News Release

7 May 2008

Rank Group Plc interim management statement
17 weeks to 27 April 2008

The Rank Group Plc ("Rank" or the "Group") announces trading results for the first 17 weeks of 2008.

As anticipated, the effects of the smoking ban and adverse changes to gaming regulations resulted in lower levels of Group revenue compared with the first 17 weeks in 2007. However, we have experienced a modest improvement in average weekly revenue levels compared with the final four months of 2007 (the period immediately following the implementation of the Gambling Act 2005), and cost-saving initiatives have strengthened the Group's profit performance.

Having taken action to address our cost base, our objective is to return the Group to revenue growth. We are focused on growing the number of visits to our businesses by rewarding loyal customers, reaching out to engage with new customers and raising standards of service and product for all customers.

Group
On a like-for-like basis, Group revenue was 8% lower than in the first 17 weeks of 2007, reflecting the year-on-year effects on our UK retail businesses of the English and Welsh smoking bans and the loss of Section 21 gaming terminals (under the Gambling Act 2005). Revenue in Blue Square, our interactive business, remained strongly ahead of the comparable period in 2007.

Year on year segmental and Group revenue for the 17 weeks to 27 April 2008		
	Like-for-like revenue (excludes club openings, closures and relocations)	Total revenue
Mecca Bingo	(14)%	(16)%
Top Rank Espana*	7%	7%
Grosvenor Casinos	(8)%	(7)%
Blue Square	10%	10%
Group	(8)%	(9)%

* Year on year movements in revenue are shown on a Sterling basis; if stated in Euros, Top Rank Espana revenue declined by 2%.

Mecca Bingo
In Mecca Bingo revenue declined by 14% on a like-for-like basis, with admissions down 13% and spend per head down 1%. However, this represents a modest improvement in trading compared with the final four months in 2007.

In England and Wales, like-for-like revenue is down 17% against the comparable period in 2007, while in Scotland it is marginally ahead.

During the period we extended the number of clubs with outside gaming areas to 43 and we developed 23 adult gaming centres within our Mecca Bingo portfolio. In the clubs where we have been permitted to make these innovations, we have seen incremental revenue and profit improvement.

In February 2008 we opened a new Mecca Bingo club at Thanet in Kent and we are pleased with its early trading performance. In April we closed our Mecca Bingo club in Swindon. At present no further club openings or closures are scheduled.

We were disappointed by the Government's decision to reject industry calls for taxation reform for bingo in its Budget 2008. We support the position of the Bingo Association that, in the absence of any clear rationale for the perpetuation of 'double taxation', HM Treasury should grant bingo parity with other forms of gaming in Britain through the abolition of VAT on bingo revenues.

Top Rank Espana
The difficult consumer environment in Spain affected the performance of our Spanish bingo clubs business during the first 17 weeks of the year. Although our reported revenue grew by 7%, this was as a consequence of the strength of the Euro against Sterling. In Euros, revenue declined by 2%, with spend per head flat and admissions down 2%.

Grosvenor Casinos
In Grosvenor Casinos revenue declined by 8% on a like-for-like basis, with admissions down 14% and spend per head up 5%. Like-for-like revenue declined by 4% in our London casinos and by 13% in our provincial casinos. Our London casinos benefited from an increase in spend per head, with win margin higher than in the comparative period in 2007. Admissions were down by 14% in both London and the provinces.

As with Mecca Bingo, this performance represents a modest improvement in average weekly revenue, compared with the final four months in 2007.

In February we opened our fifth casino under the G Casino brand, at Thanet (a relocation of our Ramsgate casino licence) and we are pleased with its early trading performance. We remain on schedule to open our first casino in Scotland, at Aberdeen later this year.

Blue Square
Blue Square, our interactive gaming division, grew revenue by 10% against the comparable period in 2007. Our games products, and in particular, Meccabingo.com performed strongly in the period but revenue from our sportsbook business was lower, reflecting the increasingly competitive nature of the UK sports betting market.

Pension Plan
As we announced at the time of our annual results on 29 February 2008, we have entered into a series of agreements to transfer the assets and liabilities of the Rank Pension Plan to Rothesay Life. Since then we have received the appropriate tax clearance for the transaction from HM Revenue and Customs.

We remain on course to complete this transaction by 30 June 2008 and anticipate a net cash inflow to Rank of at least £20m.

Outlook
Given the difficult trading environment for our retail gaming businesses we are encouraged by the Group's start to 2008. We have achieved a degree of success in adjusting to the smoking ban and the new gaming regulations and have taken timely action to protect profits. Nevertheless we are conscious that the difficult consumer climate is likely to make 2008 a challenging year for the gaming sector.

Ends

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Conference call

A conference call for investors and analysts will be held at 8.30am BST today (7 May 2008). Dial-in information follows below:

UK (free call): 0800 694 0257
USA (free call): 1866 966 9439
International: +44 1452 555 566
Passcode: 44300631

A replay of the conference call will shortly be available from the Rank Group's website (www.rank.com).

Further enquiries

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