

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your Ordinary shares in The Rank Group Plc please send this document and form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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29 March 2005

To Ordinary shareholders and, for information only, holders of options under The Rank Organisation Overseas Executive Share Option Plan.

Dear Shareholder

2005 ANNUAL GENERAL MEETING

This document contains on pages 8 and 9 the Notice of the 2005 Annual General Meeting of the Company, which will be held at the Plaisterers Hall, No. 1 London Wall, London EC2Y 5JU at 11.30am on Wednesday, 27 April 2005. A general description of the matters to be considered at this meeting can be found in the explanatory notes on pages 10 to 12.

You will see that in addition to the ordinary business to be conducted at the meeting, there are seven items of special business. The first two concern proposals to establish the Rank Group 2005 Share Savings Scheme ("the 2005 Share Savings Scheme") and the Rank Group 2005 Long Term Incentive Plan ("the 2005 Plan"), and the purpose of this letter is to explain to you our proposals concerning these. The remaining five involve an amendment to the Company's Articles of Association to increase the aggregate fees payable to non-executive Directors, and the Company's authority to allot shares, disapply pre-emption rights, make market purchases of its Ordinary shares, and declare scrip dividends, and are explained in the explanatory notes.

Share plans

Your Board of Directors attaches great importance to encouraging employees to own shares in the Company; this gives them a direct interest in the prosperity of the Group and serves to align their interests with those of our shareholders.

To encourage share ownership, the Company has operated a Save As You Earn share option scheme (the Rank Group 1996 Share Savings Scheme), which has proved very popular. In addition, senior employees are eligible to participate in a discretionary share option scheme (the Rank Group 2002 Executive Share Option Scheme) and a performance share plan (the Rank Group 2000 Long Term Incentive Plan).

The Rank Group 1996 Share Savings Scheme has now expired and the Rank Group 2000 Long Term Incentive Plan will shortly expire. Your Board of Directors would like to replace these plans with essentially identical plans, namely the 2005 Share Savings Scheme and the 2005 Plan.

The 2005 Share Savings Scheme

The 2005 Share Savings Scheme will operate in an essentially identical way to the previous share savings scheme. UK participants agree to save a fixed monthly amount of up to £250 for up to five years and then may use those savings, together with any interest or bonus, to acquire shares by exercising the options granted to them under the scheme. The price at which the shares may be acquired is fixed when the option is granted and will not be less than 80% of the market price of the Company's shares at the time when employees are invited to participate in the scheme or such lower percentage as may be permitted under UK legislation from time to time. A summary of the draft rules of the 2005 Share Savings Scheme is set out in Appendix 1 to this letter.

The 2005 Plan

Like its predecessor plan, the purpose of the 2005 Plan is to align the interests of executives with the interests of shareholders by providing a share based incentive to executives. The 2005 Plan is designed to reward senior executives based on the performance of the Company and benefits will only be delivered if stretching performance targets are met. In addition, participation in the 2005 Plan requires a commitment to remain with the Company long term to derive the fullest benefit from participation.

Awards will generally be made annually, normally following the announcement of the Company's annual results. Selected executives will be given a restricted award over existing Ordinary shares with a market value of up to one and a half times basic salary.

The awards will be capable of vesting after three years in accordance with the performance conditions. The awards will generally lapse if the executive leaves the Company, unless the Remuneration Committee exercises its discretion to the contrary.

The release of the awards will be dependent upon the achievement of a demanding corporate performance target over three consecutive financial years of the Company ("the performance period"). If the performance conditions are not achieved over the performance period, the award will lapse. The awards will be released if a total shareholder return target is achieved and if there is a real average annual growth in earnings per share of at least 2% over the performance period. Total shareholder return is the return received on a shareholding measured by reference to the change in the price of Ordinary shares over the performance period and the gross value of dividends received on the shares, assuming they are immediately reinvested in shares during that period. The total shareholder return achieved by the Company will be compared with that of other comparable companies.

