News Release

9 February 2012

The Rank Group Plc
Interim results for the periods ended 31 December 2011

Key highlights

- The Rank Group Plc's three UK brands have increased customer numbers, revenue and operating profit in the six and 12 months ended 31 December 2011 with a particularly strong performance from Grosvenor's G Casinos
- Strong balance sheet with £25.0m of net cash (net debt £123.4m at 31 December 2010)
- European Court of Justice decides in Rank's favour on £253m bingo claims
- Customer satisfaction score up six percentage points to 51% across the Group's gaming-based entertainment brands

Financial highlights in six months ended 31 December 2011

- Group revenue* of £295.9m (H2 2010: £286.7m)
- Statutory revenue of £282.7m (H2 2010: £274.9m)
- Group EBITDA before exceptional items of £53.1m (H2 2010: £49.2m)
- Group operating profit before exceptional items of £34.6m (H2 2010: £33.4m)
- Group operating profit after exceptional items of £21.7m (H2 2010: £9.3m)
- Adjusted profit before tax of £32.5m (H2 2010: £30.1m)
- Adjusted earnings per share of 6.1p (H2 2010: 5.6p)
- Basic earnings per share before exceptional items of 5.9p (H2 2010: 5.3p)
- Net cash of £25.0m (net debt of £123.4m at 31 December 2010)
- Second interim dividend per share of 1.10p

On 21 October 2011, Rank announced that it had changed its accounting reference date to 30 June to bring it in line with its majority shareholder, Guoco Group Limited. For ease of reference, the highlights below correspond with the 12 month periods ended 31 December 2010 and 31 December 2011.

Financial highlights in 12 months ended 31 December 2011

- Group revenue* of £589.9m (2010: £567.8m)
- Group EBITDA before exceptional items £100.9m (2010: £92.3m)
- Group operating profit before exceptional items £64.1m (2010: £62.0m)
- Adjusted profit before tax £58.8m (2010: £55.2m)
- Adjusted earnings per share 10.7p (2010: 10.2p)

* before adjustment for free bets, promotions and customer bonuses

Ian Burke, chairman of The Rank Group Plc said:

"During 2011 we have continued to deliver growth in earnings per share while strengthening our financial position and delivering a high quality, value for money, gaming experience to our customers. Our UK brands, whose reputation has been built across a portfolio of high quality venues, are increasingly complemented by improving websites and mobile applications."

While we remain cautious on the consumer environment, the strength of the Group's financial position along with a portfolio of well-regarded brands presents a strong platform to build on."

Ends

Definition of terms:

- Group revenue is before adjustment for free bets, promotions and customer bonuses;
- Group EBITDA is Group operating profit before depreciation and amortisation;
- Adjusted profit before tax is profit from continuing operations before taxation adjusted to exclude exceptional items, the unwinding of discount in disposal provisions and other financial gains or losses;
- Like for like excludes club openings and closures; and
- The term 'H2 2011' refers to the six month period ending 31 December 2011, 'H2 2010' refers to the six month period ending 31 December 2010.

Enquiries

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Analyst meeting and webcast details:
Thursday 9 February 2012
There will be an analyst meeting at the auditorium, Investec Plc, 2 Gresham Street, London, EC2V 7QP, starting at 9.30am. There will be a simultaneous webcast of the meeting.

For the live webcast, please register at www.rank.com. A replay of the webcast and a copy of the slide presentation will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements
This announcement includes 'forward-looking statements'. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements, other than statements of historical facts included in this announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements that are based on current expectations. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, achievements or financial position of the Group to be materially different from future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's operating performance, present and future business strategies, and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. Subject to the Listing Rules of the UK Listing Authority, the Group expressly disclaims any obligation or undertaking, to disseminate any updates or revisions to any forward-looking statements, contained herein to reflect any change in the Group's expectations, with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past performance cannot be relied upon as a guide to future performance.

Chief Executive's review

In 2012 Rank will celebrate the fact that it has entertained the public for the last 75 years. Our progress in 2011, marked by a rise in earnings per share combined with Rank's strong financial position, means that we now look forward with confidence to entertaining our customers long into the future.

Group key performance indicators (KPIs)

	H2 2011	H2 2010	Variance
Customers (000s)	**2,756**	2,634	4.6%
Customer visits (000s)	**14,239**	13,580	4.9%
Spend per visit (£)	**20.78**	21.11	(1.6)%
Offline-online crossover	**2.9%**	2.4%	0.5%
Net promoter score	**51%**	45%	6%

The increasing appeal of the Group's brands across distribution channels has meant that we have entertained more customers in all of our UK businesses. These new customers have driven up the number of customer visits compared to the same period in 2010. Spend per visit dropped in the period, down 1.6%, because of a reduced win margin in Grosvenor's London casinos along with tough trading conditions in Top Rank España.

Our focus on delivering a high quality entertainment experience consistent with our brands' values has led to increased customer satisfaction scores in Mecca and Grosvenor. We have also increased the number of customers who enjoy our brands in venues and online, with crossover rate rising to 2.9%.

Our UK businesses also performed well in the 12 month period to 31 December 2011 compared to 2010 with Grosvenor Casinos, Rank Interactive and Mecca Bingo all achieving revenue and operating profit growth.

£m	**Revenue***					
	H2 2011	H2 2010	Variance	**2011**	2010	Variance
Grosvenor Casinos	**125.8**	122.0	3.1%	**249.2**	238.6	4.4%
Mecca Bingo	**117.4**	115.8	1.4%	**239.1**	234.5	2.0%
Rank Interactive	**37.8**	30.3	24.8%	**71.8**	57.7	24.4%
Top Rank España	**14.9**	18.6	(19.9)%	**29.8**	37.0	(19.5)%
Group	**295.9**	286.7	3.2%	**589.9**	567.8	3.9%

* before adjustments for free bets, promotions and customer bonuses

£m	**Operating profit***					
	H2 2011	H2 2010	Variance	**2011**	2010	Variance
Grosvenor Casinos	**20.4**	18.4	10.9%	**40.6**	36.0	12.8%
Mecca Bingo	**14.8**	13.7	8.0%	**31.0**	29.7	4.4%
Rank Interactive	**6.4**	5.6	14.3%	**9.1**	7.9	15.2%
Top Rank España**	**0.5**	3.8	(86.8)%	**0.7**	6.8	(89.7)%
Central costs	**(7.5)**	(8.1)	7.4%	**(17.3)**	(18.4)	6.0%
Group	**34.6**	33.4	3.6%	**64.1**	62.0	3.4%

* before exceptional items; ** H1 operating profit adjusted for reallocation of costs

A rise in Grosvenor Casinos revenue in the six months to 31 December 2011, up 3.1%, along with low variable costs meant that operating profit during the same period was up 10.9% to £20.4m.

A rise in spend per visit meant Mecca's revenue in the six month period rose 1.4%. Operating profit in the same period increased 8.0% on last year. Mecca continues to attract

more, and younger, customers to its venues (the number visiting during 2011 was up 3.5% on 2010).

Rank Interactive increased revenue during the six month period to 31 December 2011 by 24.8% to £37.8m, with a particularly strong performance by the Mecca Bingo brand. Operating profit rose by 14.3% to £6.4m as the business continued to invest in the promotion of its brands by increasing its online marketing spend.

Tough trading conditions in Spain following the introduction of the full smoking ban in public places meant Top Rank España's revenue declined by 19.9% to £14.9m.

The Group's adjusted net financing charge of £2.1m was £1.2m lower than in the six months ended 31 December 2010, reflecting a substantial strengthening in the Group's financial position.

Regulation and taxation
In 2012, the need to accommodate remote gaming within regulatory frameworks and to comply with European law is prompting governments in a number of jurisdictions to review gambling taxation. In the United Kingdom, the Government has announced its intention to revise the tax regime for amusement machines (which will take effect in February 2013) and is considering reform of the remote gaming regime. In Spain and Belgium there are also proposals to reform gambling taxation to reflect the expansion of regulated gaming and betting into digital channels.

We believe that in the interests of fairness and sustainability, gambling activities should be subject to a uniform regime of taxation unless there are clear and explicit social policy reasons for such exceptions.

VAT refunds and financial position
On 10 November 2011, the European Court of Justice ('ECJ') upheld the successive rulings of the UK courts that Rank had overpaid VAT on revenue from games of bingo for periods between 1973 and 2009. As a consequence of the ECJ decision, Rank will retain the £253.4m in refunded tax and associated interest paid by HM Revenue and Customs ('HMRC') in prior periods (see finance review, page 19 for a full description of Rank's VAT claims).

At 31 December 2011, the Group had net cash of £25.0m. Since the beginning of 2012, Rank has agreed new revolving credit facilities of £80m, which mature in 2017.

Dividend
The board is pleased to declare a second interim dividend of 1.10 pence per share to be paid on 29 March 2012 to shareholders on the register at 17 February 2012. A final dividend for the 18 month period to 30 June 2012 will be announced on publication of Rank's full year results on 17 August 2012. We anticipate that the final dividend for the 18 month period will be in line with our medium term aim of growing dividends faster than earnings as we target a level of 3.0 times dividend cover.

Outlook
While the outlook for the UK consumer seems likely to be more challenging, Rank is in a strong financial position, possesses market-leading brands and has a clear strategy for long-term growth.

Press speculation concerning Rank's potential acquisition of Gala's Casinos
The board has confirmed that it is in talks with Gala Coral Group about a potential acquisition of Gala's casinos business. A further announcement will be made in due course.

Strategic update

Rank's aim is to create and develop popular and well-known gaming-based entertainment brands that bring enjoyment to their target customers. We define the brand experience by our understanding of what will make our customers satisfied and this in turn drives product and service evolution. We choose to operate solely in regulated markets, distributing our brands via venues and digital media to best meet the needs of our customers. We will engage with governments and regulators to ensure that our business activities make a positive social and economic contribution to the jurisdictions where we operate.

We believe that this approach will enable us to generate strong and sustainable returns for our shareholders, measured by sustained growth in earnings per share.

Our brands

Rank operates three gaming-based entertainment brands in the UK, aimed at different segments of the addressable market. Two of the three – Mecca and Grosvenor - are genuine multi-channel brands with the ability to engage with customers via licensed venues and online.

Rank's central customer database and relationship management system enables our brands to view and reward customer activity across each channel of distribution and to engage with them via coordinated marketing and customer contact strategies. We view this multi-channel capability as a source of competitive advantage over single-channel brands.

Brand	**Core market**	**Experience**	**Distribution**
Mecca	Female-led; 25-55 years	Community games	Venues, online, mobile
Grosvenor	Male-led; 25-55 years	Competitive/casino games	Venues, online, mobile
Blue Square	Male-led; 25-44 years	Sports	Online, mobile

Our brands focus on achieving sustainable growth in revenue and operating profit by growing the number of customers they serve and by generating greater value per customer through becoming more valued by our customers.

During the period, we achieved customer and revenue growth in each of our UK brands. Mecca brand venues achieved a steady revenue improvement, while online and mobile grew strongly. Meanwhile, the increase in revenue from Grosvenor Casinos was largely venue-driven.

Brand	**Revenue**		**Customers (000s)**		**Cross-over†**	
	H2 2011	H2 2010	**H2 2011**	H2 2010	**2011**	2010
Mecca	**£143.8m**	£136.4m	**770**	720	**5.6%**	4.9%
Grosvenor	**£120.7m**	£115.3m	**762**	701	**0.5%**	0.5%
Blue Square	**£8.7m**	£7.9m	**91**	78	**n/a**	n/a

† Cross-over measures the percentage of total brand customers who visit/transact with the brand via digital channels and venues during the last 12 months.

