Rank Group

News Release

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The Rank Group Plc ("Rank")

UK Gambling Act

The key changes to the Gambling Act (the "Act"), which was enacted yesterday, and which are likely to affect Rank's gaming operations, are:

- A doubling in the number of Category B gaming machines to be allowed in each existing casino to 20 per casino

- A four-fold increase in the level of stakes and a doubling in the maximum prize for Category B machines in casinos from 50p and £2,000 to £2 and £4,000 respectively

These amendments are welcome and have gone some way to alleviate many of the concerns over possible damage to the existing UK casino industry, had the Bill been passed without amendment. The fact that there will be only one regional casino in the UK, at least initially, is also sensible.

However, the Government has maintained its position in allowing new large and small casinos to offer a greater range and number of gaming products than existing casinos, thereby creating a two-tier market. Whilst Rank will compete for each of the new casino licences, as and when they are identified and become available, we will also continue to lobby aggressively for comparable rights for existing casinos.

Rank believes that, despite the lack of a level playing field, the new law, combined with the establishment of the Gambling Commission, will create a cohesive and rigorous regulatory regime for all forms of betting and gaming in the UK. Such a framework will help to extinguish many of the inconsistencies which have become apparent in recent years, and maintain the UK's reputation as being one of the world's best regulated gaming markets.

The other key measures which will be introduced as part of the new Act are:

- Removal of the 24 hour rule in casinos and bingo clubs
- Ability of casinos to advertise, subject to a strict code of conduct
- Abolition of permitted areas
- No statutory limits on the level of stakes and prize in bingo games
- No restriction on the frequency of multiple bingo games
- Roll-over jackpots to be permitted in bingo

Commenting on the new Act, Mike Smith, Rank's Chief Executive, said:

"The Act represents a much improved and more balanced framework than that put forward at the end of December 2004. As one of the UK's largest gaming companies with 120 bingo clubs and 36 casinos, as well as on-line and telephone sportsbetting, Rank will continue to work closely with Government to ensure the smooth and timely introduction of the measures contained in this important piece of legislation."

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