News Release

27 September 2010

Rank agrees cap on contingent tax liabilities

The Rank Group Plc ('Rank' or the 'Group') announces that it has entered into an agreement with a third party to cap some of its contingent tax liabilities.

The agreement relates to £59.1m of VAT refunded to Rank by Her Majesty's Revenue & Customs ('HMRC') in 2008 as a result of the Group's successful claim that the tax had been wrongly applied to games of interval bingo.

Although Rank's claim was upheld by both the VAT Tribunal and the High Court, HMRC has appealed these decisions and the case has now been referred to the European Court of Justice ('ECJ'). A final decision is expected by the end of 2012.

Rank will make a cash payment of £4.5m in 2010 in order to fund the agreement, which will be recorded as an exceptional item. In the event that the ECJ finds in favour of HMRC, Rank's net liabilities would total £25.6m plus interest as a result of the cap agreement rather than £66.1m plus interest if the agreement was not in place.

The agreement does not cover a further £42.5m plus interest of VAT refunds relating to overpaid VAT on games of main stage bingo and amusement machines; nor does it cover a contingent tax asset of up to £35m related to a claim made under the Condé Nast/Fleming ruling.

Ends

Contact

For City enquiries:

The Rank Group
Philip Munn, Investor Relations +44 (0)1628 504 149

Bank of America Merrill Lynch
Peter Brown +44 (0)20 7996 0591

For press enquiries:

Financial Dynamics
Ben Foster/Marc Cohen +44(0)20 7831 3113

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.