News Release

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Rank Group announcement on main stage bingo VAT claim

The Rank Group Plc ('Rank') notes the recent guidance received from Her Majesty's Revenue & Customs ('HMRC') regarding claims for VAT overpaid on games of bingo. HMRC's 'Revenue & Customs Brief 75/09' states that VAT claims on main stage bingo will be treated in the same way as similar claims relating to interval bingo.

Rank has submitted a claim for VAT overpaid on main stage bingo for periods from July 2004. If successful, Rank estimates that the net cash benefit arising from this claim will be approximately £16m (before interest).

In 2008, the VAT & Duties Tribunal ruled that the application of VAT to revenue from games of interval bingo contravened the European Union principle of fiscal neutrality. In June 2009 this ruling was upheld by the High Court. HMRC continues to appeal the ruling and its appeal will be heard by the Court of Appeal in April 2010.

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Notes to editors:

Main stage bingo
Main stage bingo is the traditional format of bingo played in licensed bingo clubs, played predominantly with paper and pen.

Interval bingo
Interval bingo or mechanised cash bingo is a shorter format of bingo, played predominantly using counters and a bingo board.

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).

About The Rank Group Plc
The Rank Group Plc is a leading European gaming and betting business, based in the UK and listed on the London Stock Exchange (RNK.L). Its principal activities are the operation of bingo clubs and casinos with complementary interactive gaming and bookmaking services.

Rank's operations comprise:

- **Grosvenor Casinos** - 35 casinos in Great Britain; two casinos in Belgium
- **Mecca Bingo** - 103 bingo clubs in Great Britain
- **Top Rank Espana** - 11 bingo clubs in Spain
- **Rank Interactive** - online and mobile gaming and betting. Branded websites include bluesq.com, meccabingo.com and gcasino.com.

In 2008, Rank's businesses received more than 20 million customer visits and the Group employed around 8,000 team members.

For more information about The Rank Group, visit www.rank.com.