News Release

2 September 2005

The Rank Group Plc

Interim Results for the six months ended 30 June 2005

- *Revenue up 15% to £870.5m (2004: £757.7m), due largely to a 43% increase in revenue at Blue Square*
- *Group operating profit of £90.6m (2004 - £90.0m before exceptional items)*
- *Adjusted profit before tax* of £71.0m (2004 - £72.4m)*
- *Adjusted earnings per share* of 8.2p (2004 – 9.0p); basic earnings per share of 0.7p (2004 – 3.2p)*
- *Gaming operating profit down 5% to £52.0m (2004 – £54.8m), due mainly to cost increases at Mecca and weaker sportsbook margins at Blue Square*
- *Hard Rock operating profit up 40% to £16.4m (2004 - £11.7m), with improved like for like sales in restaurants and increased royalties from hotels/casinos*
- *Deluxe Film operating profit up 5% to £29.0m (2004 - £27.6m), reflecting significant growth in Creative Services*
- *Profit after tax for the period from continuing operations was £40.7m (2004 - £53.2m)*
- *Net debt increased to £736.9m (2004 year end – £637.7m), reflecting contract advances by Deluxe Film and the impact of foreign currency translation on US borrowings*
- *Interim dividend increased by 4% to 5.0p (2004 – 4.8p)*

** Adjusted profits and earnings per share – Profits and earnings before discontinued operations, exceptional items, foreign exchange on inter-company balances and amortisation of equity component of convertible bond. (See note 6.)*

Commenting on the results, Mike Smith, Chief Executive, said:

"We achieved a significant increase in revenues during the first half reflecting 2004 acquisitions and developments and considerable growth in Blue Square. Profits, however, were flat as weak sportsbook margins at Blue Square and cost increases at Mecca offset solid results elsewhere.

Development across all businesses continues apace, particularly in Deluxe Creative Services, Hard Rock hotels, and Grosvenor Casinos in the UK. We have invested strongly in our Gaming business over the last five years in preparation for UK gambling deregulation and we are well placed to benefit from the early freedoms that will come into effect from October this year and those changes that will come later.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

We have continued to make progress on the separation of Deluxe from the rest of the Group. The sale of Deluxe Media is advancing. The separation of Deluxe Film is now more likely to be achieved by way of a sale. The sale process is progressing but, as we have said previously, it is a complex transaction and will only be completed on terms that the Board considers to be in the best interest of shareholders."

Enquiries:
The Rank Group Tel: 020 7706 1111
Mike Smith, Chief Executive
Peter Gill, Finance Director
Mike Davies, Director of Investor Relations

Press Enquiries:
The Maitland Consultancy Tel: 020 7379 5151
Angus Maitland
Suzanne Bartch

RG/15/04

Analyst Meeting, webcast and conference call details:

Friday 2 September 2005
There will be an analyst meeting at Merrill Lynch, 2 King Edward Street, London, EC1A 1HQ, starting at 9.30am. There will be a simultaneous webcast and conference call of the meeting. To register for the live webcast, please pre-register for access by visiting the Group website, (www.rank.com). Details for the conference call are given below. A copy of the webcast and slide presentation given at the meeting will be available on the Group's web-site later today.

An interview with Mike Smith, Chief Executive, in video/audio and text will also be available from 7.00am GMT on 2 September 2005 on: http:// www.rank.com and on http://www.cantos.com.

Conference call details:

Friday 2 September 2005
9.20am Please call 0800 279 9640 (UK) or +44 (0) 20 7365 1843 (International).
9.30 am Meeting starts

Forward-looking statements. This announcement includes 'forward-looking statements'. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements that are based on current expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, achievements or financial position of the Company to be materially different from future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's operating performance, present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. Subject to the Listing Rules of the UK Listing Authority, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past performance cannot be relied upon as a guide to future performance.

CHIEF EXECUTIVE'S REVIEW

Results

Rank's first half performance was mixed. Revenue from continuing operations rose 15% to £870.5m, while adjusted operating profit remained broadly flat at £90.6m reflecting good performances from Deluxe Film (driven by gains in its digital services businesses - Creative Services), Hard Rock, and solid results in casinos, offset by a slightly weaker performance in bingo.

Deluxe Film revenues increased 9% to £201.7m, due largely to a significant increase in revenue from Creative Services. Operating profit increased by 5% to £29.0m, as lower film processing margins in North America were offset by higher profits in Creative Services, which benefited from the impact of acquisitions made during the second half of last year.

Hard Rock increased revenue by 7% to £121.3m and operating profit increased by 40% to £16.4m. This performance was driven by increased food and beverage sales in company owned cafes and a higher contribution from hotels and gaming licence fees.

Overall, Gaming revenues grew 20% to £533.5m, driven by increases in revenues at Blue Square and casinos. However, weak sportsbook margins at Blue Square and lower profits at Mecca contributed to a 5% fall in operating profit to £52.0m.

Revenue in UK casinos was up 7% compared with last year driven by a 15% rise in admissions, although handle per head fell by 7%. Provincial casinos achieved significantly higher revenues, partially assisted by the impact of the new Bolton and Stoke casinos that opened in the second half of last year. Operating profit for Grosvenor Casinos increased by 6%, due mainly to strong performances by the London based casinos.

Revenue at Mecca UK at £133.9m was level with the same period last year, as lower admissions were offset by increased spend per head. However, operating profit was 6% lower as a consequence of higher costs due to increases in the minimum wage and higher energy costs. The Spanish bingo operation, Top Rank Espana, continued to perform well, benefiting from the opening of a new club in the second half of last year to increase revenues by 18% and operating profit by 38%.

Blue Square achieved a 43% increase in revenue (where revenue is recorded on a gross basis as settled stakes), as betting volumes were significantly higher than in the same period last year and revenue from non-sportsbook activities exceeded the sportsbook for the first time. However, in line with a number of our competitors, sportsbook margins continued to be weak throughout the first half contributing to an operating loss of £1.0m, despite an improvement in the profitability of games.

An increased operating loss before exceptional items at Deluxe Media was principally due to lower volumes in Distribution Services, as a result of the previously announced loss of a major studio customer, together with increased raw material costs in DVD manufacturing.