A recent survey of gaming and betting brands, commissioned by Rank and conducted by Martin Information shows that Mecca achieves very high levels of brand awareness, reflecting its longevity, its cultural heritage and nation-wide venue distribution. High levels of awareness and brand affinity amongst existing customers have been important factors in the expansion of the brand online and on mobile.

However, while brand awareness is high, brand consideration and conversion are low. This stems from product-centric perceptions of Mecca (with non-customers seeing the brand as synonymous with the game of bingo) which we are addressing through product expansion, service improvement and coordinated brand marketing.

Grosvenor Casinos has relatively low levels of brand awareness. This reflects the fact that until relatively recently (2007), UK gaming regulations placed heavy restrictions on advertisements for land-based casino gaming; and the lack of brand consistency across Grosvenor's venues. We are addressing the issue of low brand awareness through a programme to bring all of our casino venues in Britain together under one brand name through a coordinated programme of brand marketing (including heightened cross-selling to venue customers).

As a purely digital gaming and betting brand, Blue Square faces a competitive disadvantage compared with the 'big four' UK sports betting brands (which have between them around 7,500 venues – mainly in Britain's high streets). We are addressing this issue by focusing our efforts on building strong mobile product capabilities and building land-based brand partnerships, including our sponsorship of the Football Conference (the Blue Square Premier, Blue Square North and Blue Square South) and a cross-marketing partnership with Riley's snooker and pool clubs.

Insight and segmentation

The collection and analysis of quantitative and qualitative information on customer behaviours and preferences informs the development or our brands. The brand membership system we have in our venues has allowed us to track customer visitation for many years. However, it is only since 2008 that we have been able to begin to analyse customer spending via the use of customer rewards programmes.

Measurement

We measure our efforts to improve the customer experience via net promoter score, which measures the stated propensity of our customers to recommend our brands. Our net promoter scores in 2011 captured the opinions of more than 47,000 of our customers.

Insights improving products and services

We have continued our efforts to use the data gathered on our customers to deliver products and services that they want. These efforts are focused in two areas; gaming and food and drink.

Gaming

Our UK businesses have introduced a series of upgrades to their gaming products to improve the quality of their offering. Grosvenor Casinos has upgraded the software on its automated gaming terminals in 12 venues in the period offering customers more games and an easy to use interface. We are also trialling a series of new table games in several casinos based on their popularity in casino venues abroad.

Mecca has introduced a series of upgrades to its 7,500 Mecca Max terminals so that they offer more games and they may now tailor their content based on players' previous activity.

Rank Interactive relaunched grosvenorcasinos.com in the period with more games, updated branding and improvements to the data held on Grosvenor's venues. Across the Group, gaming revenue in the six month period ended 31 December 2011 increased by 3.4% to £270.9m compared to the same period in 2010.

Food and drink
Grosvenor Casinos and Mecca Bingo continue to increase the quality of the food and drink they offer. Improvements in this area have been one driver of the increase in customer satisfaction and the number of customers these businesses serve.

Grosvenor Casinos has undertaken a training programme for all of its bar staff so that customers enjoy the same level of service across the entire estate. This has been complemented in Grosvenor's recently opened Walsall G Casino which features a two zone restaurant area providing customers an informal, more inclusive, dining area.

Mecca Bingo extended the number of bingo clubs which offer food and drink from 75 to 97 clubs at a cost of £1.2m during 2011. This upgraded service continues to attract positive customer feedback and increased spend per visit.

In the UK, food and drink revenue in the six month period ended 31 December 2011 increased by 7.5% to £20.8m compared to the same period in 2010 despite the rise in the UK's VAT rate from 17.5% to 20% (gross revenue, which ignores the VAT rate, grew 9.8%).

Brand distribution

The final component of our brand strategy is to engage with our target market to the greatest extent by extending our reach. We aim to position our brands in large towns and cities through modern and attractive venues where we can maximise the revenue potential of those local markets as well as through digital media.

Mobile gaming
We believe that the increasing prevalence of gaming via mobile communications devices (such as smartphones and tablets) represents a structural change within our industry. Understanding how the availability of gaming-based entertainment via mobile devices affects consumer choice and using that insight for competitive advantage is a key challenge for the Group.

Through Rank Interactive we have made some good progress in terms of product development, launching the world's first real money bingo 'app' in 2010; and becoming an early adopter of mobile sports betting via Blue Square. In addition, we offer mobile gaming on a local area network to customers of our Mecca venues via more than 7,500 Mecca Max electronic gaming units. We are looking into the opportunities to use similar technology in Grosvenor Casinos.

Grosvenor Casinos
During the period we opened one new casino at Stockton-on-Tees, following a £6.8m capital investment. The venue is the 17th in the Grosvenor estate to be developed in the 'G Casino' design format. These venues are larger and more attractive than traditional casinos in Britain; and are typically sited in high profile locations. They offer a broader range of gaming and non-gaming activities and attract higher levels of customer visits.

	Grosvenor 'G Casino'	Grosvenor traditional	Variance
Customer visits/week	3,964	2,342	69.3%
Revenue (£k)/week	121.1	69.6	74.0%
EBITDA (£k)/week	34.6	14.2	143.7%
EBITDA margin (%)	28.6%	20.4%	8.2%

By June 2012, we will open two new Grosvenor Casinos under the G Casino format, at Didsbury in Manchester and at New Brighton on Merseyside at a combined capital cost of £11.8m. On 5 February 2012, we closed our Liverpool E-Casino which had traded at a loss of £0.4m per year. We currently have no plans to extend the E-Casino concept to other locations.

At 31 December 2011, Grosvenor Casinos operated 35 venues in Great Britain and a further two in Belgium.

Mecca
Mecca operated 98 branded venues across Great Britain at 31 December 2011. As part of our programme of estate modernisation, we are investing £0.5m at our venue in Wood Green in London. The refurbishment includes the addition of a modern gaming lounge, separated from the traditional bingo area which will allow us to offer a wider range of activities, including the After Dark suite of games which are aimed primarily at customers under the age of 35.

Within our Mecca estate, there is a small 'tail' of venues which are not suitable for delivery of the Mecca brand, due to considerations of design and location. During the period, we closed our venues in Wallsend and Great Yarmouth which generated a combined loss of £0.3m in 2011.

Blue Square
As a purely digital sport-led gaming brand, marketed solely in the UK, Blue Square operates at a disadvantage to traditional bookmakers (with large estates of high street venues) and multi-jurisdictional 'dotcom' brands. Our response is to harness the increasing consumer preference for mobile betting and gaming by investing in product development; and to seek land-based partners to grow brand awareness and consideration.

Top Rank España/Enracha
Rank has operated in Spain since 1994, building up an estate of largely unbranded community gaming venues. We intend to use these venues to develop enracha, a multi-channel brand for the Spanish community gaming market. The development of the enracha brand has been hampered by changes to the regulatory process and certain product restrictions. Consequently, the launch of the brand online has been delayed and we do not expect it to make a significant contribution to revenue or profit in the near-term.

Business review

Grosvenor Casinos

Grosvenor Casinos produced another strong performance during the six and 12 months ended 31 December 2011 with increasing revenue and operating profit as its modernised venues continued to attract new customers and grew customer visits both in London and in the provinces.

	H2 2011	H2 2010	Var.	**2011**	2010	Var.
Revenue* (£m)	**125.8**	122.0	3.1%	**249.2**	238.6	4.4%
EBITDA (£m)**	**27.1**	23.8	13.9%	**54.0**	46.0	17.4%
Operating profit (£m)**	**20.4**	18.4	10.9%	**40.6**	36.0	12.8%
Like-for-like revenue	**3.1%**			**4.9%**		

* before adjustments for free bets, promotions and customer bonuses; ** before exceptional items

An increase in revenue and operating profit arose from a rise in the profitability of our provincial casinos along with increasing customer visits across all of our venues.

Key performance indicators

	H2 2011	H2 2010	Variance
Customers (000s)*	**1,194**	1,131	5.6%
Customer visits (000s)	**3,059**	2,790	9.6%
Spend per visit (£)	**41.12**	43.73	(6.0)%
Net promoter score	**46%**	42%	4%

* Customers shown on a moving annual total ('MAT') basis

Our modernised estate continues to elicit positive customer satisfaction scores, with a 4 percentage point increase in net promoter score. Spend per visit during the six month period ended 31 December 2011 declined 6.0% because of a reduction in our London casinos' win margin.

Segmental analysis

	Customer visits (000s)		**Spend per visit (£)**		**Revenue (£m)**		**Operating profit (£m)**	
	H2 2011	H2 2010	**H2 2011**	H2 2010	**H2 2011**	H2 2010	**H2 2011**	H2 2010
London	**566**	526	**82.15**	93.72	**46.5**	49.3	**10.2**	9.3
Provinces	**2,320**	2,094	**30.81**	30.75	**71.5**	64.4	**11.4**	8.9
Belgium	**173**	170	**45.09**	48.82	**7.8**	8.3	**(1.2)**	0.2
Total	**3,059**	2,790	**41.12**	43.73	**125.8**	122.0	**20.4**	18.4

Our London casinos' revenue was reduced by 5.7%, however, operating profit rose as the comparable period suffered higher than usual bad debts. Grosvenor's provincial casinos grew visits, spend per visit, revenue and operating profit in the six months to 31 December 2011. Trading at Grosvenor's two Belgian casinos suffered a drop in revenue and operating profit following the earlier than expected extension of the Belgian smoking ban.

Revenue analysis – Great Britain only

£m	**H2 2011**	H2 2010	Variance	**2011**	2010	Variance
Casino games	**81.9**	80.4	1.9%	**163.8**	158.3	3.5%
Gaming machines	**19.6**	18.2	7.7%	**38.3**	35.9	6.7%
Card room games	**6.5**	6.0	8.3%	**12.0**	10.9	10.1%
Food & drink/other	**10.0**	9.1	9.9%	**19.0**	17.3	9.8%
Total	**118.0**	113.7	3.8%	**233.1**	222.4	4.8%

Revenue across all of the Grosvenor casinos established in Great Britain grew in the six month period ending 31 December 2011 compared to the same period in 2010. While casino games revenue was held back by a drop in win margin all other categories increased in line with increasing customer visits.

At 31 December 2011, we operated 35 casinos in Great Britain (incorporating 37 licences) and two in Belgium.

Mecca Bingo

Mecca Bingo produced a good performance in the six and 12 months to 31 December 2011 as service delivery improvements driven by customer insight meant that our venues attracted more customers and increased spend per visit. Customer visits during the final six months of the year were stable compared to the same six month period in 2010 as a younger customer base visited less often.

	H2 2011	H2 2010	Var.	**2011**	2010	Var.
Revenue* (£m)	**117.4**	115.8	1.4%	**239.1**	234.5	2.0%
EBITDA (£m)**	**22.4**	20.6	8.7%	**46.2**	43.0	7.4%
Operating profit (£m)**	**14.8**	13.7	8.0%	**31.0**	29.7	4.4%
Like-for-like revenue	**3.5%**			**3.5%**		

* before adjustments for free bets, promotions and customer bonuses; ** before exceptional items

Revenue in the six months to 31 December 2011 increased as a result of a 1.4% rise in spend per visit and customer visits in line with the same period in 2010. Mecca's results benefitted from a weak comparable period in 2010, which was affected by poor weather conditions. Operating profit rose 8.0% to £14.8m as a result of the increased performance of our bingo products and the closure of underperforming clubs.

Key performance indicators

	H2 2011	H2 2010	Variance
Customers (000s)*	**943**	911	3.5%
Customer visits (000s)	**7,163**	7,167	(0.1)%
Spend per visit (£)	**16.39**	16.16	1.4%
Net promoter score	**60%**	51%	9%

* Customers shown on a moving annual total ('MAT') basis

Mecca's focus on meeting the needs of our customers meant that business's net promoter score (which measures customer propensity to recommend) increased by 9 percentage points to 60%.