In order for an executive to receive any shares, the total shareholder return achieved by the Company over the performance period must exceed the total shareholder return achieved by at least 50% of the companies in the comparator group. If this median position is attained, 30% of the shares comprised in an award will vest.

An executive will receive the maximum number of shares comprised in an award (i.e. 100%) only if the total shareholder return achieved by the Company over the performance period exceeds the total shareholder return achieved by at least 75% of the companies in the comparator group.

The percentage of shares to be released for performance between the minimum and maximum targets is determined on a straight line basis.

A summary of the draft rules of the 2005 Plan is set out in Appendix 2 to this letter.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the draft rules of the 2005 Share Savings Scheme and the 2005 Plan are available for inspection at the registered office of the Company, and at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS, at any time during normal business hours on weekdays (excluding public holidays) from today and up to and including the day of the Annual General Meeting. Copies may also be inspected for at least one hour prior to the Annual General Meeting at the Plaisterers Hall, No. 1 London Wall, London EC2Y 5JU.

ACTIONS TO BE TAKEN

A form of proxy for use at the forthcoming Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, you are urged to complete and return the form in accordance with the instructions printed on it so that it is received by the Company's Registrars not later than 48 hours before the time fixed for the meeting. If you are a CREST member, you can submit your proxy electronically through the CREST system. Details are set out in the notes to the Notice of Annual General Meeting on page 10. Completion and return of the form will not prevent you from attending and voting at the meeting in person if you wish.

RECOMMENDATION

Your Directors consider the passing of all the resolutions, including those to be proposed as special business at the Annual General Meeting, and in particular the introduction of the 2005 Share Savings Scheme and the 2005 Plan, to be in the best interests of the Company and the shareholders as a whole.

Accordingly your Directors unanimously recommend Ordinary shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings.

Yours sincerely,



ALUN CATHCART
Chairman

APPENDIX 1

Summary of the draft rules of the Rank Group 2005 Share Savings Scheme ("the 2005 Share Savings Scheme")

1. INTRODUCTION

The 2005 Share Savings Scheme will be approved by the Inland Revenue under the Income Tax (Earnings and Pensions) Act 2003 in order to confer certain tax reliefs on participants.

2. ELIGIBILITY

Any employee (including an executive Director) of the Company or any subsidiary who satisfies the eligibility criteria as the Board may determine from time to time (providing that any eligibility period of service does not exceed five years) will be eligible to participate in the 2005 Share Savings Scheme.

3. GRANT OF OPTIONS

Invitations to apply for options will normally be issued within 42 days of approval of the 2005 Share Savings Scheme by shareholders and thereafter within 42 days of the date of the announcement of the annual or interim results of the Company in any year. Invitations to apply for options may also be made at any other time where in the opinion of the Board circumstances are considered to be exceptional. No option may be granted more than 10 years after the date on which the 2005 Share Savings Scheme is approved by shareholders.

Each eligible employee who applies for an option must enter into a savings contract approved by the Board. The savings contract will be for a period not exceeding 60 months under which monthly contributions are made of not more than £250.

The number of Ordinary shares over which an option is applied for shall be deemed to be the number of shares obtained by dividing the total amount repayable under the savings contract (plus bonus) by the relevant exercise price.

If the number of applications for options received would result in the maximum number of shares which may be issued under the 2005 Share Savings Scheme (or such lesser number as the Board may have determined) being exceeded, the options granted will be scaled down on a pro rata basis.

Options may be granted over Ordinary shares in the Company as new issue shares, treasury shares or other existing shares.

Options will be personal to the Participant and may not be transferred or assigned. Options are non-pensionable. No payment will be required for the grant of an option.

4. EXERCISE PRICE

The price payable to acquire shares on the exercise of an option shall be decided by the Board before its grant, but shall be not less than 80% of the middle market quotation of an Ordinary share (as derived from the London Stock Exchange daily official list) shortly before options are granted, provided that if an option is capable of being satisfied by the issue of new shares, the price may not be less than the nominal value of a share.