Strategic progress and development

We have continued to invest in the long-term growth of our businesses and there were a number of developments across the Group during the first half of the year.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Gaming

The pace of development in our Gaming division has accelerated during the first half of the year. Licences for further casinos in Swansea, Dundee, Oldbury, Acocks Green and Reading have been approved and the new casinos are expected to open over the next two and half years. Applications for a further five casinos are in place. The relocation of the Empire Street, Manchester casino to Bury New Road, a larger and better located site, is expected to be completed in the early part of 2006 and the relocation of the Ramsgate Thanet casino is also expected to be completed in early 2007.

In Bingo, we are on track to open two new Mecca clubs in 2006, at Crewe and Paisley, while in Edinburgh we will be relocating the existing club from Edinburgh Palais to Fountain Park. During the first half we continued to review our portfolio and closed clubs in Smethwick, East Ham and Blackwood. In Blackpool we combined the Church Street club into the Talbot Road club.

Gambling Act Update

The early freedoms of UK gambling deregulation – the abolition of the 24-hour rule for casinos and bingo clubs, the introduction of more slot machines in casinos, and the doubling of slot machine stakes and prizes – are now expected to come into effect in October this year. By the end of October, we expect to have 678 jackpot and hybrid machines and 790 auto-roulettes in our UK casinos. Combined, this will represent a 52% increase over the number available at the beginning of the year.

Further reforms of UK gambling, including the relaxation of advertising restrictions for casinos, are now expected to come into effect during 2007. We have had an ongoing programme of re-investment in our Gaming estate and over the last five years we have invested over £150m, preparing us well for UK gambling deregulation. In addition to the new casino licences that have already been approved and applications that are in place under the existing regulations, we intend to apply for all 17 licences that are proposed under the new Gambling Act.

Hard Rock

We have relocated the New York cafe to the heart of Times Square; the cafe opened on 12 August 2005. Reassessment of the company owned estate has led to the closure of the Choctaw Beach Club and underperforming cafes in St. Thomas and Newport Beach. In early July, the London cafe was temporarily closed due to a fire; the cafe is being refurbished and is scheduled to reopen in late September. We anticipate that the profit impact of the closure will be largely covered by insurance.

In May a new franchised cafe was opened in Caracas, Venezuela and an underperforming franchised cafe in Reykjavik, Iceland was closed. During the second half of the year, franchised cafe openings are planned for Gran Canaria, Belo Horizonte and Mumbai.

In hotels, the conversion of the Hard Rock Hotel in Madrid is well underway and is expected to reopen in 2006 as part of the joint venture agreement with Sol Melia. The Hard Rock Hotel in San Diego, which is expected to open in 2007, has now been expanded to be a 400 room condo hotel. We have now completed plans for the conversion of the Paramount Hotel in New York into a flagship Hard Rock Hotel.

Hard Rock has entered into an agreement with Intrawest Corporation to develop lifestyle Hard Rock Hotels at select Intrawest resorts. Hard Rock and Intrawest are finalising specific locations and will shortly announce the first lifestyle condominium-hotel.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

The Seminole hotel/casinos are performing well. The hotel/casino and cafe in Biloxi, Mississippi were originally scheduled to open on 1 September 2005. However, they were severely damaged by Hurricane Katrina and the opening has been postponed. The New Orleans cafe also suffered substantial damage, and it is targeted to reopen by the end of the year.

Deluxe Film

During the first half we acquired Fotofilm Madrid, a leading Spanish film laboratory, and extended the capacity of our Barcelona film laboratory. We also completed the acquisition of Film Treat, a film rejuvenation business based in Los Angeles and New York, at the start of the year. Within Creative Services, the integration of the acquisitions made in 2004 is complete and new facilities have been made available in Burbank, California. Creative Services represented 24% of Deluxe Film's operating profit during the first half. We also invested heavily in contract advances in the first half of the year and Deluxe Film now has one of the strongest contract advance positions in its history.

Cash flow and financing

Operating cash flow decreased to £5.3m (2004 - £54.8m) due to the payment of Deluxe Film contract advances in the first half of the year offset by lower capital expenditure. Overall, net debt has increased since the year end to £736.9m from £637.7m. This reflects the payment of advances, consideration on acquisitions, and the impact of a stronger dollar on our US borrowings.

Current trading and outlook

Current trading in the period since 30 June 2005 shows a similar pattern to that exhibited in the first half. The immediate outlook is for little change, with further improvement in Deluxe Film and Hard Rock offset by subdued performance in the current UK Gaming market. The impact of UK gambling deregulation from October 2005 will be positive but is unlikely to be material in the current year. Overall, we expect adjusted profit before tax for the year from our continuing operations to be broadly flat on 2004.

Dividend

We are pleased to announce an increase in the interim dividend to 5.0p (2004 – 4.8p).

Group structure

In September last year we announced that Rank was reviewing the possibility of separating Deluxe from the rest of the Group and this process remains a priority. The planned sale of Deluxe Media is advancing. The separation of Deluxe Film is now more likely to be achieved by way of sale. The transaction is complex and, whilst we remain hopeful that this separation will be achieved, it will only be completed on terms that the Board considers to be in the best interest of shareholders.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

SUMMARY OF RESULTS (from continuing operations)

	Revenue		Profit before exceptional items	
	2005 £m	**2004 £m**	**2005 £m**	**2004 £m**
Gaming	**533.5**	443.9	**52.0**	54.8
Hard Rock	**121.3**	112.9	**16.4**	11.7
Deluxe Film	**201.7**	185.4	**29.0**	27.6
US Holidays	**14.0**	15.5	**1.1**	1.4
Central costs and other	**-**	-	**(7.9)**	(5.5)
	870.5	757.7	**90.6**	90.0
Net (loss) income from associates and joint ventures – post tax			**(0.1)**	0.2
Managed businesses' interest			**(19.5)**	(17.8)
Adjusted profit before tax			**71.0**	72.4
Foreign exchange on inter-company balances			**(9.3)**	(1.4)
Amortisation of equity component of convertible bond			**(1.5)**	-
Profit before tax and exceptional items			**60.2**	71.0
Exceptional items			**-**	(4.1)
Profit before tax			**60.2**	66.9
Adjusted earnings per share			**8.2p**	9.0p
Basic earnings per share - continuing operations before exceptional items			**6.4p**	9.6p
Dividend per share			**5.0p**	4.8p

Group revenue from continuing operations, as reported, was up 15%, driven by an increase in revenue at Blue Square.

