News Release

7 December 2006

CONCLUSION OF STRATEGIC REVIEW
AND
DISPOSAL OF HARD ROCK FOR US$965 MILLION (£490 MILLION)

The Rank Group Plc ("Rank" or the "Group") announces that, following a review of its strategic options, it has reached an agreement with Seminole Hard Rock Entertainment, Inc. ("Seminole"), a wholly owned subsidiary of the Seminole Tribe of Florida, to sell the Hard Rock business ("Hard Rock") for a total consideration of US$965 million (equivalent to approximately £490 million) (the "Disposal"). Following the completion of this transaction, Rank intends to return £350 million (equivalent to approximately 65p per share) to shareholders through payment of a special dividend, and to effect a share consolidation.

Highlights:

- A review of strategic options has resulted in the sale of Hard Rock to Seminole
- Completes transformation of Rank from a diversified leisure group into a focused gaming business
- Hard Rock value is maximised for shareholders via an outright sale
- Total consideration of US$965 million (equivalent to approximately £490 million) payable in cash
- Total enterprise value of US$975 million including the assumption by Seminole of approximately US$10 million of capitalised leases
- Net proceeds of approximately £460 million, after transaction costs and tax
- Intention to return £350 million to shareholders via a special dividend
- There is no change to the expected level of the final dividend for the financial year to 31 December 2006
- The Disposal is expected to complete on 5 March 2007

Commenting on the Disposal, Ian Burke, chief executive of Rank said:

"Today's announcement sets a clear strategic course for Rank as a focused gaming business. We have maximised the value of Hard Rock through this disposal following a thorough strategic review and competitive auction. We intend to return £350 million of the proceeds to shareholders, reflecting the ongoing capital requirements of the Group. This will bring the total amount returned to shareholders since March 2006 to £625 million, including dividend payments.

"We have established clear plans to capitalise on the changes taking place in UK gaming in order to generate sustained growth in profits and improvements in our return on capital employed. In spite of a number of near-term challenges, we believe that our considerable operating experience and our strong portfolio of gaming assets will enable us to take advantage of the long-term growth in the gaming market.

"In recent months we have made progress on the key strategic objectives that we highlighted at the time of our interim results: completing the review of Hard Rock, exiting non-core businesses, restructuring our balance sheet, generating overhead and operating efficiencies and driving operational improvements from our gaming businesses. We believe that this strategy is in the best interests of our shareholders."

Merrill Lynch International is acting as lead financial adviser and corporate broker to Rank. Goldman Sachs International is also providing financial advice to Rank in relation to the Disposal.

This summary should be read in conjunction with the full text of this announcement.

A circular containing further details of the Disposal and setting out a notice of the Extraordinary General Meeting will be sent to Rank shareholders shortly.

Analyst Meeting and Webcast

There will be an analyst meeting at Goldman Sachs International, River Court, 120 Fleet Street EC4A 2QQ, starting at 11.30am.

Later today a copy of the presentation as well as webcast and dial-in recordings of the meeting will be available from the Group's website (www.rank.com).

Dial-in details are listed below:

UK Access Number	+44 (0)20 8609 0289 or 0800 358 2189
US Access Number	+1 866 676 5865
Conference Reference	158789#

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Merrill Lynch International is acting for Rank in relation to the matters described in this announcement and, with the consent of Rank, members of the Merrill Lynch Group are providing acquisition finance to the Seminole Tribe of Florida in relation to the Disposal. No member of the Merrill Lynch Group is acting for or advising any other person in relation to the Disposal and accordingly no such member will be responsible to any other person for providing the protections afforded to clients of the Merrill Lynch Group or for advice in relation to the matters described in this announcement.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Rank in relation to the matters described in this announcement and is not advising any other person and accordingly will not be responsible to any person other than Rank for providing the protections afforded to the customers of Goldman Sachs International or for providing advice in relation to the matters described in this announcement.

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CONCLUSION OF STRATEGIC REVIEW AND DISPOSAL OF HARD ROCK FOR US$965 MILLION (£490 MILLION)

Introduction

The Rank Group Plc ("Rank" or the "Group") announces that, following a review of its strategic options, it has entered into an agreement to sell the Hard Rock business ("Hard Rock"), the rock-music based entertainment business, to Seminole Hard Rock Entertainment, Inc. ("Seminole"), a wholly owned subsidiary of the Seminole Tribe of Florida for a total consideration of US$965 million (equivalent to approximately £490 million) payable in cash (the "Disposal"), subject to certain adjustments to be made following completion of the transaction. It is expected that tax and transaction costs of approximately £30 million will arise from the Disposal, payable by Rank.

