Rank Group

News Release

04/07/2006

The Rank Group Plc

Group trading update for 26 weeks to 25 June 2006 and Strategic Review of Hard Rock

Summary
Underlying revenue growth for The Rank Group Plc ("Rank") remains steady. However profits in our Gaming division remain under pressure from rising costs and the smoking ban in Scotland is having a negative impact on revenues in our bingo business. Hard Rock continues to trade strongly and is entering a new phase of its development. Accordingly, we have decided to conduct a review of Hard Rock's strategic options.

Gaming
We have grown revenue in Grosvenor Casinos by 8% with admissions up 8% and spend-per-head flat. In recent weeks, admissions have weakened, largely as a result of the warm weather and the start of the World Cup, but spend-per-head has improved.

Revenue in Mecca Bingo is down by 1% against the same period last year with a 1% rise in spend-per-head partially off-setting a 2% decline in admissions. This performance reflects the impact on our Scottish clubs of the ban on smoking in public places. During the 13 weeks since the introduction of the ban we have experienced a 14% decline in revenue from our 14 clubs in Scotland , with admissions down 6% and spend-per-head down by 9%.

Margins in our Gaming division remain under pressure from rising business costs, but we are taking steps to address this, both at an operating level and within divisional overhead. While we are confident that the changes we are making will yield future benefits, there are a number of associated one-off costs in the current year.

Blue Square is showing strong year-on-year improvements in revenue and operating profit.

Hard Rock
We have grown like-for-like revenue by 8% in Hard Rock's company-operated cafes, with sales of food and beverage up 10% and merchandise ahead by 5%. Total sales for company-operated cafes are ahead by 6%.

In addition we are generating revenue improvements from franchise royalties and from the two Hard Rock hotel-casinos operated by the Seminole Tribe of Florida, in Tampa and Fort Lauderdale.

Hard Rock has performed strongly as part of The Rank Group and is now entering a new phase of its development as it seeks to expand its business in the restaurant, casino and hotel markets.

Accordingly, the Board of Rank has decided to review the potential strategic options for Hard Rock, to assess whether or not Hard Rock should remain part of The Rank Group. Merrill Lynch International has been retained to assist Rank in this review. The Board's intention is to complete the review during the next few months and a further announcement will be made as appropriate.

Share buy-back
At the time of Rank's preliminary results announcement in March 2006, we announced our intention to return £200m to shareholders through a share buy-back programme. As at market

close on 30 June 2006, we had purchased and cancelled a total of 45.9m shares in The Rank Group Plc at a cost of £102m.

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