Group operating profit before exceptional items was 1% above 2004. Deluxe Film reported increased profits as a consequence of growth in its Creative Services business. Hard Rock achieved significantly higher profits due to a large increase in the contribution from hotels/gaming and an improved performance in company owned cafes. Gaming profits were lower despite higher revenues because of increased costs at Mecca UK and weaker sportsbook margins in Blue Square. Central costs have increased to £7.9m (2004: £5.5m) due to increased compliance costs.

The interest charge was £1.7m higher than in 2004 due both to higher levels of debt and increased US dollar interest rates.

The effective tax rate on adjusted profit is 26.6% (2004 – 26.3%). The rate has benefited from the availability of overseas tax losses.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Adjusted Group profit before tax was £71.0m, 2% below last year. Adjusted earnings per share, before exceptional items, was 8.2p (2004 – 9.0p) reflecting the change in tax rate and an increase in the average number of shares in issue.

In line with IFRS accounting, foreign exchange movements on certain inter-company loans are recognised in the income statement as financial gains or losses. In this interim period a charge of £9.3m has been made (2004 - a £1.4m charge). The amortisation of the convertible bond's equity component has resulted in a £1.5m charge being recognised in the income statement in line with IAS 32 & 39, which have been applied from 1st January 2005.

The interim dividend per share has been increased by 4% to 5.0p (2004 – 4.8p).

The following table sets out the divisional results and profit before tax after exceptional items.

	Profit before tax	
	2005	**2004**
	£m	**£m**
Gaming	**52.0**	54.8
Hard Rock	**16.4**	11.7
Deluxe Film	**29.0**	27.6
US Holidays	**1.1**	1.4
Central costs and other	**(7.9)**	(9.6)
Continuing operations	**90.6**	85.9
Net (loss) income from associates and joint ventures	**(0.1)**	0.2
Financing charge	**(30.3)**	(19.2)
Profit before tax	**60.2**	66.9

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

GAMING

	Revenue		Operating profit (loss)	
	2005 £m	**2004 £m**	**2005 £m**	**2004 £m**
Mecca Bingo				
UK	**133.9**	133.9	**34.4**	36.5
Spain	**15.4**	13.0	**4.7**	3.4
	149.3	146.9	**39.1**	39.9
Grosvenor Casinos				
UK	**94.3**	88.4	**13.4**	12.7
Belgium	**6.0**	6.0	**0.5**	1.0
	100.3	94.4	**13.9**	13.7
Blue Square	**283.9**	198.2	**(1.0)**	1.3
	533.5	439.5	**52.0**	54.9
Rank Leisure Machine Services	**-**	4.4	**-**	(0.1)
	533.5	443.9	**52.0**	54.8

Mecca Bingo

	2005	**2004**	**Change %**
UK Bingo statistics			
Admissions ('000s)	**10,122**	10,710	(5)%
Spend per head (£)	**13.23**	12.50	6 %

Revenue at Mecca UK was flat at £133.9m. Admissions were down 5.5%, due to a lower frequency of visits by active members, although this was compensated for by higher spend per head which rose 5.8% compared with the first half last year. Operating profit at Mecca UK fell 5.8% to £34.4m due mainly to an increase in energy costs and the impact of the introduction of the higher minimum wage. This weaker performance was partly offset by a 38.2% increase in operating profit at Top Rank Espana, due to the acquisition of a club in Sabadell in the second half of 2004 and a change in a local gaming tax.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

The split of revenue by activity is shown below.

Analysis of UK bingo revenue	**2005 £m**	**2004 £m**	**Change %**
Main stage bingo	**27.4**	27.0	1%
Interval games	**63.2**	64.2	-2%
Gaming machines	**30.9**	30.1	3%
Food, beverage & other	**12.4**	12.6	-2%
	133.9	133.9	0%

Grosvenor Casinos

	Revenue		**Operating profit**	
	2005 £m	**2004 £m**	**2005 £m**	**2004 £m**
UK				
London – upper	**10.8**	11.6	**2.1**	1.7
London – other	**27.6**	25.9	**4.4**	4.2
Provincial	**49.4**	45.8	**10.8**	11.0
Hard Rock	**6.5**	5.1	**0.1**	(0.5)
Overheads	**-**	-	**(4.0)**	(3.7)
	94.3	88.4	**13.4**	12.7

Grosvenor Casinos in the UK enjoyed a solid first half. Overall revenues were up 6.7% at £94.3m and operating profit at £13.4m was 5.5% ahead of last year, driven by bad debt recoveries at London upper casinos and stronger performance at our other London casinos. These factors were partly offset by lower overall win margins in Provincial casinos.

	Admissions ('000s)		**Handle per head (£)**		**Win %**	
	2005	**2004**	**2005**	**2004**	**2005**	**2004**
UK						
London – upper	**26**	25	**2,320**	2,366	**17.7**	19.1
London – other	**301**	305	**480**	466	**17.7**	17.1
Provincial	**1,587**	1,319	**159**	178	**16.3**	16.7
Hard Rock	**192**	182	**157**	141	**18.0**	16.5

Overall, at the Group's London casinos, handle was up 1.6% and win margin was level at 17.7%, resulting in revenue being 2.4% higher at £38.4m. At the Group's two London upper casinos, the Clermont and the Park Tower, handle was up 0.5% and admissions were 4.0% higher, although win margin fell from 19.1% to 17.7%, driven primarily by a lower win margin at the Clermont. Bad debt recoveries of £0.8m contributed to a 23.5% improvement in operating profit.

