

22 April 2010

## The Rank Group Plc trading update for 16 weeks to 18 April 2010 (all comparisons are with the equivalent periods in 2009)

The Rank Group Plc (Rank or the Group) announces 4% like-for-like growth in Group revenue for the 16 weeks to 18 April 2010. Over the same period, total Group revenue increased by 10%.

The Group made an encouraging start to 2010, led by strong revenue growth from Grosvenor Casinos and Rank Interactive. Mecca Bingo recovered from the effects on trading of January's unusually cold weather; and Top Rank Espana delivered modest growth in the period, in spite of increasingly difficult economic conditions in Spain.

Year-on-year Group and segmental revenue growth for 16 weeks to 18 April 2010*		
	Like-for-like	Total
Mecca Bingo**	(2)%	7%
Grosvenor Casinos**	9%	16%
Top Rank Espana***	3%	3%
Rank Interactive	8%	8%
<b>Group</b>	<b>4%</b>	<b>10%</b>

\* Figures not adjusted for free bets, promotions and customer bonuses

\*\* Like-for-like excludes the effects of club openings, closures and relocations as well as changes to the tax regimes for bingo and casino card room games in HM Government's Budget 2009.

\*\*\* Top Rank Espana performance not adjusted for currency movement. In euros, revenue grew by 5%.

### Mecca Bingo

	Like-for-like	Total
Customer visits	(1)%	1%
Spend per visit	(1)%	6%
Revenue	(2)%	7%

Like-for-like revenue from Mecca Bingo declined by 2%, with customer visits and spend per visit both down by 1%.

Total revenue increased by 7%, reflecting changes to taxation in HM Government's 2009 Budget, which had the effect of increasing reported revenue but reducing operating profit. As anticipated, the rate of bingo duty was reduced from 22% to 20%, following the Budget on 24 March 2010.

Since the start of the year, we have grown the number of Full House Destination clubs from two to four, having converted our clubs in Oldbury and Aberdeen to the format. We will continue to assess the performance of these four clubs before determining the pace and scale of any further roll-out.

### Grosvenor Casinos

	Like-for-like	Total
Customer visits	7%	19%
Spend per visit	2%	(3)%
Revenue	9%	16%

Grosvenor Casinos delivered a 9% increase in like-for-like revenue, driven by a 7% rise in customer visits and a 2% improvement in spend per visit. Longer opening hours and a range of operational improvements generated strong growth in customer visits both in London and in the Provinces.

Total revenue grew by 16% with customer visits up 19% and spend per visit down 3%. This performance reflects the effect of additions to our casinos estate in 2009, which have generated higher than average levels of visits but slightly lower average expenditure.

We remain on track to achieve our target of 20 G Casinos operating by the end of 2012. Later this month we will re-launch our Brighton casino under the G Casino brand; and our Newcastle-upon-Tyne casino will be re-launched in May.

### Top Rank Espana

	Like-for-like	Total
Customer visits	2%	2%
Spend per visit	1%	1%
Revenue	3%	3%

Top Rank Espana generated 3% growth in revenue during the 16-weeks as a result of modest increases in both customer visits and spend per visit.

In euros, revenue increased by 5% with nearly all of our clubs making gains in local market share. This represents a creditable performance at a time of high unemployment and considerable economic uncertainty in Spain.

### Rank Interactive

	Like-for-like	Total
Gaming	14%	14%
Sportsbook	(18)%	(18)%
Revenue	8%	8%

Rank Interactive achieved 8% growth in revenue during the period with a 14% increase from gaming offsetting an 18% decline in sportsbook.

A successful marketing campaign helped meccabingo.com to drive revenue growth in gaming. Casino revenue was up in the period but poker declined.

Revenue from the Blue Square sportsbook moved lower as a result of declines in both stakes and margin.

### Changes to gaming taxation

As anticipated, the rate of bingo duty was reduced from 22% to 20% following HM Government's Budget 2010. While Rank welcomed the reduction as a step in the right direction, the Group has continued to press for a more comprehensive review of betting and gaming taxation in Great Britain with the aim of creating a regime that is fair, simple to administer and provides sustainability for business and the Exchequer.

**VAT refunds**

Two appeals by Her Majesty's Revenue and Customs (HMRC) against Rank's claims for VAT overpaid on games of bingo and amusement machines were heard by the courts this week. As a result of these hearings, Rank's case will now be considered by the European Court of Justice (ECJ). Rank expects that a decision from the ECJ will be received by June 2012 at the latest.

In addition to its £59.1m claim for VAT overpaid on interval bingo (which was paid in 2008), Rank has also submitted approximately £42m in VAT reclaims relating to amusement machines and main stage bingo. Rank had expected to receive payment of these claims during the first quarter of 2010 but now anticipates that this will occur later in the year.

**Outlook**

The Group has made a positive start to the year with revenue growth in each of its four businesses. In an uncertain economic environment we remain focused on providing our customers with valued and enjoyable leisure experiences. The board remains confident in the full-year prospects for the Group and in its longer term growth strategy.

**Forthcoming announcements**

Rank will announce its half-year results on 29 July 2010.

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**Conference call**

A conference call for investors and analysts will be held at 8.30am (London time) on Thursday 22 April 2010. Dial-in information follows below:

UK (free call): 0800 694 0257  
USA (free call): 1866 966 9439  
International: +44 (0) 1452 555 566  
Passcode: 69849504

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

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## Notes to editors:

### 1. About The Rank Group Plc

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

Rank's operations comprise:

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

Rank's businesses receive more than 20 million customer visits per year and the Group employs around 8,000 team members.

For more information about The Rank Group, visit [www.rank.com](http://www.rank.com).

### 2. Effects of tax changes

On 22 April 2009, the Chancellor of the Exchequer announced a reform of bingo taxation. As a consequence, from 27 April 2009, revenue from games of bingo is no longer subject to VAT. However, the rate of bingo duty increased from 15% to 22% (and was subsequently reduced to 20% in March 2010). The effect of this change is to magnify reported revenue (which is stated on a post-VAT basis) and to depress operating profit (due to significantly higher duty, which is accounted for as a cost of sales).

### 3. Mecca 'Full House'

'Full House' is the project name for Mecca Bingo's new concept club. The first Full House Destination club was opened in Beeston, Nottingham in May 2009. Since then, three Mecca Bingo clubs have been converted to the Full House Destination format. The clubs are branded as 'Mecca' . so much more and while they retain bingo as a core product they also feature enhanced bar and restaurant areas (with table service), an electronic bingo lounge and a broad range of amusement machines.

### 4. G Casino

G Casino is a modern gaming-based leisure venue. Launched in Manchester in June 2006, G Casino had been extended to ten locations by the end of 2009.

G Casino is differentiated from most traditional casinos through its broad range of gaming and non-gaming activities, with large poker rooms, sports lounges, restaurants and stylish bars as well as traditional and electronic casino games. G Casino attracts significantly higher levels of customer visits and has a higher proportion of female customers than traditional casinos.