Revenue analysis

£m	**H2 2011**	H2 2010	Var.	**2011**	**2010**	Var.
Main stage bingo	**20.8**	19.6	6.1%	**41.9**	40.5	3.5%
Interval games	**51.6**	51.2	0.8%	**105.6**	103.8	1.7%
Amusement machines	**32.2**	32.5	(0.9)%	**65.8**	65.8	0%
Food & drink/other	**12.8**	12.5	2.4%	**25.8**	24.4	5.7%
Total	**117.4**	115.8	1.4%	**239.1**	234.5	2.0%

Bingo revenue in the six months ended 31 December 2011 grew as the business introduced a new bingo game and win margins returned to their long term average. Amusement machine revenue was held back by a rise in the standard rate of VAT, gross win increased by 1.2% in the six month period to 31 December 2011 versus the same period in 2010.

Rank Interactive

Rank Interactive, which is responsible for delivering Rank's brands online (including mobile devices), has delivered another strong performance this year. In 2011 we have focussed our innovation efforts on the effective delivery of our brands through mobile devices, including the release of twenty high quality mobile applications. As a result, mobile gaming achieved 200% revenue growth or 6.7% of the business's total revenue in 2011 as nearly a quarter of our customers chose to use this channel.

	H2 2011	H2 2010	Var.	**2011**	2010	Var.
Revenue* (£m)	**37.8**	30.3	24.8%	**71.8**	57.7	24.4%
EBITDA (£m)**	**8.9**	7.4	20.3%	**13.8**	11.4	21.1%
Operating profit (£m)**	**6.4**	5.6	14.3%	**9.1**	7.9	15.2%
Like-for-like revenue	**24.8%**			**24.4%**		

* before adjustments for free bets, promotions and customer bonuses ** before exceptional items

Revenue continued to grow strongly during the six months ended 31 December 2011 (up 24.8%) driven by increasing revenue from meccabingo.com. Operating profit also increased compared to the same period in 2010, up 14.3% to £6.4m.

Key performance indicators

	H2 2011	H2 2010	Variance
Customers* (000s)	**311**	261	19.2%
Customer visits (000s)	**2,953**	2,433	21.4%
Spend per visit (£)	**12.80**	12.45	2.8%
Net promoter score	**17%**	18%	(1)%

* Customers shown on a moving annual total ('MAT') basis

Rank Interactive continues to improve the quality of its websites and mobile applications with increases in the net promoter score for grosvenorcasinos.com and meccabingo.com. However, the Blue Square brand's reduction in customer satisfaction meant that this business's score was 1% down on the same period in 2010.

Revenue analysis

£m	**H2 2011**	H2 2010	Variance	**2011**	2010	Variance
Bingo & games	**28.9**	22.2	30.2%	**54.8**	42.0	30.5%
Sports betting	**5.1**	4.6	10.9%	**9.5**	8.2	15.9%
Casino	**3.2**	2.7	18.5%	**6.2**	5.7	8.8%
Poker	**0.6**	0.8	(25.0)%	**1.3**	1.8	(27.8)%
Total	**37.8**	30.3	24.8%	**71.8**	57.7	24.4%

Revenue from bingo and games has been spurred by increased investment in marketing (including an exclusive deal with Britain's Got Talent's producer Freemantle Media) and further benefits from cross-selling to customers of Mecca Bingo venues.

Top Rank España

Our Spanish business, Top Rank España, was negatively affected by the implementation of a full smoking ban in public places at the start of the year and a tough economic environment. In response to this, the business has focussed on investing a new concept format in one of our Madrid clubs and improving smoking shelters. We have continued our efforts to control costs. In euros, revenue was down 20.9%.

	H2 2011	H2 2010	Var.	**2011**	2010	Var.
Revenue (£m)	**14.9**	18.6	(19.9)%	**29.8**	37.0	(19.5)%
EBITDA* (£m)	**1.7**	5.1	(66.7)%	**3.2**	9.5	(66.3)%
Operating profit* (£m)	**0.5**	3.8	(86.8)%	**0.7**	6.8	(89.7)%
Like-for-like revenue	**(19.9)%**			**(19.5)%**		

* before exceptional items

Following an initial decline in revenue upon introduction of the smoking ban, trading has stabilised during 2011.

Key performance indicators

	H2 2011	H2 2010	Variance
Customers* (000s)	**308**	331	(6.9)%
Customer visits (000s)	**1,064**	1,197	(11.1)%
Spend per visit (£)	**14.00**	15.54	(9.9)%
Net promoter score	**69%**	45%	24%

* Customers shown on a moving annual total ('MAT') basis

Customer satisfaction score increased 24% in response to refreshed menus and the provision of facilities for smokers. However, the decline in dwell time arising from the smoking ban meant spend per visit was down 9.9%.

Revenue analysis

£m	**H2 2011**	H2 2010	Var.	**2011**	2010	Var.
Bingo	**8.6**	11.4	(24.6)%	**17.9**	23.2	(22.8)%
Amusement machines	**5.3**	5.2	1.9%	**9.4**	10.2	(7.8)%
Food & drink/other	**1.0**	2.0	(50)%	**2.5**	3.6	(30.6)%
Total	**14.9**	18.6	(19.9)%	**29.8**	37.0	(19.5)%

Bingo and food and drink revenue declined in the six month period ended 31 December 2011 compared to last year because of a fall in customer visits. Amusement machine revenue rose following the introduction of improved gaming machine product.

At 31 December 2011, Top Rank España operated 11 bingo clubs across Catalonia, Madrid, Galicia and Andalucia.

KEY RESULTS
For the twelve and six month periods to 31 December 2011
(from continuing operations)

	Twelve months to 31 December		Six months to 31 December	
	2011	2010	**2011**	2010
Group revenue	**£589.9m**	£567.8m	**£295.9m**	£286.7m
Group statutory revenue*	**£564.7m**	£544.5m	**£282.7m**	£274.9m
Operating profit:				
- before exceptionals	**£64.1m**	£62.0m	**£34.6m**	£33.4m
- after exceptionals	**£119.2m**	£75.4m	**£21.7m**	£9.3m
Adjusted net interest payable (note 4)	**£(5.3)m**	£(6.8)m	**£(2.1)m**	£(3.3)m
Adjusted profit before taxation**	**£58.8m**	£55.2m	**£32.5m**	£30.1m
Profit before taxation:				
- before exceptionals	**£58.2m**	£54.5m	**£31.8m**	£30.2m
- after exceptionals	**£194.2m**	£73.5m	**£18.9m**	£6.1m
Profit after taxation:				
- before exceptionals	**£40.5m**	£38.2m	**£23.1m**	£20.7m
- after exceptionals	**£150.1m**	£48.9m	**£14.3m**	£0.3m
Basic earnings per share:				
- before exceptionals	**10.4p**	9.8p	**5.9p**	5.3p
- after exceptionals	**39.4p**	13.7p	**3.6p**	0.7p
Adjusted earnings per share (note 7)	**10.7p**	10.2p	**6.1p**	5.6p
Dividend per share	**2.10p**	2.40p	**1.10p**	1.66p
Group EBITDA before exceptional items***	**£100.9m**	£92.3m	**£53.1m**	£49.2m
Net cash (debt) (note 9)	**£25.0m**	£(123.4)m	**£25.0m**	£(123.4)m
Net (cash) debt to EBITDA**** ratio	**(0.2)**	1.3	**(0.2)**	1.3
Weighted average number of ordinary shares in issue (basic)	**390.1m**	389.5m	**390.6m**	389.5m

* Statutory revenue is stated after adjustment for free bets, promotions and customer bonuses.
** Adjusted profit before taxation is calculated by adjusting profit from continuing operations before taxation to exclude exceptional items, the unwinding of discount in disposal provisions and other financial gains or losses.
*** Group operating profit before depreciation and amortisation.
**** Rolling 12 month EBITDA.

Accounting reference date

In accordance with Listing Rule 9.6.20, the Group changed its accounting reference date from 31 December to 30 June on 21 October 2011. This brings the Group's financial year end in line with its majority shareholder, Guoco Group Limited.

The next audited financial statements will therefore cover the 18 month period ending 30 June 2012. Thereafter, interim and annual reports will be published each year, for the six months to 31 December and twelve months to 30 June.

Key results
Group revenue for the six months to 31 December 2011 from continuing operations rose by £9.2m to £295.9m whilst Group operating profit before exceptionals of £34.6m was £1.2m higher than the same period in 2010.

For the twelve months to 31 December 2011, Group revenue from continuing operations rose by £22.1m to £589.9m. Group operating profit before exceptionals increased from 2010 by £2.1m to £64.1m.

The growth in Group revenue and Group operating profit before exceptional items in both periods reflected strong performance from our UK businesses. This was partly negated by the introduction of smoking bans and difficult economic conditions in Spain and Belgium.

Adjusted net interest payable for the six months and twelve months to 31 December 2011 fell by 36.4% and 22.1% respectively, reflecting the Group's net cash position following the receipt of VAT refunds in March 2011.

Adjusted Group profit before tax increased from 2010 by £2.4m to £32.5m for the six months ended 31 December 2011 and by £3.6m to £58.8m for the twelve months ended 31 December 2011.

The increase in adjusted pre-tax profits contributed to growth in adjusted earnings per share in the twelve month period to 10.7p (2010: 10.2p) and 6.1p (2010: 5.6p) for the second six month interim period. The weighted average number of ordinary shares was marginally up from the same periods in 2010.

Effective tax rate
The Group's effective tax rate for the twelve month period to 31 December 2011 was 28.9% (2010: 27.7%) based on a tax charge of £17.0m on adjusted profit before taxation of £58.8m. The decrease from the 31.0% anticipated at 30 June 2011 reflects a reduction in the prior year tax adjustment and is reflected in an effective tax rate for the six months ended 31 December 2011 of 26.8%. Further details on the taxation charge are provided in notes 5 and 7 to the Group financial information.

Cash tax rate
The Group had an effective cash tax rate of 7.8% (after removing £8.7m paid in relation to legacy issues and £9.5m paid in relation to exceptional items) on adjusted profit in the twelve months ended 31 December 2011 following the utilisation of brought forward losses and capital allowances. The Group is expected to have a cash tax rate of approximately 6% in the 18 months to 30 June 2012, excluding tax payable on legacy issues and exceptional items.

Dividends
The Group is committed to a policy of paying out a progressively higher ratio of earnings in dividends, taking into consideration both the Group's capital investment requirements and the stability of the wider economic environment. A final dividend of 1.66 pence per share for 2010 was paid on 4 May 2011 and a first interim dividend for the extended 18 month period ending 30 June 2012 of 1.00 pence per share was paid on 12 September 2011.

A second interim dividend of 1.10 pence per share will be paid on 29 March 2012 to shareholders on the register at 17 February 2012.

Exceptional items

In order to give a full understanding of the Group's financial performance and aid comparability between periods, the Group reports certain items as exceptional to normal trading.