At our other London casinos, a 3.0% increase in handle per head resulted in a 6.6% increase in revenue. The increase in revenue, combined with a higher win margin of 17.7% contributed to a 4.8% increase in operating profit to £4.4m.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Provincial casinos achieved a 7.9% increase in revenue, driven by a 20.3% rise in attendance and the opening of Bolton and Stoke in 2004, although a 10.7% reduction in handle per head and a lower win margin of 16.3% resulted in operating profit falling by 1.8% to £10.8m.

The two Hard Rock casinos achieved a 27.5% increase in revenue. The London casino enjoyed a particularly strong first half more than offsetting a weaker performance at the Manchester casino. Overall, a prior year operating loss of £0.5m was turned into a first half operating profit of £0.1m, reflected the steady profits now being made in London.

Blue Square

	Revenue		**Gross win**	
	2005	**2004**	**2005**	**2004**
	£m	**£m**	**£m**	**£m**
Online	**250.9**	168.2	**10.8**	10.8
Telephone	**33.0**	30.0	**2.1**	2.4
	283.9	198.2	**12.9**	13.2

Blue Square achieved a 43% increase in revenue compared with the same period last year, with revenue from games exceeding the sportsbook for the first time. The casinos/games business experienced strong first half revenue growth on a like-for-like basis. In sportsbook, which now has over 156,000 active customers, a significant increase in revenue was driven principally by higher bet volumes. However, in line with competitors, sportsbook margins remained weak throughout the period. Overall, the business made an operating loss of £1.0m (2004 - profit £1.3m).

In Blue Square, we continue to invest in marketing and games development. Several new games were introduced during the first half and both poker and bingo products are now fully operational.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

HARD ROCK

	Revenue		Operating profit	
	2005 £m	**2004 £m**	**2005 £m**	**2004 £m**
Company operated				
Cafes	**110.2**	105.9	**12.7**	11.2
Third party operated				
Cafes	**2.6**	2.2	**2.1**	2.0
Hotels/casinos	**6.2**	2.4	**5.8**	2.4
Territory sales/other	**2.3**	2.4	**0.6**	(0.3)
Equity distributions	**-**	-	**2.5**	2.0
Overheads	**-**	-	**(7.3)**	(5.6)
	121.3	112.9	**16.4**	11.7

Hard Rock had a good first half, increasing revenue by 7.4% to £121.3m and operating profit by 40.2% to £16.4m. At constant exchange rates, revenue grew by 8.8% and operating profit grew by 42.4%. Improved performance in food and beverage sales in company owned cafes and a higher contribution from gaming drove the overall positive performance. Overheads increased to £7.3m from £5.6m, reflecting Hard Rock's investment in brand development, advertising, and improving franchise operational standards.

Hard Rock like for like cafe sales %

	Food and Beverage	**Merchandise**	**Total**
To 30 June 2005			
North America	1.1%	-6.3%	-1.4%
Europe	4.9%	6.3%	5.4%
Total	**2.2%**	**-3.0%**	**0.4%**

Revenue in company owned cafes increased by 4.1%, with sales particularly strong in locations with heavy tourist footfall, including Barcelona, New York, Rome, and San Francisco. Like for like sales in company owned cafes were up 0.4% overall, with restaurant sales up 2.2%. Merchandise sales were down 3.0%, despite a strong uplift in Europe. Overall, sales performance in Europe outpaced North America and cafe profits were enhanced by ongoing successful initiatives to reduce labour and product costs.

Revenue from hotels/casinos rose to £6.2m from £2.4m last year and operating profit to £5.8m from £2.4m, as the Hard Rock Florida casinos, which opened last year, made a positive impact.

Territory sales and other were down slightly, although this was more than offset by higher hotel retail profits.

Equity distributions from our 25% share in three hotels in Orlando were £0.5m higher, reflecting the strong operating performance of those properties.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

DELUXE FILM

	Revenue		Operating profit	
	2005 £m	**2004 £m**	**2005 £m**	**2004 £m**
Film Laboratories and physical distribution	**165.2**	166.0	**21.9**	23.8
Creative Services	**36.5**	19.4	**7.1**	3.8
	201.7	185.4	**29.0**	27.6

Volumes at the Film Laboratories business were marginally stronger than in the first half last year, rising 0.9% to 2.3 billion feet of film processed. Major titles produced during the first half included Star Wars III – Revenge of the Sith, Mr and Mrs Smith, Sin City, and War of the Worlds. Operating profit was 5.1% higher than last year at £29.0m, as lower overall margins in film laboratories were more than offset by a significant rise in profits from Creative Services, which benefited from the impact of acquisitions made during the second half of last year and accounted for 24.5% of Deluxe Film's operating profit. Since the half year, volumes have remained strong. Major titles that have been produced since the half year include The Fantastic Four and Wedding Crashers, with Memoirs of a Geisha and The Legend of Zorro due for release later in the second half.

During the first half net Film contract advance payments of £53.0m were made; these payments mainly related to contracts won in prior years. These significant investments in securing major contracts have left Deluxe Film with one of the strongest contract advance positions in its history. Customers comprising 82% of 2004 volume are now under contract until at least the end of 2007.

Since the start of the year, Deluxe has acquired Fotofilm Madrid, a leading Spanish film laboratory, and extended the capacity of its Barcelona film laboratory. Deluxe also completed the acquisition of Film Treat, a film rejuvenation business based in Los Angeles and New York, at the start of the year. The acquisitions have not been presented separately in the income statement as they are not material to the Group results.

US HOLIDAYS

US Holidays' operating profit was £1.1m (2004 - £1.4m). The business generated net cash of £3.6m (2004 - £5.7m).

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Central costs and other

	2005 £m	2004* £m
Central costs	**(7.9)**	(6.0)
Other income	**-**	0.5
	(7.9)	(5.5)

*excluding exceptional items

Central costs increased on 2004 due largely to increased compliance fees associated with the adoption of IFRS and compliance with the Sarbanes Oxley Act.

