News Release

8th June 2008

High Court upholds Rank Group VAT claims

The Rank Group Plc ('Rank' or 'the Group') welcomes today's announcement from the High Court that it has upheld the Group's claims for VAT overpaid on games of interval bingo and gaming machines.

This announcement supports last year's rulings by the VAT & Duties Tribunal ('the Tribunal') that the inconsistent application of VAT to interval bingo and gaming machines contravened the European Union's principle of fiscal neutrality.

As a consequence of last year's Tribunal ruling, Rank received £59.1m from Her Majesty's Revenue & Customs ('HMRC') in respect of VAT paid on interval bingo between 2003 and 2008. Rank is entitled to interest on this claim.

Rank's claim for £26.0m of VAT paid on gaming machines between 2002 and 2005, has also been upheld by both the Tribunal and the High Court. The Tribunal is scheduled to reconvene during October 2009 to rule on a number of outstanding considerations, including whether its ruling should apply to the claim period in its entirety.

HMRC has until 29 June 2009 to submit an appeal against the High Court's rulings.

ends

Further information

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Notes to editors

1. Interval bingo claim
Interval bingo is a popular form of bingo played during the intervals between games of traditional (or 'main stage') bingo. Rank's claim relates to VAT paid on revenue from games of interval bingo played in its Mecca Bingo clubs between January 2003 and June 2008 (inclusive).

2. Gaming machine claim
Rank's claim covers the period November 2002 to December 2005 (inclusive) and relates to VAT paid on revenue from Section 31 and Section 34 gaming machines in its Mecca Bingo clubs and Grosvenor Casinos.

3) Fiscal neutrality
The European Union's law of fiscal neutrality requires that supplies of services that are the same or similar should be not be treated differently for VAT purposes. This position was confirmed in the European Court of Justice case Finanzamt v Linneweber (2005).

4) About the Rank Group

Rank is a leading European gaming business, head-quartered in the UK and listed on the London Stock Exchange (RNK.L). The Group's principal activities are the operation of bingo clubs and casinos in the UK with complementary on-line gaming and bookmaking services. For more information about The Rank Group, visit www.rank.com.