	Twelve months to 31 December		Six months to 31 December	
	2011 £m	2010 £m	**2011 £m**	2010 £m
Grosvenor Casinos	**(3.0)**	(3.6)	**(1.5)**	(7.6)
Mecca Bingo	**80.1**	31.0	**1.2**	(3.7)
Rank Interactive	**(1.8)**	-	**(1.8)**	-
Top Rank España	**(15.9)**	(1.4)	**(10.8)**	(0.2)
Central	**(4.3)**	(12.6)	**-**	(12.6)
Continuing operations before financing and taxation	**55.1**	13.4	**(12.9)**	(24.1)
Finance income	**80.9**	5.6	**-**	-
Taxation	**(26.4)**	(8.3)	**4.1**	3.7
Exceptional items relating to continuing operations	**109.6**	10.7	**(8.8)**	(20.4)
Discontinued operations	**3.6**	4.3	**-**	2.5
Total exceptional items	**113.2**	15.0	**(8.8)**	(17.9)

The key 2011 exceptional items are detailed below by business:

Grosvenor Casinos incurred an exceptional cost of £2.3m (Six months to 31 December 2011: £0.8m) following the decision to close the Connoisseur casino in London, a casino in Manchester and the Liverpool E-casino. In addition, Grosvenor Casinos recognised a net impairment charge of £0.7m (Six months to 31 December 2011: £0.7m), which included the impairment of the Liverpool E-casino.

The Group received £81.9m from HMRC in refunds on overpaid VAT on main stage and interval bingo revenue. After costs, this resulted in an exceptional profit of £80.3m (Six months to 31 December 2011: £nil) in Mecca Bingo. The Group also received £80.9m of interest in respect of the refunds. In addition, Mecca Bingo recognised net impairment reversals of £1.4m (Six months to 31 December 2011: £1.4m) and a £1.6m (Six months to 31 December 2011: £0.2m) exceptional cost associated with the closure of five clubs in Norwich, Southampton, Edinburgh, Wallsend and Great Yarmouth. The cost included an increase in the onerous lease provision of £1.0m (Six months to 31 December 2011: £nil) to cover the estimated liability under the remaining property leases together with other closure related costs of £0.6m (Six months to 31 December 2011: £0.2m).

Rank Interactive's investment in the development of its online Spanish gaming brand Enracha, has been fully impaired by £1.8m (Six months to 31 December 2011: £1.8m) as legislation has not developed as anticipated.

Top Rank España incurred £1.2m (Six months to 31 December 2011: £0.5m) in redundancy costs following the continued restructuring of operations. Also, following the introduction of a complete smoking ban at the start of the year and the continued difficult economic conditions in Spain, an impairment charge of £14.7m (Six months to 31 December 2011: £10.3m) has been recognised. It is possible that further impairment charges may be required if the future performance of individual bingo clubs is not in line with expectations.

Central costs comprise £4.3m (Six months to 31 December 2011: £nil) relating to professional fees and other related costs for the response to the Guoco Group Limited offer for the Group.

The exceptional profit from discontinued businesses of £3.6m (Six months to 31 December 2011: £nil) comprises the receipt of VAT (net of costs) and associated interest following successful Conde Nast/Fleming claims relating to businesses no longer owned by the Group.

Further details on exceptional items, including 2010 exceptionals, are provided in note 3 to the Group financial information.

Disposal provisions
At 31 December 2011, the Group held £7.9m in provisions for costs associated with disposed businesses, including outstanding industrial disease and personal injury claims arising from legacy businesses, deferred payments arising from lease settlements and other directly attributable costs. The timing and exact amounts of the expenditure are uncertain as it is taking longer than originally anticipated to agree the settlement of remaining liabilities.

The provision reduced by £2.8m due to cash utilisations of £3.0m and favourable currency movements of £0.1m (predominantly relating to US Dollar liabilities), partly offset by the unwinding of discount on the provision of £0.3m.

The cash utilisation in the period comprised the following expenditure:
- £0.8m on property related costs;
- £1.6m on professional support with continuing tax investigations by a number of regulatory authorities in Europe and North America; and
- £0.6m on outstanding industrial disease and personal injury claims.

Further details on provisions, including 2010 balances, are provided in note 8 to the Group financial information.

Cash flow and net debt

	Twelve months to 31 December	
	2011	2010
	£m	£m
Continuing operations		
Cash inflow from operations	**97.0**	93.1
Capital expenditure	**(49.9)**	(50.2)
Fixed asset disposals	**0.8**	0.1
Operating cash inflow	**47.9**	43.0
Net acquisitions and disposals	**(0.1)**	0.8
Net cash receipts in respect of provisions and exceptional items	**66.4**	26.4
	114.2	70.2
Net interest and tax receipts	**56.8**	0.7
Dividends paid	**(10.4)**	(8.1)
Purchase of own shares	**(3.4)**	-
New finance leases	**(8.7)**	(1.4)
Other (including foreign exchange translation)	**(0.1)**	2.0
Net movement	**148.4**	63.4
Opening net debt	**(123.4)**	(186.8)
Closing net cash (debt)	**25.0**	(123.4)

At the end of December 2011, net cash was £25.0m compared with net debt of £123.4m at the end of December 2010. The net cash comprised cash at bank and in hand of £86.4m offset by syndicated loan facilities of £27.7m, £9.3m in fixed rate Yankee bonds, £19.7m in finance leases and £4.7m in overdrafts.

Financial structure and liquidity
On 13 January 2012, the Group signed new five year facilities with its relationship banks totalling £80.0m which will mature in 2017. These replaced the £200.0m revolving credit facility which had been due to mature in April 2012. The new facilities require the maintenance of a minimum ratio of earnings before interest, tax, depreciation and amortisation ('EBITDA') to net interest payable and a maximum ratio of net debt to EBITDA, both of which are tested bi-annually at June and December. The Group has always fully complied with its banking covenants.

The Group repaid its previous £100.0m term loan facility in two instalments, repaying £65.0m in April 2011 and the final £35.0m in May 2011. The remaining drawings on the previous multi-currency revolving credit facility were repaid on 13 January 2012.

The Group treasury function sets counterparty limits for the lending banks with which it trades and regularly monitors their credit ratings to minimise risk of financial loss.

Following repayment of the previous financing, the Group currently has no drawings on its new facilities and continues to maintain a net cash position. This is partly in order to retain balance sheet flexibility until such time as the litigation regarding the amusement machine VAT claim is finally resolved (see further details in the VAT claims section below) but also to provide future operational investment.

Capital expenditure

During 2011, the Group's capital expenditure totalled £49.9m (before expenditure relating to finance leases). Of this, 74% was invested in extending the reach and broadening the appeal of Rank's two largest businesses, Grosvenor Casinos and Mecca Bingo.

	Twelve months to 31 December	
	2011	2010
	£m	£m
Cash:		
Grosvenor Casinos	**23.5**	19.4
Mecca Bingo	**13.4**	21.2
Rank Interactive	**6.5**	6.2
Top Rank España	**5.0**	1.9
Central	**1.5**	1.5
Total	**49.9**	50.2
Finance leases:		
Grosvenor Casinos	**8.2**	-
Mecca Bingo	**0.5**	1.4
Total	**8.7**	1.4
Total capital expenditure	**58.6**	51.6

Grosvenor Casinos spent £15.6m on the development of the G Casino format, including £11.8m on three new G Casinos at Stockton-on-Tees, Didsbury (South Manchester) and New Brighton. The residual £3.8m was invested in converting existing casinos at Cardiff, Plymouth and Walsall to the G Casino format. A further £2.4m was spent on refurbishment of other casinos and £0.5m on the opening of "Games at the Vic", a new slots venue at the Victoria casino in London. The balance of the expenditure included £2.1m on electronic roulette, £1.1m on development of the Play Points loyalty programme, £0.3m on energy saving initiatives and £1.5m on other capital works.

Capital expenditure for Mecca Bingo comprised £3.1m on Full House Local conversions, £2.2m on new mobile gaming terminals, £1.2m on improving our food and drink offer, £0.8m on club refurbishment, £0.8m on energy saving initiatives, £0.8m on mechanised cash bingo, £0.5m on smoking shelters and the balance on other capital works.

Rank Interactive spent £4.2m on UK website development, £1.2m on computer equipment and £0.9m on international development and £0.2m on other minor capital items.

Top Rank España spent £2.3m on the re-development of the Macoes club in Madrid, £1.3m on other refurbishment works including expenditure in response to the introduction of the smoking ban and the balance on other capital works.

In addition to the amounts outlined above the Group entered into £8.7m of new finance leases, in respect of amusement machines.

Capital commitments at 31 December 2011 of £6.1m include £4.3m on completion of the new G Casino sites at Didsbury and New Brighton, £0.5m on conversion of the bingo club at Wood Green to the Full House Destination Lite concept and the balance on other smaller commitments.

It is anticipated that capital investment in the first six months of 2012 will be approximately £30m, following the continued success of our investments in G Casinos. Expenditure will remain phased and dependent on operating performance, which will allow quick reductions in the overall level of capital expenditure should business conditions deteriorate. The commitments to the new G Casinos at Didsbury and New Brighton are not affected by this policy.

VAT claims

Since 2006, the Group has invested significant resource in pursuing litigation to reclaim overpaid VAT on the assertion that UK legislation breached the European Union's principle of fiscal neutrality. This principle requires that similar products and services be taxed on a consistent basis. The Group has submitted several claims which contended that VAT has been applied inconsistently to both games of bingo and amusement machines in Great Britain. These claims covered the period since 2002.

In addition, HMRC introduced legislation in 1997 which meant that VAT claims could not extend beyond three years. The effectiveness of this cap was successfully challenged in the courts (the Condé Nast/Fleming cases). As a result, the Group was able to re-visit VAT periods from the introduction of VAT in 1973 up to December 1996 (or May 1997 in the case of claims for under-recovered VAT on purchases). The Group has submitted several claims covering this period.

The Group has recovered £284.2m from HMRC following successive rulings in the Group's favour in both the First-tier Tribunal and Upper Tribunal (or High Court). HMRC appealed these decisions and as a result the case was referred to the ECJ. The ECJ's decision on the Group's claims was announced on 10 November 2011. On 6 December 2011, HMRC confirmed that the Group's claims for overpaid VAT of £253.4m on bingo will not be contested further. The ECJ's decision on the Group's £30.8m amusement machine claim was not conclusive. Therefore, this part of the appeal will be referred back to the UK courts. The hearing for the case will be held on 14 March 2012 at the Upper Tribunal.

The table below sets out the details and value of the VAT amounts received to date. In addition, the Group has lodged claims with a combined value of at least £275m as set out in note 11 to the Group financial information.

Description of claim	**Date of receipt**	**VAT received £m**	**Interest received £m**	**Total £m**
Interval bingo, claim for January 2003 to June 2008	November 2008	59.1	6.8	65.9
Interval bingo, amounts accounted for on VAT returns submitted for the periods from July 2008 to April 2009		7.4	-	7.4
Main stage bingo, claim for 2004 to 2009	May 2010	16.1	1.2	17.3
Main stage bingo, claim for 2003 to 2004	February 2011	7.1	1.4	8.5
Interval and main stage Bingo, claim for 1973 to 1996	March 2011	74.8	79.5	154.3
Bingo claims received		**164.5**	**88.9**	**253.4**
Amusement machine, claim for 2002 to 2005	May 2010	26.4	4.4	30.8
Amusement machine claim received		**26.4**	**4.4**	**30.8**
Total claims received		**190.9**	**93.3**	**284.2**

Financial risk
The Group's financial risk management strategy focuses on the minimisation of risks for the Group. The Group's funding, foreign exchange, liquidity, counterparty and interest rate risks are managed by the Group's treasury department in accordance with approved policies and are subject to internal audit review. All significant financing transactions and treasury policies are authorised by the board of directors. Implementation of these policies is closely managed by the finance director and the group treasury manager. The treasury function is not run as a profit centre.