Associates and joint ventures – post tax

	2005 £m	2004 £m
Hard Rock Hotel joint venture	**(0.7)**	-
Deluxe associate and joint venture	**0.6**	0.2
	(0.1)	0.2

Financing charges

	2005 £m	2004 £m
Interest payable and other charges	**22.4**	24.9
Interest receivable	**(2.9)**	(7.1)
Managed businesses' interest	**19.5**	17.8
Foreign exchange on inter-company balances	**9.3**	1.4
Amortisation of equity component of convertible bond	**1.5**	-
	30.3	19.2

Taxation

The effective tax rate on adjusted group profit is 26.6% (2004 – 26.3%) and post foreign exchange on inter-company balances and amortisation of the convertible bond the rate is 32.4%. The rate has benefited from the availability of overseas tax losses.

Dividend

An interim dividend of 5.0p per Ordinary share (2004 – 4.8p) will be paid on 14 October 2005 to those shareholders on the register on 16 September 2005.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Exchange rates

The net translation effect of changes in average exchange rates between 2004 and 2005 was to decrease revenue by £1.6m and operating profit by £0.7m. The average rates and the impact on divisional results are shown below:

	Average exchange rate		Impact on H1 2005	
	2005	2004	Revenue £m	Operating profit £m
US dollar	**1.86**	1.82	**(4.0)**	**(0.7)**
Canadian dollar	**2.27**	2.36	**2.3**	**-**
Euro	**1.46**	1.46	**0.1**	**-**
			(1.6)	**(0.7)**
Gaming			**-**	**-**
Hard Rock			**(1.5)**	**(0.3)**
Deluxe Film			**0.2**	**(0.4)**
US Holidays			**(0.3)**	**-**
			(1.6)	**(0.7)**
Managed businesses' interest				**0.2**
Net impact on adjusted profit before tax				**(0.5)**

Discontinued operations

Deluxe Media Services (DMS) is classified as a business held for sale. As a result, DMS is reported as a discontinued operation. The results of DMS are analysed below.

	Analysis of discontinued operations	
Operating (loss) profit before exceptional items	**2005 £m**	**2004 £m**
Video duplication	**(2.1)**	(4.3)
DVD\CD replication	**(6.9)**	(5.2)
Distribution services	**(3.4)**	0.4
	(12.4)	(9.1)
Exceptional items	**(13.2)**	(27.9)
Operating loss	**(25.6)**	(37.0)
Net finance costs	**(0.8)**	(0.2)
Loss before tax	**(26.4)**	(37.2)
Tax	**(9.2)**	3.0
Loss after tax	**(35.6)**	(34.2)

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Exceptional items

	2005 £m	2004 £m
DMS restructuring	**(13.2)**	(27.9)
Loss on disposal	**-**	(4.1)
	(13.2)	(32.0)
Tax on exceptional items	**0.7**	0.4
	(12.5)	(31.6)

The exceptional charge in 2005 relates to Deluxe Media Services. These charges mainly relate to the closure of VHS manufacturing operations in the UK, Spain, Sweden and the US, and the closure of the German business. The exceptional charge of £13.2m comprises redundancy and other staff costs of £7.6m, asset impairments of £3.6m, onerous leases of £1.6m and other costs of £0.4m.

Prior year exceptional items also mainly relate to Deluxe Media Services, which in the first half of 2004 was informed by a major studio that it would be transferring its business to another supplier. An exceptional charge of £23.9m, comprising an impairment charge of £18.8m, onerous lease provisions of £3.8m and other costs of £1.3m, was recorded. An exceptional charge of £4.0 relating to a Deluxe Media Services restructuring programme begun in 2003 was also incurred in the first half of 2004. A £4.1m exceptional loss was also recognised principally on the disposal of the Rank Leisure Machine Services business at the start of 2004.

Cash flow

	2005 £m	2004 £m
Cash flow from operating activities		
Before Deluxe contract advances	**85.8**	91.6
Deluxe contract advances, net of repayments	**(50.9)**	17.9
	34.9	109.5
Capital expenditure	**(30.6)**	(55.3)
Fixed asset disposals	**1.0**	0.6
Operating cash flow	**5.3**	54.8
Acquisitions and investments	**(21.0)**	(14.9)
Disposals & refinancing proceeds	**18.1**	29.9
	2.4	69.8
Interest, tax and dividend payments	**(81.1)**	(57.4)
Cash (outflow) inflow	**(78.7)**	**12.4**

Cash inflow from operating activities was £74.6m lower than 2004. This is largely due to a net outflow of £50.9m in respect of contract advances in Deluxe.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Capital expenditure was £30.6m and is analysed below:

	2005 £m	2004 £m
Gaming	**7.5**	29.6
Hard Rock	**6.3**	5.8
Deluxe Film	**12.6**	5.3
US Holidays	**0.3**	0.9
	26.7	41.6
Deluxe Media	**3.9**	13.7
	30.6	55.3

Acquisitions and investments principally relate to cash paid to acquire Fotofilm and Film Treat and deferred consideration on the prior period acquisitions of Ritek, ETS, Disctronics, and Capital FX. Refinancing proceeds within cash flow relate to £18.1m received on refinancing the hotel joint venture in Orlando.

The Group has incurred £13m of transaction costs up to June 2005, relating to the planned separation of Deluxe Film and Deluxe Media. These have been carried as deferred costs on the balance sheet.

Interest, tax and dividends are £23.7m higher than 2004, largely reflecting a net tax outflow of £2.3m compared with a net tax inflow of £17.4m in the same period last year.