5. EXERCISE OF OPTIONS

Options will normally be exercisable for a period of six months commencing on either the third or fifth anniversary of the starting date of the related savings contract and if not exercised by the end of that period will lapse.

Options normally lapse on cessation of employment except in certain specified circumstances (as described below) or where an option has been held for more than three years at the date of cessation (except in cases of dismissal for misconduct).

Early exercise is permitted in certain circumstances in respect of the number of shares that may be acquired using the proceeds of the partially completed savings contract. Such circumstances include the participant ceasing employment due to ill health, redundancy, retirement, or injury, a participant's employing company ceasing to be a subsidiary of the Company, and the participant attaining retirement age whilst continuing to hold office.

Options may also be exercised in the event of a take-over, reconstruction or winding-up of the Company, but only to the extent that the related savings have been completed. In certain circumstances, options may be exchanged for options over shares in the acquiring company.

6. LIMITS ON OPTIONS

The number of shares which may be issued (or treasury shares that may be transferred) pursuant to the Company's share schemes is limited to 10% of the issued share capital of the Company over a 10 year period for all share schemes, and 5% of such issued share capital over a 10 year period for all discretionary share schemes.

7. VARIATION OF CAPITAL

In the event of any variation of the issued share capital of the Company by way of a capitalisation or rights issue, sub-division, consolidation or reduction, the number of shares under option and the exercise price may be adjusted in such manner as the Board determines. Any adjustment must be confirmed in writing by the Company's auditors as being, in their opinion, fair and reasonable.

8. RIGHTS ATTACHING TO SHARES

All shares allotted or transferred under the 2005 Share Savings Scheme shall rank equally in all respects with Ordinary shares of the Company in issue at that time except for any rights that attached to such Ordinary shares by reference to a record date which was before the date of the allotment or transfer.

9. AMENDMENTS TO THE 2005 SHARE SAVINGS SCHEME

No alteration to the 2005 Share Savings Scheme, to the advantage of the person to whom options may be or have been granted, shall be made to any rule governing eligibility to participate in the 2005 Share Savings Scheme, individual limits on participation, the terms of options, the number of shares that may be issued (or treasury shares that may be transferred) and adjustments that may be made to options on a variation of capital, without prior approval by ordinary resolution of the Company in general meeting.

This requirement shall not apply to any minor alteration to benefit the administration of the 2005 Share Savings Scheme, or to amendments that are to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any Group member.

APPENDIX 2

Summary of the draft rules of the Rank Group 2005 Long Term Incentive Plan ("the 2005 Plan")

1. INTRODUCTION

The 2005 Plan will be administered by the Remuneration Committee ("the Committee") of the Board and may operate in conjunction with the Rank Group Employee Benefit Trust, details of which are given in paragraph 11 below. The 2005 Plan is discretionary and the Committee may decide not to operate it in any year.

2. ELIGIBILITY

Any employee (including an executive Director) of the Company or any subsidiary who is required to devote the whole or substantially the whole of his/her working time to the Group and who is not expected to retire within 12 months will be eligible to participate in the 2005 Plan at the discretion of the Committee.

3. AWARDS

Awards may be made under the 2005 Plan to selected executive Directors and employees ("Participants") at the discretion of the Committee.

Awards may be granted as conditional awards of shares ("Restricted Awards") or as nil-cost options ("Options") to acquire shares. In the case of overseas participants, where there may be differing legal requirements, such participants may be awarded phantom options in place of Restricted Awards or Options.

Awards will normally be made within 42 days of approval of the 2005 Plan by shareholders or thereafter within 42 days of the announcement of the annual or interim results of the Company in any year. Awards may also be made at any other time where in the opinion of the Committee circumstances are considered to be exceptional so as to justify the making of an award. No awards will be made more than five years after the 2005 Plan is approved by shareholders.

