News Release

10th November 2008

Rank receives £59.1m VAT repayment

The Rank Group ("Rank" or "the Group") announces that it has received from Her Majesty's Revenue and Customs ("HMRC") £59.1m in overpaid VAT. The repayment covers the five-and-a-half year period from January 2003 to June 2008. Rank anticipates that the net cash benefit will be partially offset by gross profits tax and other related costs.

The repayment relates to a VAT and Duties Tribunal ruling in May 2008, which HMRC has appealed. The appeal will be heard by the High Court in the first half of 2009. If HMRC is successful in its appeal, Rank may be required to return the payment with interest.

The case concerns the application of VAT on games of interval bingo in Rank's Mecca Bingo clubs. It is Rank's contention that this practice contravenes European Union principles on fiscal neutrality.

As a consequence of the Tribunal's ruling, Mecca Bingo has not paid VAT on any games of interval bingo since July 2008.

At present, it is not Rank's intention to recognise the revenue or operating profit benefits of the repayment (or of the decision to stop paying VAT on interval bingo) in the Group financial results for 2008. The repayment will be used to reduce the Group's net debt and will have no impact on the size of Rank's existing banking facilities which will remain committed until 2012.

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Contacts

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Notes to editors

Fiscal neutrality
The European Union's principle of fiscal neutrality requires that supplies 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). In May 2008, the VAT and Duties Tribunal accepted that HMRC had breached this principle and that therefore Rank's claim should be accepted.

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.