Net debt

Net debt at 30 June 2004 was £736.9m compared to £696.8m at the time of last year's interim report and £637.7m as at 31 December 2004. The increase is due principally to contract advances at Deluxe Film and foreign exchange translation of US debt as a consequence of a stronger US dollar.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

GROUP INCOME STATEMENT – INTERIM (unaudited)

	2005			2004		
	Before Exceptional Items £m	Exceptional Items £m	Total £m	Before Exceptional Items £m	Exceptional Items £m	Total £m
Continuing operations						
Revenue	**870.5**	**-**	**870.5**	757.7	-	757.7
Cost of sales	**(689.7)**	**-**	**(689.7)**	(588.8)	-	(588.8)
Gross profit	**180.8**	**-**	**180.8**	168.9	-	168.9
Other operating costs	**(45.2)**	**-**	**(45.2)**	(39.9)	-	(39.9)
Other operating income	**5.1**	**-**	**5.1**	4.7	-	4.7
General and administration	**(50.1)**	**-**	**(50.1)**	(43.7)	-	(43.7)
Exceptional items - Loss on disposal of business	**-**	**-**	**-**	-	(4.1)	(4.1)
Operating profit	**90.6**	**-**	**90.6**	90.0	(4.1)	85.9
Net finance costs	**(21.0)**	**-**	**(21.0)**	(17.8)	-	(17.8)
Foreign exchange loss on inter-company loans	**(9.3)**	**-**	**(9.3)**	(1.4)	-	(1.4)
Share of post tax (losses) profits in associates and joint ventures	**(0.1)**	**-**	**(0.1)**	0.2	-	0.2
Profit (loss) before tax	**60.2**	**-**	**60.2**	71.0	(4.1)	66.9
Taxation (note 3)	**(19.5)**	**-**	**(19.5)**	(13.7)	-	(13.7)
Profit (loss) for the period from continuing operations	**40.7**	**-**	**40.7**	57.3	(4.1)	53.2
Discontinued operations						
Operations held for sale (note 2)	**(23.1)**	**(12.5)**	**(35.6)**	(6.7)	(27.5)	(34.2)
Profit (loss) for the period	**17.6**	**(12.5)**	**5.1**	50.6	(31.6)	19.0
Profit (loss) attributable to minority interest	**0.6**	**-**	**0.6**	0.1	(0.5)	(0.4)
Profit (loss) attributable to equity shareholders	**17.0**	**(12.5)**	**4.5**	50.5	(31.1)	19.4
	17.6	**(12.5)**	**5.1**	50.6	(31.6)	19.0
Basic earnings per share			**0.7p**			3.2p
Diluted earnings per share			**0.7p**			3.3p

Further earnings per share information is provided in Note 5

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

GROUP INCOME STATEMENT (unaudited)

	6 months to 30.6.05 £m	6 months to 30.6.04 £m	Year to 31.12.04 £m
Continuing operations			
Revenue	**870.5**	757.7	1,568.2
Cost of sales	**(689.7)**	(588.8)	(1,187.5)
Gross profit	**180.8**	168.9	380.7
Other operating costs	**(45.2)**	(39.9)	(90.3)
Other operating income	**5.1**	4.7	8.1
General and administration	**(50.1)**	(43.7)	(102.6)
Operating exceptional costs	**-**	(4.1)	(41.5)
Operating profit	**90.6**	85.9	154.4
Net finance costs	**(21.0)**	(17.8)	(39.9)
Foreign exchange (loss) gain on inter-company loans	**(9.3)**	(1.4)	11.4
Total finance costs	**(30.3)**	(19.2)	(28.5)
Share of post tax (losses) profits in associates and joint ventures	**(0.1)**	0.2	-
Profit before tax	**60.2**	66.9	125.9
Taxation (note 3)	**(19.5)**	(13.7)	(22.1)
Profit after tax	**40.7**	53.2	103.8
Operations held for sale (note 2)	**(35.6)**	(34.2)	(118.1)
Profit (loss) for the period	**5.1**	19.0	(14.3)
Basic earnings (loss) per share	**0.7p**	3.2p	(2.5)p
Diluted earnings (loss) per share	**0.7p**	3.3p	(1.7)p

Further earnings per share information is provided in Note 5.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

GROUP BALANCE SHEET (unaudited)

	30.6.05 £m	30.6.04 £m	31.12.04 £m
Non-current assets			
Intangible assets	**259.1**	248.8	252.3
Tangible assets	**580.7**	633.0	577.1
Investments	**52.5**	55.2	55.3
Other receivables	**228.4**	202.7	293.3
	1,120.7	1,139.7	1,178.0
Current assets			
Inventories	**62.3**	62.4	51.7
Trade and other receivables	**303.6**	494.6	232.1
Cash and deposits	**114.9**	117.0	75.6
Assets held for sale	**122.3**	-	174.0
	603.1	674.0	533.4
Current liabilities			
Loan capital and borrowings	**(32.2)**	(245.2)	(19.8)
Trade and other payables	**(207.7)**	(365.8)	(271.2)
Current tax liabilities	**-**	(38.9)	(9.5)
Liabilities held for sale	**(98.6)**	-	(142.8)
	(338.5)	(649.9)	(443.3)
Net current assets	**264.6**	24.1	90.1
Non-current liabilities			
Loan capital and borrowings	**(820.1)**	(568.6)	(692.1)
Other non-current liabilities	**(164.8)**	(99.7)	(139.6)
Provisions	**(31.9)**	(45.5)	(36.4)
	(1,016.8)	(713.8)	(868.1)
Net assets	**368.5**	450.0	400.0
Shareholders' equity			
Called up share capital	**62.5**	60.1	62.4
Share premium account	**90.0**	25.9	88.3
Other reserves	**206.0**	349.0	240.6
Shareholders' funds	**358.5**	435.0	391.3
Equity minority interests	**10.0**	15.0	8.7
	368.5	450.0	400.0

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

GROUP CASH FLOW (unaudited)

	6 months to 30.6.05	6 months to 30.6.04	Year to 31.12.04
	£m	£m	£m
Cash flows from operating activities (note 4)			
Cash generated from operations	**34.9**	109.5	263.3
Interest paid	**(17.5)**	(18.6)	(44.2)
Income tax (paid) received	**(2.3)**	17.4	11.9
Net cash from operating activities	**15.1**	108.3	231.0
Cash flows from investing activities			
Acquisition of subsidiaries	**(17.9)**	(14.7)	(70.5)
Purchase of property, plant and equipment	**(30.6)**	(55.3)	(115.6)
Proceeds from sale of property, plant and equipment	**1.0**	0.6	7.4
Net cash acquired on acquisition of subsidiaries	**1.0**	(0.4)	0.9
Investments in associates and joint ventures	**(4.1)**	(0.2)	(5.1)
Sale of businesses (net of cash disposed)	**-**	30.3	29.9
Purchase of investments	**-**	-	(0.1)
Capital distribution from trade asset investment	**18.1**	-	-
Net cash used in investing activities	**(32.5)**	(39.7)	(153.1)
Cash flows from financing activities			
Dividends paid to Company shareholders	**(61.2)**	(55.5)	(84.5)
Dividends paid to minority interests	**(0.1)**	(0.6)	(1.9)
Issue (redemption) of share capital	**1.8**	1.9	2.8
Net draw down of debt	**113.0**	(56.2)	(69.0)
Finance lease principal payments	**(2.5)**	(3.5)	(5.1)
Net cash used in financing activities	**51.0**	(113.9)	(157.7)
Net increase (decrease) in cash and cash equivalents	**33.6**	(45.3)	(79.8)
Cash and cash equivalents at beginning of period	**65.5**	146.5	146.5
Exchange gains (losses) on cash	**0.1**	(3.5)	(1.2)
Cash and cash equivalents at end of period	**99.2**	97.7	65.5