Awards will be personal to the Participant and may not be transferred or assigned. Awards are non-pensionable. No payment will be required for an award.

4. RELEASE OF AWARDS AND PERFORMANCE CONDITIONS

The release of awards is dependent upon the Participant remaining an employee and the achievement of performance conditions over a three-year performance period (comprising three consecutive financial years of the Company).

The performance conditions under the 2005 Plan will relate to the Company's total shareholder return ("TSR") performance and will also require a minimum real average annual growth in the Company's normalised earnings per share of at least 2% over the performance period.

The TSR of an Ordinary share in the Company (averaged for the three month period preceding the start and end of the performance period) will be compared to the TSR for each share of a comparator group of companies (calculated on the same basis). TSR is measured by reference to the change in price of Ordinary shares over the performance period and the gross value of dividends received on those shares, assuming they are immediately reinvested in shares during that period. The Company's TSR will then be compared to that of the comparator companies. The comparator group will consist of a minimum of 11 companies which will be selected by the Committee immediately before each grant. An indicative list of comparator companies is shown below.

The percentage of award released for each level of TSR performance achieved by the Company is shown below:

TSR performance	Percentage of award released
• Upper quartile or above (exceeds at least 75% of companies in the comparator group).....	100%
• Median (exceeds at least 50% of companies in the comparator group).....	30%
• Below median	nil

The percentage of award to be released if the Company's TSR performance is between median and upper quartile will be determined on a straight line basis.

The comparator group of companies for the first grant is likely to include some or all of the following: Arena Leisure, De Vere Group, Enterprise Inns, Hilton Group, InterContinental Hotels Group, LA Fitness, London Clubs International, Luminar, Millennium & Copthorne Hotels, Mitchells & Butlers, Punch Taverns, Regent Inns, Scottish & Newcastle, Stanley Leisure Organisation, Wembley, J D Wetherspoon, Whitbread, and William Hill.

The Committee will have the power to vary the terms of the performance conditions to take account of a change in circumstances, and make adjustments to ensure equitable treatment, provided that the adjusted conditions are, in the opinion of the Committee, neither materially easier nor more difficult to achieve than they were when the relevant award was first made.

5. MAXIMUM VALUE OF AWARDS

The maximum value of an award made to a Participant in any financial year may not exceed one and a half times that Participant's annual basic salary.

The value of an award will be determined in respect of an Ordinary share by reference to the middle market quotation of such share for the dealing day immediately preceding the making of an award.

6. CESSATION OF EMPLOYMENT

If a Participant ceases to be an employee of the Group then the award shall lapse on the date of such cessation unless the Committee in its absolute discretion determines otherwise. The Committee will normally exercise its discretion in accordance with a set of guidelines. The principal guidelines provide that in the event of:

- resignation or dismissal – awards will lapse;
- retirement, early retirement or redundancy – awards will vest on a pro-rata basis proportional to the period elapsed since the commencement of the performance period, subject to the extent that the performance conditions have been satisfied at cessation of employment and at the end of the performance period, and provided that the Committee exercises its discretion in the Participant's favour;
- death, serious injury or disability – awards will vest in full, subject to the extent that the TSR performance condition has been satisfied at cessation of employment and provided that the Committee exercises its discretion in the Participant's favour.

7. CHANGE OF CONTROL

In the event of a change of control of the Company, awards will vest on a pro-rata basis proportional to the period elapsed since the commencement of the performance period, subject to the extent that the performance conditions have been satisfied and provided that the Committee exercises its discretion in the Participant's favour.

8. LIMITS ON TREASURY SHARES

Awards may be satisfied by the transfer of existing shares or treasury shares (but not by an issue of new shares). At the time of an award, if it is determined that the award may be satisfied by the transfer of treasury shares, the number of treasury shares which may be transferred will be aggregated with any new shares issued or issuable under the Company's other share schemes and will be limited to 10% of the issued share capital over a 10 year period for all share schemes, and also to 5% of the issued share capital over a 10 year period for discretionary share schemes.