It is intended that, following completion of the Disposal, Rank will return to shareholders £350 million (equivalent to approximately 65 pence per Rank Share) by way of a special dividend. This will be accompanied by a consolidation of the issued share capital of Rank. The exact level of consolidation will be disclosed within a circular to be sent to Rank shareholders shortly.

After the payment of the special dividend, anticipated taxation and other costs associated with the Disposal, the remaining proceeds of approximately £110 million will be used to reduce general corporate borrowings. The Disposal is expected to be dilutive to reported earnings per share for Rank in 2007.

In view of its size, the Disposal is conditional, amongst other things, upon the approval of Rank shareholders at an Extraordinary General Meeting, to be held in January 2007.

Background to and reasons for the Disposal

The Board of Rank announced on 4 July 2006 that it had decided to review the potential strategic options for Hard Rock. Following completion of the review in December 2006, the Board decided that the disposal of Hard Rock by Rank to Seminole for US$965 million (equivalent to approximately £490 million) is in the best interests of Rank's shareholders.

Hard Rock has limited synergies with the rest of the Group and delivery of its growth strategy would require a significant increase in capital expenditure over the medium term. Through a competitive auction process Rank has been able to maximise the value of Hard Rock for its shareholders.

The Disposal will allow Rank to focus on its gaming operations (which are mainly located in the UK) during a key period for the industry. Rank sees considerable long-term opportunities for its gaming businesses as a result of the full implementation of the 2005 Gambling Act and societal changes in attitudes towards gaming. Rank believes that as a focused gaming operator it is better able to manage a number of near-term challenges, notably the extension from 2007 of a smoking ban across the UK.

Approvals and Consents

The Disposal is subject to the approval of Rank shareholders at an Extraordinary General Meeting to be held in January 2007. A circular setting out the notice of the Extraordinary General Meeting, including the Rank directors' recommendation to vote in favour of the Disposal is expected to be sent to Rank shareholders shortly.

The Disposal is expected to be completed on 5 March 2007.

Merrill Lynch International is acting as lead financial adviser and corporate broker to Rank. Goldman Sachs International is also providing financial advice to Rank in relation to the Disposal.

Information on Rank

Rank is a leading gaming group, operating principally in the United Kingdom. The Group holds strong positions in the bingo clubs and casinos markets and has sportsbook and on-line gaming capabilities through its interactive business, Blue Square.

Rank's continuing operations comprise:

- 113 bingo clubs across the UK
- 11 bingo clubs in Spain
- 35 casinos in the UK and Belgium
- Blue Square on-line betting and gaming
- Blue Square telephone betting

Capital Structure

The Board believes that Rank's capital structure policy, announced on 3 March 2006, remains appropriate for the future growth and investment of the Group. As such, it will remain unchanged at a target net debt to EBITDA of 3.5x-4.0x. There is no change to the expected level of the final dividend for the financial year to 31 December 2006. The Directors intend to maintain, at a minimum, the absolute level of dividend per share in 2007 compared to 2006. Furthermore, the Directors intend to target a dividend cover of 2.0 times earnings over the medium term.

Rank current trading

A trading statement for Rank for the 48 weeks to 26 November 2006 was issued this morning.

Information on Hard Rock

Hard Rock is a leading rock-music based entertainment brand. Hard Rock branded assets around the world, with the exception of the Hard Rock Hotel and Casino in Las Vegas and the Hard Rock Casino in London, are either owned and operated by Hard Rock, or operated under franchising or brand licensing agreements. The Hard Rock Casino in London will continue to be owned and operated by Rank. During 2007 it will be re-branded under a Rank Gaming casino brand. Hard Rock's portfolio currently includes:

- 124 Hard Rock Cafes
- 4 Hard Rock Hotels
- 2 Hard Rock Casino Hotels (locations that include both a hotel and a casino)
- 2 Hard Rock Live! concert venues
- equity stakes in three unbranded hotels

For the year ended 31 December 2005, the financial statements of Hard Rock were prepared under IFRS. In the current year, Hard Rock generated revenues of £250.1 million, profits before interest and taxation of £34.8 million, had net assets of £156.3 million and gross assets of £188.9 million. The unaudited financial results of Hard Rock for the six months ended 30 June 2006 were prepared under IFRS. In this period, Hard Rock generated revenues of £133.7 million, profits before interest and taxation of £18.9 million, had net assets of £171.8 million and gross assets of £204.5 million. Hamish Dodds has been the President and Chief Executive of Hard Rock since 2004.

Analyst Meeting and Webcast

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This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

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APPENDIX 1 - SOURCES AND BASES OF INFORMATION

In this announcement, unless otherwise stated or the context otherwise requires, the following sources and bases of information have been used unless otherwise stated. The financial information relating to Hard Rock has been extracted from the audited financial statements of Rank for the relevant financial year.

An exchange rate of GBP/US$ of 1.97 has been used throughout this announcement.