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

STATEMENT OF RECOGNISED INCOME AND EXPENSE

	6 months to 30.6.05 £m	6 months to 30.6.04 £m	Year to 31.12.04 £m
Profit (loss) for the financial period	**5.1**	19.0	(14.3)
Currency translation differences on foreign currency net investments	**12.5**	6.8	(21.2)
Actuarial (loss) gain on defined benefit pension scheme	**(22.7)**	29.0	29.6
Movement on deferred tax relating to defined benefit pension scheme	**6.8**	(8.9)	(8.6)
Revaluation of available for sale securities	**7.4**	-	-
Total recognised gains and losses for period	**9.1**	45.9	(14.5)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	6 months to 30.6.05 £m	6 months to 30.6.04 £m	Year to 31.12.04 £m
Profit (loss) attributable to equity shareholders	**4.5**	19.4	(15.0)
Dividends	**(61.2)**	(55.5)	(84.5)
Credit in respect of employee share schemes	**1.9**	1.5	2.5
Other recognised gains and losses (net)	**4.0**	26.9	(0.2)
Adjustment to purchase price on acquisition (goodwill)	**-**	-	(18.8)
New share capital subscribed	**1.8**	9.0	73.6
Net movement in shareholders' equity	**(49.0)**	1.3	(42.4)
Opening shareholders' equity as previously stated	**391.3**	433.7	433.7
Adoption of Financial Instruments IAS 32/39	**16.2**	-	-
Opening shareholders' equity as restated	**407.5**	433.7	433.7
Closing shareholders' equity	**358.5**	435.0	391.3

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)

1. Accounting policies

The Group adopted International Financial Reporting Standards (IFRS) on 1 January 2005. The principal accounting policies adopted under IFRS and applied in the preparation of the interim financial statements are available on the Group's website, www.rank.com.

For the year ended 31 December 2005, the Group is required to prepare its annual financial statements in accordance with accounting standards adopted for use in the European Union ("EU"). As such those financial statements will take account of the requirements and options in IFRS 1 "First-time adoption of International Financial Reporting Standards" as they relate to the 2004 comparatives included therein.

Certain requirements and options in IFRS 1 relating to comparative financial information presented on first-time adoption may result in a different application of accounting policies in the 2004 financial information to that which would apply if the 2004 financial statements were the first financial statements the Group prepared in accordance with IFRS. The financial statements are based on the IFRS expected to be applicable at 31 December 2005 and the interpretations of those standards. The IFRS and IFRIC interpretations that will be applicable at 31 December 2005 are not known with certainty. These financial statements are based on management's understanding of issued standards and interpretations and current facts and circumstances, which may change. For example, amended or additional standards or interpretations may be issued by the IASB. IFRS is currently being applied in the United Kingdom and in a large number of other countries simultaneously for the first time. Due to a number of new and revised standards issued after December 2003 there is not yet a significant body of established practice on which to draw in forming opinions regarding interpretation and application of IFRS. Accordingly practice is continuing to evolve. At this preliminary stage, therefore, the full financial effect of reporting under IFRS as it will be applied and reported for the year ended 31 December 2005 cannot be determined with certainty.

The accounting policies have been consistently applied to all periods presented, except those relating to the classification and measurement of financial instruments. As permitted by IFRS 1, the Group has not restated its 2004 comparatives to reflect IAS 32, "Financial Instruments: Disclosure and Presentation" and IAS 39, "Financial Instruments: Recognition and Measurement". The adoption of IAS 32 and 39 on 1 January 2005 increased shareholders' equity by £16.2m.

The Group has not adopted IAS 34 "Interim Financial Reporting" in these interim financial statements.

The financial information contained in this report has not been audited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts for 2004, which were prepared under UK GAAP, have been delivered to the Registrar of Companies. The auditors opinion on these accounts was unqualified and does not contain a statement made under Section 237(2) and Section 237(3) of the Companies Act 1985.

Reconciliations from UK GAAP to IFRS of the Group's net assets at 1 January 2004, 30 June 2004 and 31 December 2004, and of the Group's net profit or loss for the 6 months ended 30 June 2004 and year ended 31 December 2004, are also available on the Group's website.

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

In conjunction with the rest of the Gaming industry, the Group is continuing to assess the impact of IAS 32 and 39 on the Group's accounting policy for Gaming revenue recognition. Any changes to this policy will not materially impact operating profit.

2. Discontinued operations

The Deluxe Media Services business meets the IFRS criteria required to be classified as a discontinued operation. As a result, Deluxe Media Services revenue is excluded from the income statement and the results of the business, including any associated exceptional costs, are recorded in a single line on a post-tax basis.

A breakdown of the results of discontinued operations is shown below.

	6 months to 30.6.05 £m	**6 months to 30.6.04 £m**	**Year to 31.12.04 £m**
Revenue	**136.8**	173.7	385.1
Operating (loss) profit before exceptional items	**(12.4)**	(9.1)	9.6
Exceptional operating costs	**(13.2)**	(27.9)	(127.0)
Operating loss	**(25.6)**	(37.0)	(117.4)
Net interest	**(0.8)**	(0.2)	0.1
Loss before tax	**(26.4)**	(37.2)	(117.3)
Tax	**(9.2)**	3.0	(0.8)
Net loss	**(35.6)**	(34.2)	(118.1)

Assets and liabilities relating to the discontinued operations are as follows.