9. VARIATION OF CAPITAL

In the event of any variation of the issued share capital of the Company by way of a capitalisation or rights issue, sub-division, consolidation or reduction, the number of shares comprised in an award may be adjusted in such manner as the Committee in its absolute discretion determines. Any adjustment must be confirmed in writing by the Company's auditors as being, in their opinion, fair and reasonable.

10. AMENDMENTS TO THE PLAN

Although the Committee will have the power to amend the provisions of the 2005 Plan, the provisions relating to:

- the class of persons eligible to participate in the 2005 Plan;
- the maximum entitlement for any one Participant; and
- the adjustments to awards in the event of a variation of capital

cannot be altered to the advantage of Participants without the approval of shareholders in general meeting (except for minor amendments to benefit the administration of the 2005 Plan, or amendments that are to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Company or any Group member).

11. EMPLOYEE BENEFIT TRUST

The Rank Group Employee Benefit Trust ("the Trust") is a discretionary trust for the benefit of the executive Directors, employees and former employees of the Company and its subsidiaries and the spouses and dependants of such employees and former employees. The trustee of the Trust is an independent trustee administered outside the United Kingdom. The Company and its subsidiaries may give financial assistance to the Trust whether by way of loan, gift or otherwise to enable the Trust to acquire shares in the Company. Shares will be acquired by market purchase, or acquired as treasury shares.

The Trust is not able to hold more than 5% of the Company's issued share capital from time to time.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ninth Annual General Meeting of The Rank Group Plc will be held at the Plaisterers Hall, No. 1 London Wall, London EC2Y 5JU at 11.30am on Wednesday, 27 April 2005 for the following purposes:

1. To receive the report of the Directors and the audited Accounts for the year ended 31 December 2004.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2004.
3. To declare a final dividend of 9.8p per Ordinary share.
4. To re-appoint Richard Greenhalgh as a Director.
5. To re-appoint Brendan O'Neill as a Director.
6. To re-appoint David Boden as a Director.
7. To re-appoint Oliver Stocken as a Director.
8. To re-appoint Mike Smith as a Director.
9. To re-appoint PricewaterhouseCoopers LLP as Auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. To authorise the Directors to agree the remuneration of the Auditors.

As special business to consider and, if thought fit, pass the following resolutions of which resolutions 11 to 14, and 17, will be proposed as ordinary resolutions and resolutions 15 and 16 will be proposed as special resolutions.

11. "That the Rank Group 2005 Share Savings Scheme, the main provisions of which are summarised in Appendix 1 to the Chairman's letter dated 29 March 2005 and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and the Directors be and they are hereby authorised to do all acts and things as may be necessary or desirable to carry the same into effect."
12. "That the Rank Group 2005 Long Term Incentive Plan, the main provisions of which are summarised in Appendix 2 to the Chairman's letter dated 29 March 2005 and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and the Directors be and they are hereby authorised to do all acts and things as may be necessary or desirable to carry the same into effect."
13. "That, pursuant to the authority conferred by Article 76 of the Company's Articles of Association, the aggregate fees which Directors (other than any Director who for the time being holds an executive office) shall be paid by way of remuneration for their services as Directors be and is hereby increased from an amount not exceeding in aggregate £200,000 per annum to an amount not exceeding in aggregate £500,000 per annum."
14. "That the Directors be authorised and empowered in accordance with the terms of paragraph (A) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 80 amount (as so defined) shall be £22,600,000."