The key financial risks impacting the Group are liquidity risk, foreign exchange risk, interest rate risk and credit risk. Further details are outlined below:

i) Liquidity risk
Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Quarterly cash flow forecasts are prepared that identify the requirements of the Group and these are regularly updated to ensure sufficient financial headroom exists for at least 12 months. This is coupled with a regular review of medium term funding requirements which, in particular, are updated alongside the Group's strategic plan process. The Group negotiated new finance facilities in January 2012, as noted above, which mitigate the liquidity risk it may face. Further details are provided in the financial structure and liquidity section above.

ii) Foreign exchange risk
The Group is also exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of overseas subsidiaries. Following the repayment of the remaining drawings on the previous multi-currency revolving credit facility on 13 January 2012, the Group does not hedge the translation effect of exchange rate movements on the net assets or income statement of overseas subsidiaries it regards as long-term investments.

iii) Interest rate risk
The Group primarily finances itself through bank facilities and the public debt market. The bank facilities are at floating interest rates. The Group also has US $14.3m of public bonds outstanding, which mature in 2018. The Group normally uses interest rate swaps, caps and collars to manage its exposure to interest rate fluctuations and at the end of December 2011, 15% of the Group's borrowings were at fixed rates. The Group's policy is to maintain between 40% and 60% of its borrowing at fixed rates. During 2011, the Group continued to operate outside of this policy due to a combination of low interest rates and high costs of moving to fixed rates. Currently the Group has an insignificant exposure to changes in interest rates following the repayment of the multi-currency revolving credit facility on 13 January 2012.

iv) Credit risk
Credit risk is the risk that a counterparty may not be able to settle amounts owing in full, when due. Surplus cash is invested in short term financial instruments using a limited number of financial institutions with strong credit ratings. Counterparty credit ratings are reviewed regularly and credit limits set to avoid significant concentration of risk with any one counterparty.

Principal risks
The principal risks and uncertainties facing the Group are:

i) Taxation and regulation
ii) I.T. security
iii) External events
iv) Loss of licences
v) Economic environment
vi) Liquidity risk (see above)

Greater detail on these risks and uncertainties can be found in our 2010 Annual Report and Financial Statements.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during 2011 as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. Based on the Group's cash flow forecasts and operating budgets, and assuming that trading does not deteriorate considerably from current levels, the directors believe that the Group will generate sufficient cash to meet its requirements for at least the next 12 months and comply with its banking covenants. Accordingly the adoption of the going concern basis remains appropriate.

Group Financial Information

Group Income Statement
For the twelve months to 31 December 2011

	Twelve months to 31 Dec 2011 (unaudited)			Twelve months to 31 Dec 2010		
	Before exceptional items £m	**Exceptional items (note 3) £m**	**Total £m**	Before exceptional items £m	Exceptional items (note 3) £m	Total £m
Continuing operations						
Revenue before adjustment for free bets, promotions and customer bonuses	**589.9**	**-**	**589.9**	567.8	-	567.8
Free bets, promotions and customer bonuses	**(25.2)**	**-**	**(25.2)**	(23.3)	-	(23.3)
Revenue	**564.7**	**-**	**564.7**	544.5	-	544.5
Cost of sales	**(306.1)**	**-**	**(306.1)**	(296.1)	-	(296.1)
Gross profit	**258.6**	**-**	**258.6**	248.4	-	248.4
Other operating costs	**(194.5)**	**(25.2)**	**(219.7)**	(186.4)	(25.1)	(211.5)
Other operating income	**-**	**80.3**	**80.3**	**-**	38.5	38.5
Group operating profit	**64.1**	**55.1**	**119.2**	62.0	13.4	75.4
Financing:						
– finance costs	**(6.2)**	**-**	**(6.2)**	(7.5)	-	(7.5)
– finance income	**0.6**	**80.9**	**81.5**	0.5	5.6	6.1
– other financial losses	**(0.3)**	**-**	**(0.3)**	(0.5)	-	(0.5)
Total net financing (charge) income	**(5.9)**	**80.9**	**75.0**	(7.5)	5.6	(1.9)
Profit before taxation	**58.2**	**136.0**	**194.2**	54.5	19.0	73.5
Taxation	**(17.7)**	**(26.4)**	**(44.1)**	(16.3)	(8.3)	(24.6)
Profit for the period from continuing operations	**40.5**	**109.6**	**150.1**	38.2	10.7	48.9
Discontinued operations	**-**	**3.6**	**3.6**	-	4.3	4.3
Profit for the period	**40.5**	**113.2**	**153.7**	38.2	15.0	53.2
Attributable to:						
Equity holders of the parent	**40.5**	**113.2**	**153.7**	38.2	15.0	53.2
Earnings per share attributable to equity shareholders						
– basic	**10.4p**	**29.0p**	**39.4p**	9.8p	3.9p	13.7p
– diluted	**10.4p**	**29.0p**	**39.4p**	9.8p	3.8p	13.6p
Earnings per share – continuing operations						
– basic	**10.4p**	**28.1p**	**38.5p**	9.8p	2.8p	12.6p
– diluted	**10.4p**	**28.1p**	**38.5p**	9.8p	2.7p	12.5p
Earnings per share – discontinued operations						
– basic	**-**	**0.9p**	**0.9p**	-	1.1p	1.1p
– diluted	**-**	**0.9p**	**0.9p**	-	1.1p	1.1p

Group Income Statement

For the six months to 31 December 2011

	Six months to 31 Dec 2011 (unaudited)			Six months to 31 Dec 2010 (unaudited)		
	Before exceptional items £m	**Exceptional items (note 3) £m**	**Total £m**	Before exceptional items £m	Exceptional items (note 3) £m	Total £m
Continuing operations						
Revenue before adjustment for free bets, promotions and customer bonuses	**295.9**	**-**	**295.9**	286.7	-	286.7
Free bets, promotions and customer bonuses	**(13.2)**	**-**	**(13.2)**	(11.8)	-	(11.8)
Revenue	**282.7**	**-**	**282.7**	274.9	-	274.9
Cost of sales	**(154.0)**	**-**	**(154.0)**	(149.4)	-	(149.4)
Gross profit	**128.7**	**-**	**128.7**	125.5	-	125.5
Other operating costs	**(94.1)**	**(12.9)**	**(107.0)**	(92.1)	(23.9)	(116.0)
Other operating income	**-**	**-**	**-**	-	(0.2)	(0.2)
Group operating profit	**34.6**	**(12.9)**	**21.7**	33.4	(24.1)	9.3
Financing:						
– finance costs	**(2.6)**	**-**	**(2.6)**	(3.7)	-	(3.7)
– finance income	**0.3**	**-**	**0.3**	0.3	-	0.3
– other financial (losses) gains	**(0.5)**	**-**	**(0.5)**	0.2	-	0.2
Total net financing charge	**(2.8)**	**-**	**(2.8)**	(3.2)	-	(3.2)
Profit before taxation	**31.8**	**(12.9)**	**18.9**	30.2	(24.1)	6.1
Taxation	**(8.7)**	**4.1**	**(4.6)**	(9.5)	3.7	(5.8)
Profit for the period from continuing operations	**23.1**	**(8.8)**	**14.3**	20.7	(20.4)	0.3
Discontinued operations	**-**	**-**	**-**	-	2.5	2.5
Profit for the period	**23.1**	**(8.8)**	**14.3**	20.7	(17.9)	2.8
Attributable to:						
Equity holders of the parent	**23.1**	**(8.8)**	**14.3**	20.7	(17.9)	2.8
Earnings per share attributable to equity shareholders						
– basic	**5.9p**	**(2.3)p**	**3.6p**	5.3p	(4.6)p	0.7p
– diluted	**5.9p**	**(2.3)p**	**3.6p**	5.3p	(4.7)p	0.6p
Earnings per share – continuing operations						
– basic	**5.9p**	**(2.3)p**	**3.6p**	5.3p	(5.2)p	0.1p
– diluted	**5.9p**	**(2.3)p**	**3.6p**	5.3p	(5.3)p	-
Earnings per share – discontinued operations						
– basic	**-**	**-**	**-**	-	0.6p	0.6p
– diluted	**-**	**-**	**-**	-	0.6p	0.6p

Group Statement of Comprehensive Income

For the twelve and six months to 31 December 2011

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Comprehensive income:				
Profit for the period	**153.7**	53.2	**14.3**	2.8
Other comprehensive income:				
Exchange adjustments net of tax	**(0.6)**	(0.6)	**(0.5)**	1.3
Actuarial loss on retirement benefits net of tax	**(0.3)**	-	**(0.3)**	-
Total comprehensive income for the period	**152.8**	52.6	**13.5**	4.1
Attributable to:				
Equity holders of the parent	**152.8**	52.6	**13.5**	4.1

Group Statement of Changes in Equity

For the twelve months to 31 December 2011

	For the twelve months to 31 Dec 2011 (unaudited)					
	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained (losses) earnings £m**	**Total £m**
At 1 January 2011	**54.2**	**98.2**	**33.4**	**14.5**	**(122.6)**	**77.7**
Comprehensive income:						
Profit for the period	**-**	**-**	**-**	**-**	**153.7**	**153.7**
Other comprehensive income:						
Exchange adjustments including tax	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**
Actuarial loss on retirement benefits net of tax	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Total comprehensive (expense) income for the period	**-**	**-**	**-**	**(0.6)**	**153.4**	**152.8**
Transactions with owners:						
Shares issued	**-**	**0.1**	**-**	**-**	**-**	**0.1**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**(10.4)**	**(10.4)**
Purchase of own shares	**-**	**-**	**-**	**-**	**(3.4)**	**(3.4)**
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**1.9**	**1.9**
At 31 December 2011	**54.2**	**98.3**	**33.4**	**13.9**	**18.9**	**218.7**

	For the twelve months to 31 Dec 2010					
	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained (losses) earnings £m**	**Total £m**
At 1 January 2010	54.2	98.2	33.4	15.1	(169.5)	31.4
Comprehensive income:						
Profit for the period	-	-	-	-	53.2	53.2
Other comprehensive income:						
Exchange adjustments including tax	-	-	-	(0.6)	-	(0.6)
Total comprehensive (expense) income for the period	-	-	-	(0.6)	53.2	52.6
Transactions with owners:						
Dividends paid to shareholders	-	-	-	-	(8.1)	(8.1)
Release of accrual for unclaimed dividends	-	-	-	-	0.4	0.4
Credit in respect of employee share schemes including tax	-	-	-	-	1.4	1.4
At 31 December 2010	**54.2**	**98.2**	**33.4**	**14.5**	**(122.6)**	**77.7**

Group Balance Sheet
At 31 December 2011

	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m
Assets		
Non-current assets		
Intangible assets	**154.1**	167.4
Property, plant and equipment	**220.7**	203.0
Deferred tax assets	**5.1**	22.1
Trade and other receivables	**1.9**	2.1
	381.8	394.6
Current assets		
Inventories	**3.3**	3.4
Trade and other receivables	**29.0**	27.0
Income tax receivable	**1.2**	0.2
Cash and short-term deposits	**86.4**	74.0
	119.9	104.6
Total assets	**501.7**	499.2
Liabilities		
Current liabilities		
Trade and other payables	**(92.9)**	(98.0)
Income tax payable	**(29.3)**	(28.5)
Financial liabilities - loans and borrowings	**(35.6)**	(8.1)
Provisions	**(8.3)**	(6.8)
	(166.1)	(141.4)
Net current liabilities	**(46.2)**	(36.8)
Non-current liabilities		
Trade and other payables	**(0.2)**	(0.2)
Income tax payable	**(44.0)**	(35.6)
Financial liabilities - loans and borrowings	**(25.9)**	(189.4)
Deferred tax liabilities	**(2.3)**	(6.1)
Provisions	**(41.3)**	(45.8)
Retirement benefit obligations	**(3.2)**	(3.0)
	(116.9)	(280.1)
Total liabilities	**(283.0)**	(421.5)
Net assets	**218.7**	77.7
Capital and reserves attributable to the Company's equity shareholders		
Share capital	**54.2**	54.2
Share premium	**98.3**	98.2
Capital redemption reserve	**33.4**	33.4
Exchange translation reserve	**13.9**	14.5
Retained earnings (losses)	**18.9**	(122.6)
Total shareholders' equity	**218.7**	77.7