	6 months to 30.6.05 £m
Inventories	**10.5**
Debtors	**111.8**
Assets held for sale	**122.3**
Creditors within one year	**(85.2)**
Provisions	**(13.4)**
Liabilities held for resale	**(98.6)**
Net assets held for sale	**23.7**

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Cash flows relating to the discontinued operations are as follows

	6 months to 30.6.05 £m	6 months to 30.6.04 £m	12 months to 31.12.04 £m
Cash flow from operating activities	**9.6**	(7.5)	(8.8)
Cash flow from investing activities	**(11.2)**	(19.0)	(16.6)
Cash flow from financing activities	**-**	-	-

3. Tax

The tax charge, including amounts disclosed within discontinued operations may be analysed as follows:

	6 months to 30.06.05 £m	6 months to 30.06.04 £m	12 months to 31.12.04 £m
Rank subsidiaries - continuing operations			
Adjusted profit	18.9	19.1	41.2
Foreign exchange on inter-company loans	0.6	(5.4)	(8.8)
Amortisation of equity component of convertible bond	-	-	-
Charge for continuing operations	19.5	13.7	32.4
Discontinued operations	9.9	(2.6)	2.7
Total pre-exceptional tax charge	29.4	11.1	35.5
Exceptional tax credit	(0.7)	(0.4)	(12.2)

Taxation has been provided at an estimated effective rate of 26.6% on adjusted profit (2004 full year – 26.3%).

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

4. Reconciliation of operating profit to cash flow

	6 months to 30.6.05 £m	6 months to 30.6.04 £m	Year to 31.12.04 £m
Operating profit	**90.6**	85.9	154.4
DMS operating loss	**(25.6)**	(37.0)	(117.4)
Exceptional operating costs charged	**13.2**	32.5	168.7
Cash payments in respect of exceptional items and provisions	**(7.8)**	(14.4)	(29.4)
Depreciation and amortisation	**34.6**	36.1	73.7
Contract advance payments (net of amortisation)	**(50.9)**	17.9	17.8
Increase in working capital	**(22.1)**	(16.0)	(11.4)
Other items	**2.9**	4.5	6.9
Net cash inflow from operating activities	**34.9**	109.5	263.3

5. Earnings per share

	6 months to 30.6.05	6 months to 30.6.04	Year to 31.12.04
Basic earnings (loss) per share			
before exceptional items	**2.7p**	8.5p	25.3p
after exceptional items	**0.7p**	3.2p	-2.5p
Basic earnings per share - continuing operations			
before exceptional items	**6.4p**	9.6p	24.1p
after exceptional items	**6.4p**	9.0p	17.2p
Basic earnings (loss) per share - discontinued operations			
before exceptional items	**-3.7p**	-1.1p	1.2p
after exceptional items	**-5.7p**	-5.7p	-19.7p
Diluted earnings (loss) per share			
before exceptional items	**2.7p**	8.0p	24.1p
after exceptional items	**0.7p**	3.3p	-1.7p
Diluted earnings per share - continuing operations			
before exceptional items	**6.4p**	9.0p	23.0p
after exceptional items	**6.4p**	8.5p	16.6p
Diluted earnings (loss) per share - discontinued operations			
before exceptional items	**-3.7p**	-1.0p	1.1p
after exceptional items	**-5.7p**	-5.1p	-18.3p
Basic adjusted earnings per share - continuing operations	**8.2p**	9.0p	18.8p

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

The weighted average number of shares used in the calculation of basic earnings (loss) per share is 623.8m (2004 first half: 595.9m, full year: 598.7m). For diluted earnings (loss) per share the weighted average number of shares used in the calculation is 625.3m (2004 first half: 666.0m, full year: 645.7m).

6. Adjusted net profit

Adjusted net profit is derived as follows:

	6 months to 30.6.05 £m	**6 months to 30.6.04 £m**	**6 months to 31.12.04 £m**
Net profit attributable to equity shareholders	**4.5**	19.4	(15.0)
Discontinued operations	**35.6**	34.2	118.1
Exceptional items	**-**	4.1	41.5
Foreign currency losses (gains) on inter-company balances	**9.3**	1.4	(11.4)
Interest on convertible bond	**1.5**	-	-
Tax on adjusted items	**0.5**	(5.4)	(20.7)
Adjusted net profit	**51.4**	53.7	112.5

7. Exchange rates

The US$/£ exchange rates for the relevant accounting periods are:

US$/£	**6 months to 30.6.05**	**6 months to 30.6.04**	**6 months 31.12.04**
Average	**1.86**	1.82	1.84
Period-end	**1.79**	1.81	1.92

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

8. Borrowings to net debt reconciliation

Under IFRS, accrued interest is classified as borrowings. In addition, net debt which is part of the assets and liabilities held for sale is disclosed separately. A reconciliation of net borrowings disclosed in the balance sheet to the Group's net debt position is provided below:

	6 months to 30.6.05 £m	**6 months to 30.6.04 £m**	**Year to 31.12.04 £m**
Borrowings, net of cash	**(737.4)**	(696.8)	(636.3)
Amounts disclosed within Deluxe Media Services	**(11.9)**	-	(1.4)
Accrued interest	**12.4**	-	-
Net debt	**(736.9)**	(696.8)	(637.7)

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092

Independent review report to The Rank Group Plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2005 which comprises consolidated interim balance sheet as at 30 June 2005 and the related consolidated interim statements of income, cash flows, statement of recognised income and expenses and changes in shareholders' equity for the six months then ended and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority.

As disclosed in note 1, the next annual financial statements of the Group will be prepared in accordance with accounting standards adopted for use in the European Union. This interim report has been prepared in accordance with the basis set out on the Group's website, www.rank.com.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. As explained on the Group's website, there is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use in the European Union. The IFRS standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 31 December 2005 are not known with certainty at the time of preparing this interim financial information.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

PricewaterhouseCoopers LLP
London
2 September 2005

6 Connaught Place, London W2 2EZ. T: 020 7706 1111. F: 020 7706 1092