15. "That, subject to and conditional upon the passing as an ordinary resolution of the resolution numbered 14 set out in the notice containing this resolution, the Directors be authorised and empowered in accordance with the terms of paragraph (C) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 89 amount (as so defined) shall be £3,120,000".
16. "That, pursuant to Article 4(B) of the Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) on the London Stock Exchange of Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") on the following terms:
- (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 93,610,000;
 - (b) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be not more than 5 per cent above the average of the middle market quotations, for an Ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is purchased;
 - (c) the minimum price (exclusive of expenses) which may be paid is 10p per Ordinary share;
 - (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2006 or on the day preceding the date falling 18 months from the date of passing of this resolution, whichever shall be the earlier; and
 - (e) the Company may make a contract or contracts to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary shares in pursuance of any such contract or contracts".
17. "That the Directors be authorised:
- (a) to exercise the power contained in Article 134(C) of the Articles of Association of the Company to offer holders of Ordinary shares the right to elect to receive new Ordinary shares, credited as fully paid, in whole or in part, instead of cash in respect of any dividend paid or declared during the period commencing on the date hereof and expiring at the conclusion of the next Annual General Meeting of the Company; and
 - (b) to determine the basis of allotment of new Ordinary shares in respect of any such dividend so that the value of such new Ordinary shares may exceed the amount of such dividend, but not by more than 20 per cent of such amount, and for these purposes the value of such new Ordinary shares shall be calculated by reference to the "average" quotation of an Ordinary share, which shall be the average of the best bid prices for an Ordinary share as derived from the Stock Exchange Electronic Trading Service at 10 a.m., 12 noon and 3.00 p.m. for such five consecutive dealing days as the Directors may determine, save that if a best bid price for an Ordinary share is not so available or is zero in respect of any such time, the Directors be authorised to determine the value of such new Ordinary shares on such basis as they may deem appropriate in consultation with London Stock Exchange Plc".

By order of the Board

Charles Cormick
Secretary
29 March 2005

Registered office:
6 Connaught Place, London W2 2EZ
Registered in England No. 3140769

Notes

1. Under the Company's Articles of Association only the holders of Ordinary shares are entitled to attend and to speak and vote.
2. Pursuant to Article 46(B) of the Company's Articles of Association and Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6pm on 25 April 2005 shall be entitled to attend or vote at the aforesaid general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6pm on 25 April 2005 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) to vote in his or her place. A proxy need not be a member.
4. A form of proxy is enclosed for use by Ordinary shareholders.
5. The appointment of a proxy will not preclude a member from attending the meeting and voting in person.
6. The forms of proxy and the authority (if any) under which they are signed or a certified copy of such authority must be deposited at the offices of the Company's registrars – Lloyds TSB Registrars, The Causeway, Worthing, BN99 6TZ – not later than 11.30am on Monday, 25 April 2005.
7. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID 7RA01) by 11.30am on Monday, 25 April 2005. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Explanatory Notes

These notes are intended to explain the business to be transacted at the Annual General Meeting.

Resolution 1 – Report and Accounts

The Directors of the Company are required under company law to present the Accounts, the Directors' Report and the Auditors' report on the Accounts to shareholders at the Annual General Meeting.

Resolution 2 – Approval of Remuneration Report

Shareholders are required to approve the Directors' Remuneration Report for the financial year ended 31 December 2004. This report can be found on pages 39 to 44 of the 2004 Annual Report and Accounts.

Resolution 3 – Declaration of final dividend

Shareholders are required to approve the level of the final dividend in respect of the financial year ended 31 December 2004.

Resolutions 4, 5, 6, 7 and 8 – Re-appointment of Directors

Richard Greenhalgh, a member of the Remuneration Committee, Brendan O'Neill, a member of the Audit Committee, and David Boden have been appointed as Directors since the last Annual General Meeting and have chosen to submit themselves for re-appointment. Richard Greenhalgh and Brendan O'Neill do not have a service agreement with the Company, but David Boden does, which is terminable on 12 months' notice. In addition, one third of the other Directors are required to retire as Directors and therefore Oliver Stocken, Chairman of the Audit Committee and a member of the Remuneration Committee, and Mike Smith, Chief Executive, retire by rotation; both have chosen to submit themselves for re-appointment. Oliver Stocken does not have a service agreement with the Company but Mike Smith does, which is terminable on 12 months' notice. The biographical details of the five retiring Directors are shown on page 24 of the 2004 Annual Report and Accounts.