Group Cash Flow Statement

For the twelve months to 31 December 2011

	Twelve months to	
	31 Dec 2011 (unaudited)	31 Dec 2010
	£m	£m
Cash flows from operating activities		
Cash generated from operations	**163.4**	119.5
Interest received	**84.2**	6.6
Interest paid	**(4.6)**	(5.1)
Tax paid	**(22.8)**	(0.8)
Net cash from operating activities	**220.2**	120.2
Cash flows from investing activities		
Deferred consideration paid in relation to previous business acquisitions	**(0.1)**	(0.1)
Disposal of business	**-**	0.9
Purchase of intangible assets	**(7.3)**	(6.8)
Purchase of property, plant and equipment	**(42.6)**	(43.4)
Proceeds from sale of property, plant and equipment	**0.8**	0.1
Net cash used in investing activities	**(49.2)**	(49.3)
Cash flows from financing activities		
Dividends paid to shareholders	**(10.4)**	(8.1)
Purchase of own shares	**(3.4)**	-
Proceeds from issue of shares	**0.1**	-
Repayment of Sterling borrowings	**(100.0)**	-
Repayment of syndicated facilities	**(40.8)**	(50.9)
Finance lease principal payments	**(2.2)**	(1.0)
Net cash used in financing activities	**(156.7)**	(60.0)
Net increase in cash, cash equivalents and bank overdrafts	**14.3**	10.9
Effect of exchange rate changes	**(0.1)**	(0.2)
Cash and cash equivalents at 1 January	**67.5**	56.8
Cash and cash equivalents at 31 December	**81.7**	67.5

1. General information, basis of preparation and accounting policies

General information

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in England and Wales under registration number 03140769. The address of its registered office is Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY.

This condensed consolidated interim financial information was approved for issue on 8 February 2012.

This condensed consolidated financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2010 were approved by the board of directors on 24 February 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement made under Section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed but not audited.

On 21 October 2011, the Company changed its accounting reference date to 30 June by extending the current accounting period to 18 months to cover the period from 1 January 2011 to 30 June 2012.

Basis of preparation

This condensed consolidated interim financial information for the six and twelve months ended 31 December 2011 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during 2011 as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. Based on the Group's cash flow forecasts and operating budgets, and assuming that trading does not deteriorate considerably from current levels, the directors believe that the Group will generate sufficient cash to meet its requirements for at least the next 12 months and comply with its banking covenants. Accordingly the adoption of the going concern basis remains appropriate.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements. The changes did not have any impact on the financial position or performance of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings for the full financial period.

The following amendments to standards and new interpretation are mandatory for the first time for the financial period beginning 1 January 2011.

1. General information, basis of preparation and accounting policies continued

- IAS 24 Related Party Transactions (Amendment) - The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

- IAS 32 Financial Instruments: Presentation (Amendment) - The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) - The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The Group is not subject to minimum funding requirements.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments – IFRIC 19 clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In the case this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in the income statement.

- Improvements to IFRSs (issued May 2010) - In May 2010 the third set of amendments to standards was issued, primarily with a view to removing inconsistencies and clarifying wording.

The adoption of the amendments and interpretation had no effect on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

2. Segment information – continuing operations

	Twelve months to 31 Dec 2011 (unaudited)					
	Grosvenor Casinos £m	**Mecca Bingo £m**	**Rank Interactive £m**	**Top Rank España £m**	**Central costs £m**	**Total £m**
Continuing operations						
Group revenue reported in internal information	249.2	239.1	71.8	29.8	**-**	589.9
Free bets, promotions and customer bonuses	(1.6)	(14.3)	(9.3)	-	**-**	(25.2)
Segment revenue	**247.6**	**224.8**	**62.5**	**29.8**	**-**	**564.7**
Operating profit (loss) before exceptional items	**40.6**	**31.0**	**9.1**	**0.7**	**(17.3)**	**64.1**
Exceptional operating (loss) profit	**(3.0)**	**80.1**	**(1.8)**	**(15.9)**	**(4.3)**	**55.1**
Segment result	**37.6**	**111.1**	**7.3**	**(15.2)**	**(21.6)**	**119.2**
Finance costs						**(6.2)**
Finance income						**81.5**
Other financial losses						**(0.3)**
Profit before taxation						**194.2**
Taxation						**(44.1)**
Profit for the period from continuing operations						**150.1**

	Twelve months to 31 Dec 2010					
	Grosvenor Casinos £m	Mecca Bingo £m	Rank Interactive £m	Top Rank España £m	Central costs £m	Total £m
Continuing operations						
Group revenue reported in internal information	238.6	234.5	57.7	37.0	-	567.8
Free bets, promotions and customer bonuses	(1.0)	(13.7)	(8.6)	-	-	(23.3)
Segment revenue	237.6	220.8	49.1	37.0	-	544.5
Operating profit (loss) before exceptional items	36.0	29.7	7.9	6.8	(18.4)	62.0
Exceptional operating (loss) profit	(3.6)	31.0	-	(1.4)	(12.6)	13.4
Segment result	32.4	60.7	7.9	5.4	(31.0)	75.4
Finance costs						(7.5)
Finance income						6.1
Other financial losses						(0.5)
Profit before taxation						73.5
Taxation						(24.6)
Profit for the period from continuing operations						48.9

2. Segment information – continuing operations (continued)

	Six months to 31 Dec 2011 (unaudited)					
	Grosvenor Casinos £m	**Mecca Bingo £m**	**Rank Interactive £m**	**Top Rank España £m**	**Central costs £m**	**Total £m**
Continuing operations						
Group revenue reported in internal information	125.8	117.4	37.8	14.9	-	295.9
Free bets, promotions and customer bonuses	(1.0)	(7.4)	(4.8)	-	-	(13.2)
Segment revenue	**124.8**	**110.0**	**33.0**	**14.9**	**-**	**282.7**
Operating profit (loss) before exceptional items	**20.4**	**14.8**	**6.4**	**0.5**	**(7.5)**	**34.6**
Exceptional operating (loss) profit	**(1.5)**	**1.2**	**(1.8)**	**(10.8)**	**-**	**(12.9)**
Segment result	**18.9**	**16.0**	**4.6**	**(10.3)**	**(7.5)**	**21.7**
Finance costs						**(2.6)**
Finance income						**0.3**
Other financial losses						**(0.5)**
Profit before taxation						**18.9**
Taxation						**(4.6)**
Profit for the period from continuing operations						**14.3**

	Six months to 31 December 2010 (unaudited)					
	Grosvenor Casinos £m	Mecca Bingo £m	Rank Interactive £m	Top Rank España £m	Central costs £m	Total £m
Continuing operations						
Group revenue reported in internal information	122.0	115.8	30.3	18.6	-	286.7
Free bets, promotions and customer bonuses	(0.4)	(6.9)	(4.5)	-	-	(11.8)
Segment revenue	121.6	108.9	25.8	18.6	-	274.9
Operating profit (loss) before exceptional items	18.4	13.7	5.6	3.8	(8.1)	33.4
Exceptional operating loss	(7.6)	(3.7)	-	(0.2)	(12.6)	(24.1)
Segment result	10.8	10.0	5.6	3.6	(20.7)	9.3
Finance costs						(3.7)
Finance income						0.3
Other financial gains						0.2
Profit before taxation						6.1
Taxation						(5.8)
Profit for the period from continuing operations						0.3

2. Segment information – continuing operations (continued)

To increase transparency, the Group has decided to include additional disclosure analysing total costs by type and segment. A reconciliation of total costs, before exceptional items, by type and segment is as follows:

	Twelve months to 31 Dec 2011 (unaudited)					
	Grosvenor Casinos £m	**Mecca Bingo £m**	**Rank Interactive £m**	**Top Rank España £m**	**Central costs £m**	**Total £m**
Employment and related costs	**93.1**	**59.8**	**11.5**	**13.7**	**11.1**	**189.2**
Taxes and duties	**49.8**	**38.9**	**1.9**	**1.8**	**1.4**	**93.8**
Direct costs	**11.2**	**22.1**	**18.4**	**3.1**	**-**	**54.8**
Property costs	**18.0**	**27.9**	**0.9**	**1.9**	**0.9**	**49.6**
Marketing	**6.9**	**9.9**	**14.2**	**0.7**	**-**	**31.7**
Depreciation and amortisation	**13.4**	**15.2**	**4.7**	**2.5**	**1.0**	**36.8**
Other	**14.6**	**20.0**	**1.8**	**5.4**	**2.9**	**44.7**
Total costs before exceptional items	**207.0**	**193.8**	**53.4**	**29.1**	**17.3**	**500.6**
Cost of sales						**306.1**
Operating costs						**194.5**
Total costs before exceptional items						**500.6**

	Twelve months to 31 Dec 2010					
	Grosvenor Casinos £m	Mecca Bingo £m	Rank Interactive £m	Top Rank España £m	Central costs £m	Total £m
Employment and related costs	90.6	61.5	9.5	14.7	12.4	188.7
Taxes and duties	48.7	37.3	1.3	2.0	0.7	90.0
Direct costs	10.8	21.9	15.3	3.2	-	51.2
Property costs	17.3	26.2	0.7	2.0	0.9	47.1
Marketing	6.9	10.9	9.9	0.9	-	28.6
Depreciation and amortisation	10.0	13.3	3.5	2.7	0.8	30.3
Other	17.3	20.0	1.0	4.7	3.6	46.6
Total costs before exceptional items	201.6	191.1	41.2	30.2	18.4	482.5
Cost of sales						296.1
Operating costs						186.4
Total costs before exceptional items						482.5

2. Segment information – continuing operations (continued)

	Six months to 31 Dec 2011 (unaudited)					
	Grosvenor Casinos £m	**Mecca Bingo £m**	**Rank Interactive £m**	**Top Rank España £m**	**Central costs £m**	**Total £m**
Employment and related costs	**46.9**	**29.1**	**6.0**	**6.8**	**4.7**	**93.5**
Taxes and duties	**24.9**	**19.4**	**1.2**	**0.9**	**0.9**	**47.3**
Direct costs	**5.7**	**10.8**	**9.2**	**1.5**	**-**	**27.2**
Property costs	**9.0**	**14.3**	**0.5**	**0.9**	**0.4**	**25.1**
Marketing	**3.5**	**4.5**	**6.5**	**0.4**	**-**	**14.9**
Depreciation and amortisation	**6.7**	**7.6**	**2.5**	**1.2**	**0.5**	**18.5**
Other	**7.7**	**9.5**	**0.7**	**2.7**	**1.0**	**21.6**
Total costs before exceptional items	**104.4**	**95.2**	**26.6**	**14.4**	**7.5**	**248.1**
Cost of sales						**154.0**
Operating costs						**94.1**
Total costs before exceptional items						**248.1**

	Six months to 31 Dec 2010 (unaudited)					
	Grosvenor Casinos £m	Mecca Bingo £m	Rank Interactive £m	Top Rank España £m	Central costs £m	Total £m
Employment and related costs	45.9	30.7	5.3	7.4	6.6	95.9
Taxes and duties	24.6	17.2	1.2	1.2	(0.2)	44.0
Direct costs	5.8	10.8	7.7	1.2	-	25.5
Property costs	8.6	13.9	0.3	1.0	0.5	24.3
Marketing	3.6	5.6	3.9	0.4	-	13.5
Depreciation and amortisation	5.4	6.9	1.8	1.3	0.4	15.8
Other	9.3	10.1	-	2.3	0.8	22.5
Total costs before exceptional items	103.2	95.2	20.2	14.8	8.1	241.5
Cost of sales						149.4
Operating costs						92.1
Total costs before exceptional items						241.5

