Rank Group

# News Release

**26/04/2006**

## The Rank Group Plc

## AGM trading statement 16 weeks to 16 April 2006

**Summary**
The Rank Group has made a steady start to the year in terms of revenue performance. Profits remain under some pressure in our Gaming Division, in part due to higher business costs (including energy) and changes to the taxation of our gaming machines. In addition, Mecca Bingo is facing the impact of the smoking ban in Scotland. Hard Rock continues to trade strongly in its cafes business as well as through its gaming and hotel interests.

**Gaming**
In Grosvenor Casinos we generated 12% growth in revenue, continuing to take advantage of the early freedoms of gaming deregulation that were introduced in October 2005. Admissions are up by 14% for the estate as a whole, with our provincial clubs enjoying higher increases than in London clubs. Admissions growth has yet to translate into increased handle, as new members are more likely to play gaming machines rather than table games.

Revenue in Mecca Bingo is flat year-on-year, with a 2% rise in spend per head compensating for a 2% fall in admissions. At the end of March 2006 we relocated our Edinburgh Palais club to nearby Fountain Park, creating the world's first fully-electronic bingo club. In addition we opened one new club at Crewe in January and we closed our club at Stepney, East London earlier this month.

On 26 March 2006 a ban on smoking in public places was introduced in Scotland, where Rank operates 14 Mecca Bingo clubs. During the first three weeks of the ban we have seen a modest reduction in admissions to our Scottish clubs, but a greater reduction in spend per head. We are monitoring closely our trading performance in Scotland and will provide a more detailed assessment of the impact of the ban with our interim results on 2 September. In Spain, our 11 bingo clubs will be subject to a partial smoking ban from September 2006.

From 1 August 2006, our gaming machines in Mecca and in Grosvenor will be subject to higher levels of Amusement Machine Licence Duty. We anticipate that this will have a negative effect on 2006 profits of approximately £750,000. This cost is in addition to the estimated £5m of additional VAT payments arising from a change to the tax treatment of Section 21 machines introduced in December 2005.

Blue Square has made a positive start to the year with continued growth in on-line gaming and stronger sportsbook margins than in 2005.

**Hard Rock**
Hard Rock has grown like-for-like sales in company-operated cafes by 9% with food and beverage sales up 12% and merchandise ahead by 4%. This strong performance is in part due to trading at our cafe in New York City, which last summer we relocated to its new site on Times Square. Total sales for company-operated cafes are ahead by 7%.

We continue to take action to improve the quality of the Hard Rock Cafe portfolio, closing two under-performing company-operated cafes since the start of the year. And we remain on course to add between five and seven new cafes to our estate in 2006, with the majority to be opened by our franchise partners. Hard Rock's hotel and gaming interests, which include the Seminole Indian Nation's two Hard Rock Hotel & Casinos in Florida, continue to trade strongly.

**Deluxe Media**
We are proceeding with an exit of Deluxe Media via separate disposals of its constituent operations and are in the early stages of negotiations with a number of interested parties.

**Share buy-back**
At the time of Rank's preliminary results in March 2006, we announced our intention to return £200m to shareholders through a share buy-back programme. As at market close on 25 April 2006, we had purchased and cancelled a total of 19.4 million shares in The Rank Group Plc at a cost of £45.7m.

ends