Resolutions 9 and 10 – Re-appointment and remuneration of Auditors

Under company law, Auditors are required to be re-appointed at every Annual General Meeting.

Resolution 11 – Rank Group 2005 Share Savings Scheme

Resolution 11 will approve the Rank Group 2005 Share Savings Scheme, further details of which are given in the Chairman's letter dated 29 March 2005.

Resolution 12 – Rank Group 2005 Long Term Incentive Plan

Resolution 12 will approve the Rank Group 2005 Long Term Incentive Plan, further details of which are given in the Chairman's letter dated 29 March 2005.

Resolution 13 – Non-executive Directors' fees

Under Article 76 of the Company's Articles of Association, a limit of £200,000 is placed on the aggregate amount of fees that can be paid to non-executive Directors. This limit does not apply to the executive Directors, who have a salaried employment.

The Board has considered the level of remuneration paid to non-executive Directors against the background of an increasing workload and the additional demands placed on them as a result of corporate governance and the increase in responsibility required in response to the recently revised Combined Code.

The passage of time since the aggregate limit was established has eroded the headroom available for the recruitment of additional non-executive Directors and the scope to increase remuneration. It is important that the Company is able to continue to attract high calibre non-executive Directors and therefore resolution 13 seeks shareholder approval for an increase in the maximum amount of aggregate fees that can be so paid from £200,000 to £500,000 per annum.

Resolution 14 – Authority to allot shares

Resolution 14 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities"), with pre-emption rights, up to a maximum aggregate nominal value of £22,600,000 which represents approximately 33% of the issued share capital of the Company as at the date of the Directors' Report plus amounts reserved for the exercise of options. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company and will replace a similar authority given at last year's Annual General Meeting. The Directors have no present intention of exercising this authority otherwise than in connection with the exercise of options. As at the date of the Directors' Report, the Company did not hold any treasury shares.

Resolution 15 – Authority to allot shares for cash

Resolution 15 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities") for cash, other than to existing shareholders in proportion to their holdings. The aggregate nominal value of relevant securities which can be allotted under the authority is limited to £3,120,000 being equal to approximately 5% of the nominal value of the issued Ordinary share capital of the Company as at the date of the Directors' Report. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company and will replace a similar authority given at last year's Annual General Meeting. The Directors have no present intention of exercising this authority otherwise than in connection with the exercise of options.

Resolution 16 – Authority to make market purchases

Resolution 16 will authorise the Company to purchase up to 15% of its issued Ordinary shares at or between the minimum and maximum prices specified in the relevant resolution. The power would only be used after careful consideration by the Directors, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion, and its overall financial position. The authority would only be exercised by the Directors if they considered it to be in the best interests of shareholders generally and if the purchase(s) could be expected to result in an increase in earnings per share. A similar resolution was passed at last year's Annual General Meeting.

As at 8 March 2005 (being the latest practicable date prior to publication of this document), there were options outstanding over 17,937,929 Ordinary shares, representing 2.87% of the issued share capital of the Company. If the authority granted under resolution 16 were to be exercised in full by the Directors, such shares would represent 3.38% of the issued share capital of the Company. The Company has no warrants in issue in relation to its shares.

Resolution 17 – Scrip dividend alternative

Resolution 17 is designed to provide the Directors with the authority to offer scrip dividends as an alternative to cash dividends in respect of the 2005 financial year. It is not currently the Directors' intention to offer such an alternative, but they would like to have this flexibility.

Documents available for inspection

Copies of the Company's Memorandum and Articles of Association, the Directors' service agreements, the terms and conditions of appointment of non-executive Directors, the draft rules of the 2005 Share Savings Scheme and the 2005 Plan, and the register of interests of the Directors (and their families) in the shares and debentures of the Company are available for inspection at the registered office of the Company, during usual business hours on any weekday (excluding public holidays) and will be available for inspection at the meeting and for a period of one hour before it commences.