2. Segment information – continuing operations (continued)

A reconciliation of total assets by segment was as follows:

	At 31 Dec 2011 (unaudited)					
	Grosvenor Casinos £m	**Mecca Bingo £m**	**Rank Interactive £m**	**Top Rank España £m**	**Central costs £m**	**Total £m**
Total segment assets	**193.5**	**105.7**	**67.7**	**37.1**	**5.0**	**409.0**
Unallocated assets	**-**	**-**	**-**	**-**	**-**	**92.7**
Total assets	**193.5**	**105.7**	**67.7**	**37.1**	**5.0**	**501.7**

	At 31 Dec 2010					
	Grosvenor Casinos £m	Mecca Bingo £m	Rank Interactive £m	Top Rank España £m	Central costs £m	Total £m
Total segment assets	173.4	106.1	66.7	50.8	5.9	402.9
Unallocated assets	-	-	-	-	-	96.3
Total assets	173.4	106.1	66.7	50.8	5.9	499.2

3. Exceptional items

	Twelve months to		**Six months to**	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Exceptional items relating to continuing operations				
Impairment charges	**(19.1)**	(12.7)	**(14.7)**	(12.7)
Impairment reversals	**3.3**	3.2	**3.3**	3.2
Charge to provision for onerous leases	**-**	(17.8)	**-**	(17.8)
Release from provision for onerous leases	**-**	4.3	**-**	4.3
VAT agreement cost	**-**	(4.6)	**-**	(4.6)
VAT partial exemption accrual release	**-**	4.5	**-**	4.5
Bid response costs	**(4.3)**	-	**-**	-
Restructuring costs	**(5.1)**	(2.0)	**(1.5)**	(0.8)
Exceptional operating costs	**(25.2)**	(25.1)	**(12.9)**	(23.9)
VAT refunds net of associated costs	**80.3**	38.5	**-**	(0.2)
Exceptional operating income	**80.3**	38.5	**-**	(0.2)
Finance income	**80.9**	5.6	**-**	-
Taxation	**(26.4)**	(8.3)	**4.1**	3.7
Exceptional items relating to continuing operations	**109.6**	10.7	**(8.8)**	(20.4)
Exceptional items relating to discontinued operations				
Additional profit (loss) arising on previously disposed subsidiary	**2.2**	0.6	**-**	(0.1)
Finance income (cost)	**2.7**	0.4	**-**	(0.1)
Taxation (charge) credit	**(1.3)**	3.3	**-**	2.7
Exceptional items relating to discontinued operations	**3.6**	4.3	**-**	2.5
Total exceptional items	**113.2**	15.0	**(8.8)**	(17.9)

3. Exceptional items (continued)

Continuing operations

Impairment charges
Following the introduction of a full smoking ban at the start of the year and the difficult economic conditions in Spain an impairment charge of £14.7m (Six months to 31 December 2011: £10.3m) has been recognised. It is possible that further impairment charges may be required if the future performance of individual bingo clubs is not in line with expectations.

The Group also recognised an impairment charge of £2.6m (Six months to 31 December 2011: £2.6m), of which £1.4m relates to Grosvenor Casinos and £1.2m to Mecca Bingo. The only individually significant charge of £0.8m was in respect of the E-casino in Liverpool. The club has not performed in line with expectations and will close in early 2012.

Rank Interactive's investment in the development of its online Spanish gaming brand Enracha, has been fully impaired by £1.8m (Six months to 31 December 2011: £1.8m) as legislation has not developed as anticipated.

Impairment reversals
The Group has reversed previous impairment charges of £3.3m (Six months to 31 December 2011: £3.3m), of which £2.6m relates to Mecca Bingo and £0.7m to Grosvenor Casinos. The reversal in Mecca Bingo is in respect of five clubs where performance has seen a sustained improvement following conversion to the Full House concept or competitor closure. The reversal in Grosvenor Casinos follows the successful conversion of one casino to the G-Casino concept.

Bid response costs
During the year, the Group recognised an exceptional cost of £4.3m (Six months to 31 December 2011: £nil) relating to the professional fees and other related costs for the response to the Guoco Group Limited offer for the Group.

Restructuring costs
During the year, the Group recognised an exceptional cost of £5.1m (Six months to 31 December 2011: £1.5m) relating to the closure of five Mecca Bingo clubs, three Grosvenor casinos and continued restructuring of Top Rank España. The cost includes an increase in the onerous lease provision of £2.2m (Six months to 31 December 2011: £0.6m) and the creation of restructuring provisions of £0.9m (Six months to 31 December 2011: £nil).

3. Exceptional items (continued)

VAT refunds net of associated costs

During the year, the Group received £81.9m (Six months to 31 December 2011: £nil) in overpaid VAT from HMRC, together with associated interest of £80.9m (Six months to 31 December 2011: £nil). The repayment covers VAT paid on games of interval and main stage bingo (between 1973 and 1996) and main stage bingo (between 2003 and 2004). The repayments followed successive rulings in the Group's favour in both the First-tier Tribunal and Upper Tribunal (or High Court). HMRC appealed these decisions and as a result the case was referred to the ECJ. The ECJ's decision on the Group's bingo claims was announced on 10 November 2011. On 6 December 2011, HMRC confirmed that the Group's claims for overpaid VAT on bingo will not be contested further. Further details of the exceptional gain arising on the VAT repayments are disclosed in the table below:

	Interval and main stage bingo 1973 to 1996 £m	Main stage bingo 2003 to 2004 £m	Total £m
Cash repayment received	74.8	7.1	81.9
Costs, including contingent fees and irrecoverable VAT	(1.0)	(0.6)	(1.6)
Exceptional gain before financing and taxation	73.8	6.5	80.3
Finance income	79.5	1.4	80.9
Taxation	(30.7)	(2.1)	(32.8)
Total exceptional gain on VAT refund	122.6	5.8	128.4

Discontinued operations

Additional profit arising on previously disposed subsidiary undertakings

During the year, the Group also recognised an exceptional profit of £2.2m (Six months to 31 December 2011: £nil), together with associated interest of £2.7m (Six months to 31 December 2011: £nil), following the successful outcome of certain VAT claims relating to previously disposed subsidiary undertakings.

4. Financing

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) *£m*	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Continuing operations				
Finance costs:				
Interest on debt and borrowings	**(3.1)**	(4.3)	**(1.0)**	(2.2)
Amortisation of issue costs on borrowings	**(0.3)**	(0.9)	**(0.1)**	(0.4)
Interest payable on finance leases	**(1.1)**	(0.9)	**(0.6)**	(0.4)
Unwinding of the discount in onerous lease provisions	**(1.4)**	(1.2)	**(0.7)**	(0.6)
Unwinding of the discount in disposal provisions	**(0.3)**	(0.2)	**(0.2)**	(0.1)
Finance costs	**(6.2)**	(7.5)	**(2.6)**	(3.7)
Finance income:				
Interest income on short term bank deposits	**0.6**	0.5	**0.3**	0.3
Finance income	**0.6**	0.5	**0.3**	0.3
Other financial (losses) gains	**(0.3)**	(0.5)	**(0.5)**	0.2
Total net financing cost for continuing operations before exceptional items	**(5.9)**	(7.5)	**(2.8)**	(3.2)
Exceptional finance income	**80.9**	5.6	**-**	-
Total net financing income (cost) for continuing operations	**75.0**	(1.9)	**(2.8)**	(3.2)

A reconciliation of total net financing cost for continuing operations before exceptional items to adjusted net interest included in adjusted profit is disclosed below:

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Total net financing cost for continuing operations before exceptional items	**(5.9)**	(7.5)	**(2.8)**	(3.2)
Adjust for:				
Unwinding of the discount in disposal provisions	**0.3**	0.2	**0.2**	0.1
Other financial losses (gains) - including foreign exchange	**0.3**	0.5	**0.5**	(0.2)
Adjusted net interest payable	**(5.3)**	(6.8)	**(2.1)**	(3.3)

Further details of the exceptional finance income are disclosed in note 3.

5. Taxation

Income tax is recognised based on management's best estimate of the weighted average income tax rate expected for the full financial period.

	Twelve months to 31 Dec 2011 (unaudited)		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**
Current income tax			
Current income tax – UK	**(3.8)**	**-**	**(3.8)**
Current income tax – overseas	**(0.4)**	**-**	**(0.4)**
Current income tax charge	**(4.2)**	**-**	**(4.2)**
Current income tax on exceptional items	**(27.2)**	**(1.3)**	**(28.5)**
Amounts over provided in previous year	**0.7**	**-**	**0.7**
Total current income tax charge	**(30.7)**	**(1.3)**	**(32.0)**
Deferred tax			
Deferred tax – UK	**(13.0)**	**-**	**(13.0)**
Deferred tax – overseas	**0.3**	**-**	**0.3**
Restatement of deferred tax from 27.0% to 25.0%	**(0.8)**	**-**	**(0.8)**
Deferred tax on exceptional items	**0.8**	**-**	**0.8**
Amounts under provided in previous year	**(0.7)**	**-**	**(0.7)**
Total deferred tax charge	**(13.4)**	**-**	**(13.4)**
Tax charge in the income statement	**(44.1)**	**(1.3)**	**(45.4)**

	Twelve months to 31 Dec 2010		
	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax			
Current income tax – UK	(13.1)	-	(13.1)
Current income tax – overseas	(1.8)	-	(1.8)
Current income tax charge	(14.9)	-	(14.9)
Current income tax on exceptional items	(8.0)	-	(8.0)
Amounts under provided in previous year	(0.3)	-	(0.3)
Amounts over provided in previous year on exceptional items	-	2.8	2.8
Total current income tax (charge) credit	(23.2)	2.8	(20.4)
Deferred tax			
Deferred tax – UK	(1.6)	-	(1.6)
Deferred tax – overseas	(0.2)	-	(0.2)
Restatement of deferred tax from 28.0% to 27.0%	(0.8)	-	(0.8)
Deferred tax on exceptional items	(0.3)	-	(0.3)
Amounts over provided in previous year	1.5	-	1.5
Amounts over provided in previous year on exceptional items	-	0.5	0.5
Total deferred tax (charge) credit	(1.4)	0.5	(0.9)
Tax (charge) credit in the income statement	(24.6)	3.3	(21.3)

5. Taxation (continued)

	Six months to 31 Dec 2011 (unaudited)		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**
Current income tax			
Current income tax – UK	**(3.1)**	**-**	**(3.1)**
Current income tax – overseas	**(0.3)**	**-**	**(0.3)**
Current income tax charge	**(3.4)**	**-**	**(3.4)**
Current income tax on exceptional items	**4.3**	**-**	**4.3**
Amounts over provided in previous year	**1.0**	**-**	**1.0**
Total current income tax credit	**1.9**	**-**	**1.9**
Deferred tax			
Deferred tax – UK	**(6.1)**	**-**	**(6.1)**
Deferred tax – overseas	**0.3**	**-**	**0.3**
Restatement of deferred tax from 26.0% to 25.0%	**(0.1)**	**-**	**(0.1)**
Deferred tax on exceptional items	**(0.2)**	**-**	**(0.2)**
Amounts under provided in previous year	**(0.4)**	**-**	**(0.4)**
Total deferred tax charge	**(6.5)**	**-**	**(6.5)**
Tax charge in the income statement	**(4.6)**	**-**	**(4.6)**

