Rank Group

News Release

27 April 2005

The Rank Group Plc ("Rank" or the "Group")
AGM Trading Statement
Update on Deluxe Separation

Summary

Overall, the Group's performance for the year-to-date is in-line with expectations. Good results from Hard Rock and Deluxe have off-set a muted performance in Gaming.

Gaming

Mecca Bingo's results are similar to last year. In the UK, admissions were down 4.5% and spend per head was up 5.4% in the period, resulting in overall turnover in-line with last year. In Spain, the bingo business continues to deliver steady growth, benefiting from an extra club which was added at the end of 2004.

Within Grosvenor Casinos, overall turnover is up 5%. The two London-upper casinos have seen a softer than expected start to the year with handle down 7% and a win percentage of just 13.5%. Elsewhere in London the Hard Rock casino in Leicester Square continues to perform strongly and the three mid-market London casinos have traded ahead of last year. Overall, turnover in the provinces was up 8%, with admissions up 23% and handle up 9%. This includes the contributions from the two new casinos at Bolton and Stoke-on-Trent which are performing well and are already profitable.

Blue Square has enjoyed strong revenue and customer growth in the period. While the Blue Square Poker room has yet to make a significant contribution, the Blue Square casino is proving particularly popular. However, a weak margin in sports betting has meant that overall, profit is behind last year.

Gambling Act

The new Gambling Act became law on 7 April 2005 and will provide significant opportunities for the Group's gaming businesses. The major changes include:

- doubling of the number of Category B gaming machines from 10 to 20 per casino and an increase in stakes and prizes on gaming machines to £2 and £4,000 respectively
- advertising for casinos
- removal of the 24-hour rule in casinos and bingo clubs
- introduction of jackpot prizes in bingo

- removal of the limit on the number of multiple bingo games offered
- removal of statutory limit on stakes and prize for bingo games

Whilst Rank is positive about the longer term benefit of the new Act on the Group's performance, there remains uncertainty regarding the exact timing and impact of each of these measures. As a consequence, the Group believes it is unlikely that there will be any material benefit in the current year.

Hard Rock

Hard Rock has performed well in the period. Within the owned cafes, like-for-like sales were up 0.5%, with food and beverage up 2.7% and merchandise down 3.9%. The recently opened cafes have continued to perform strongly so that total owned cafe sales were up 8% compared with the same period in 2004. Hotels and gaming activities have enjoyed a strong start to the year with the two Seminole hotels and casinos performing ahead of expectations. The new Hard Rock Hotel and Casino in Biloxi, Mississippi and the Hard Rock Hotel in Madrid are both on track to open during the second half of the year.

Deluxe

After the unusually low levels of footage in the fourth quarter of 2004, Deluxe Film has seen a return to more normal film volumes in North America, albeit with lower operating margins. This, together with a strong performance by the creative services businesses, has meant that Film has made good progress in the year-to-date. Titles produced during the period included Hitch, Robots, and Sahara. The film schedule for the rest of the year is encouraging with a number of major titles expected, including Star Wars – Episode III, Bewitched, Pink Panther and War of the Worlds.

In Deluxe Media, DVD manufacturing and distribution volumes are ahead of last year but VHS volumes have continued to decline. Overall, Media has performed better than expected, but will still incur the usual seasonal loss in the first half.

Deluxe Separation

The sale of Deluxe Media is progressing and we are engaged in discussions with a number of interested parties.

The Board remains convinced of the strategic merit in separating Deluxe Film from the rest of the Group and is continuing to work towards a solution which is in the best interests of all stakeholders. A number of alternative routes to separation remain under consideration. However, as stated before, the issues are complex and reaching an acceptable solution is likely to take some time. In the meantime, Rank remains committed to supporting Deluxe Film's

leading position in film processing and distribution and developing the expanding creative services business.

Outlook

Overall, the Group has made a satisfactory start to the year. The Board remains confident that the Group's medium and long term prospects are strong.

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