional purchase consideration might be payable. The dispute was referred to an expert for determination in 1995.

The expert has now issued his determination which requires Rank to pay Serena £18,819,000 in full and final settlement of the dispute. The award by the expert comprises £10,163,000, representing amounts determined by the expert to be owing to Serena, and £8,656,000, representing interest thereon, as provided for in the original agreement between the contracting parties.

This matter will be accounted for by way of an adjustment to the purchase price of the earlier acquisition, and accordingly there is no impact on Rank's profit and loss account.

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