	Six months to 31 Dec 2010 (unaudited)		
	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax			
Current income tax – UK	(9.8)	-	(9.8)
Current income tax – overseas	(1.1)	-	(1.1)
Current income tax charge	(10.9)	-	(10.9)
Current income tax on exceptional items	4.0	0.1	4.1
Amounts under provided in previous year	(0.3)	-	(0.3)
Amounts over provided in previous year on exceptional items	-	2.1	2.1
Total current income tax (charge) credit	(7.2)	2.2	(5.0)
Deferred tax			
Deferred tax – UK	2.9	-	2.9
Deferred tax - overseas	(0.2)	-	(0.2)
Restatement of deferred tax from 28.0% to 27.0%	(0.8)	-	(0.8)
Deferred tax on exceptional items	(0.3)	-	(0.3)
Amounts under provided in previous year	(0.2)	-	(0.2)
Amounts over provided in previous year on exceptional items	-	0.5	0.5
Total deferred tax credit	1.4	0.5	1.9
Tax (charge) credit in the income statement	(5.8)	2.7	(3.1)

5. Taxation (continued)

The tax effect of items within other comprehensive income was as follows:

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Deferred tax credit (charge) on exchange movements offset in reserves	**0.1**	(0.5)	**(0.2)**	1.4
Deferred tax credit on actuarial loss on retirement benefits net of tax	**0.1**	-	**0.1**	-
Total tax credit (charge) on items within other comprehensive income	**0.2**	(0.5)	**(0.1)**	1.4

The tax effect of items credited directly to equity was as follows:

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Current income tax credit on share based payments	**0.8**	-	**-**	-
Deferred tax credit on share based payments	**0.1**	-	**-**	-
Total tax credit on items credited directly to equity	**0.9**	-	**-**	-

Factors affecting future taxation

It was announced in the Budget on 23 March 2011 that the UK corporation tax rate would be reduced from 28% to 25% from 1 April 2012 and not 26% as originally announced, and subsequently enacted in the June 2010 Budget. The UK corporation tax rate will be reduced by a further 1.0% per annum thereafter until 1 April 2014 when the UK corporation tax rate will be 23%. The UK net deferred tax asset has been calculated based on the substantively enacted rate at the balance sheet date of 25% in accordance with IFRS.

The proposed rate reductions will reduce the amount of future cash tax payments to be made by the Group. Overall the reduction in the corporation tax rate from 25% to 23% is expected to reduce the Group's net deferred tax asset in the future by approximately £0.4m.

It is also proposed that from 1 April 2012, the rate of capital allowances applicable to plant and machinery expenditure will be reduced from 20% to 18% on a reducing balancing basis. The rate of capital allowances applicable to long-term assets will be reduced from 10% to 8% on a reducing balancing basis.

These changes to capital allowance rates will reduce the rate that tax relief is given to qualifying capital expenditure, which will advance cash tax payments. This will be offset by the proposed reductions to the rate of corporation tax.

6. Dividends

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Dividends paid to equity holders				
Final for 2009 paid on 5 May 2010 - 1.35p per share	-	5.3	-	-
Final for 2010 paid on 4 May 2011 - 1.66p per share	**6.5**	**-**	**-**	**-**
Interim for 2010 paid on 10 September 2010 - 0.74p per share	-	2.9	-	2.9
Interim for 2011/12 paid on 12 September 2011 - 1.00p per share	**3.9**	**-**	**3.9**	**-**
Refund of unclaimed dividends	-	(0.1)	-	(0.1)
Total	**10.4**	8.1	**3.9**	2.8

The Board has resolved to pay a second interim dividend of 1.10p per ordinary share. The dividend will be paid on 29 March 2012 to shareholders on the register at 17 February 2012. The financial information does not reflect this dividend.

7. Adjusted earnings per share

Adjusted earnings is calculated by adjusting profit attributable to equity shareholders to exclude discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the related tax effects. Adjusted earnings is one of the business performance measures used internally by management to manage the operations of the business. Management believes that the adjusted earnings measure assists in providing a view of the underlying performance of the business.

Adjusted net earnings attributable to equity shareholders is derived as follows:

	Twelve months to		Six months to	
	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m	**31 Dec 2011 (unaudited) £m**	31 Dec 2010 (unaudited) £m
Profit attributable to equity shareholders	**153.7**	53.2	**14.3**	2.8
Adjust for:				
Discontinued operations (net of taxation)	**(3.6)**	(4.3)	**-**	(2.5)
Exceptional items after tax on continuing operations	**(109.6)**	(10.7)	**8.8**	20.4
Other financial losses (gains)	**0.3**	0.5	**0.5**	(0.2)
Unwinding of the discount in disposal provisions	**0.3**	0.2	**0.2**	0.1
Taxation on adjusted items and impact of reduction in tax rate to 25.0%	**0.7**	1.0	**-**	1.2
Adjusted net earnings attributable to equity shareholders	**41.8**	39.9	**23.8**	21.8
Weighted average number of ordinary shares in issue (m)	**390.1m**	389.5m	**390.6m**	389.5m
Adjusted earnings per share (p) - basic	**10.7p**	10.2p	**6.1p**	5.6p

8. Provisions

	Onerous leases £m	Disposal provisions £m	Restructuring provision £m	Total £m
At 1 January 2011	**41.9**	**10.7**	**-**	**52.6**
Exchange adjustments	**-**	**(0.1)**	**-**	**(0.1)**
Unwinding of discount	**1.4**	**0.3**	**-**	**1.7**
Charged to the income statement - exceptional	**2.2**	**-**	**0.9**	**3.1**
Utilised in year	**(4.0)**	**(3.0)**	**(0.7)**	**(7.7)**
At 31 December 2011 (unaudited)	**41.5**	**7.9**	**0.2**	**49.6**
Current	**4.8**	**3.3**	**0.2**	**8.3**
Non-current	**36.7**	**4.6**	**-**	**41.3**
At 31 December 2011 (unaudited)	**41.5**	**7.9**	**0.2**	**49.6**

Details of the £3.1m charge to exceptional items in the income statement are disclosed in note 3.

9. Borrowings to net cash (debt) reconciliation

Under IFRS, accrued interest and unamortised facility fees are classified as loans and borrowings. A reconciliation of loans and borrowings disclosed in the balance sheet to the Group's net cash (debt) position is provided below:

	At 31 Dec 2011 (unaudited) £m	At 31 Dec 2010 £m
Total loans and borrowings	**(61.5)**	**(197.5)**
Less: accrued interest	**0.4**	**0.7**
Less: unamortised facility fees	**(0.3)**	**(0.6)**
	(61.4)	**(197.4)**
Add: cash and short-term deposits	**86.4**	**74.0**
Net cash (debt)	**25.0**	**(123.4)**

10. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	31 Dec 2011 (unaudited) £m	31 Dec 2010 £m
Continuing operations		
Operating profit	**119.2**	75.4
Exceptional items	**(55.1)**	(13.4)
Operating profit before exceptional items	**64.1**	62.0
Depreciation and amortisation	**36.8**	30.3
Decrease in inventories	**0.1**	0.2
Increase in trade and other receivables	**(2.0)**	(1.1)
(Decrease) increase in trade and other payables	**(3.1)**	0.3
Share-based payments and other	**1.1**	1.4
	97.0	93.1
Cash utilisation of provisions	**(7.7)**	(5.7)
Cash payments in respect of exceptional items	**(5.7)**	(6.3)
Cash receipts in respect of exceptional items	**79.8**	38.4
Cash generated from operations	**163.4**	119.5

11. Contingent assets

The Group has lodged a number of VAT claims that are the subject of on-going litigation but have not yet been paid. These include, but are not limited to, claims submitted pursuant to the House of Lords decision in the Condé Nast/Fleming (Fleming) cases on the applicability of the three year cap that HMRC introduced to limit VAT reclaims. Fleming claims, which had to be submitted by March 2009, are based on management's best estimates from the information available and the Group expects HMRC to review closely both the Group's right to the amounts claimed and the value of each claim before settlement. In a number of cases, the Fleming claims are subject to the successful outcome of other litigation. This includes the amusement machine litigation outlined in note 12, below.

The combined value of these claims, including simple interest, is currently estimated to be worth more than £275m.

The Group has not recognised any gain in its financial information at 31 December 2011 in respect of the above items.

12. Contingent liabilities

i) Group liabilities relating to Fiscal Neutrality Case

On 10 November 2011, the ECJ released its findings on the Group's VAT case on fiscal neutrality. Rank and HMRC have agreed that the ECJ found in favour of Rank on its bingo claims. Thus, the directors no longer consider that it necessary to disclose these claims as a contingent liability.

The ECJ also ruled on the Group's amusement machines claim. In May 2010, Rank received £30.8m (VAT of £26.4m plus interest of £4.4m) relating to a claim for repayment of overpaid VAT on amusement machines. The ECJ's decision on the Group's amusement machines claim was not conclusive. Therefore, this part of the appeal will be referred back to the UK courts. The hearing for the case will be held on 14 March 2012 at the Upper Tribunal.

ii) Grosvenor liability relating to irrecoverable VAT

The Group has been in negotiation with HMRC for several years on the means by which it calculates the amount of irrecoverable VAT in Grosvenor Casinos. The difference in the Group's position as against HMRC's position for the period under negotiation (July 2007 to December 2011) amounts to an estimated £7.5m.

The point of dispute between the Group and HMRC was the subject of litigation by another, similar, taxpayer. In that case, the Court of Appeal ruled that HMRC's position was incorrect. This was the latest in a string of appeals on this point. Precedent case law indicates that the Group's position is correct and on that basis the irrecoverable VAT charge has been adjusted accordingly. In the event this was not the case, the Group would have to pay the VAT in dispute (see above) plus interest.

The directors consider that, in respect of all contingent liabilities disclosed above, it is more likely than not that no outflow will arise.

13. Related party transactions and ultimate parent undertaking

On 7 June 2011, Guoco Group Limited (Guoco), a company incorporated in Bermuda, and listed on the Hong Kong stock exchange, acquired a controlling interest in The Rank Group Plc. At 8 February 2012, Guoco owned 74.5% of the Company's shares through a wholly owned subsidiary undertaking, All Global Investments Limited. The ultimate parent undertaking of Guoco is Hong Leong Company (Malaysia) Berhad which is incorporated in Malaysia.

Tim Scoble and Mike Smith were appointed as non-executive directors by shareholders at the Company's annual general meeting on 22 April 2010 as appointees of Guoco. Mike Smith resigned as a director with effect from 30 April 2011. During the year ended 31 December 2011, payments of £53,333 (Six months to 31 December 2011: £20,000) were made to Guoco controlled companies in relation to their fees.

Responsibility Statement

The interim management report complies with the Disclosure Rules and Transparency Rules ('DTR') of the United Kingdom's Financial Services Authority in respect of the requirement to produce a half-yearly financial report. The interim report is the responsibility of, and has been approved by, the directors. We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;

- the interim management report includes a fair review of the important events during the first twelve months and description of the principal risks and uncertainties for the remaining six months of the extended 18 month accounting period, as required by DTR 4.2.7R; and

- the interim management report and note 13 to the Group financial information includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

The directors of The Rank Group Plc are:

Ian Burke
Clive Jennings
Colin Child
Richard Greenhalgh
Owen O'Donnell
Tim Scoble
Bill Shannon
John Warren

Signed on behalf of the board on 8 February 2012

Ian Burke
Chairman and chief executive

Independent Review Report to The Rank Group Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six and twelve months ended 31 December 2011 which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Balance Sheet, Group Cash Flow Statement and the related explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report for the six and twelve months ended 31 December 2011 based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six and twelve months ended 31 December 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
8 February 2012