

22 April 2009

## The Rank Group Plc ('Rank' or the 'Group') interim management statement 16 weeks to 19 April 2009

Rank has brought forward the publication of its interim management statement as a result of adverse changes to the taxation of bingo and poker, announced in today's Budget statement from HM Government. Rank has published a separate announcement on the effect of these changes.

During the first 16 weeks of the financial year, Group revenue was in line with the comparable period in 2008. In difficult economic circumstances, Rank's two largest businesses, Mecca Bingo and Grosvenor Casinos, made encouraging starts to the year. Grosvenor Casinos performed particularly well with growth in customer visits driving increased revenue.

Rank Interactive achieved growth from its gaming operations but overall revenue declined as a result of a weak performance in its sportsbook. Trading at Top Rank Espana continued to be affected by the weakness of the Spanish economy, although reported revenue benefited from the strength of the euro against Sterling.

<b>Year-on-year Group and segmental revenue growth for 16 weeks to 19 April 2009</b>		
	<b>Like-for-like*</b>	<b>Total</b>
Mecca Bingo**	0%	1%
Top Rank Espana***	6%	6%
Grosvenor Casinos	1%	3%
Rank Interactive	(13)%	(13)%
<b>Group</b>	<b>(1)%</b>	<b>0%</b>

\*excludes club openings, closures and relocations.

\*\*Mecca Bingo revenue includes benefit of non-payment of VAT on interval bingo in both 2009 and 2008.

\*\*\*Top Rank Espana revenue performance in the period benefited from the strength of the euro against Sterling; in euros, revenue declined by 8%.

### Mecca Bingo

Like-for-like revenue in Mecca Bingo was in line with the first 16 weeks in 2008. Product and service improvements from gaming machines were the principal factors behind a 5% increase in spend per head, although this was offset by a 5% decline in customer visits. Total revenue was up by 1%.

In May 2009, Mecca Bingo will open a new club in Beeston, Nottingham, taking our portfolio of clubs to 103 across Great Britain.

### Top Rank Espana

Top Rank Espana achieved 6% growth in revenue as a consequence of the strength of the euro against Sterling. In euros, revenue declined by 8% with customer visits down by 4% and spend per visit down 5%. We are continuing to focus on cost and capital management against a backdrop of high levels of both unemployment and cost inflation.

## **Grosvenor Casinos**

Like-for-like revenue in Grosvenor Casinos was 1% ahead of the first 16 weeks in 2008. Customer visits were up 3% but spend per visit declined by 2% as a result of lower win margin in our London casinos (which, as reported previously, benefited from a higher than average win margin during the first 16 weeks of 2008).

Our provincial casinos grew like-for-like revenue by 7% with customer visits and spend per visit up by 2% and 5% respectively. Revenue from our London casinos declined by 9%, with admissions up by 6% but spend per visit down 14% on lower win margin.

Total revenue at Grosvenor Casino grew by 3%. This was due to like-for-like growth in customer visits and strong performances from the G Casinos in Thanet and Aberdeen (both of which opened in 2008). At the end of April we will open our seventh G Casino when we re-launch our Bolton casino after a £1 million investment.

## **Rank Interactive**

Revenue in Rank Interactive was down 13%, principally as a result of a significantly lower win margin in its sportsbook operation.

Continued growth from meccabingo.com resulted in a 1% increase in Rank Interactive's gaming revenue. Sportsbook revenue was down 52%, due to abnormally low win margin on football bets.

## **VAT claims**

Between 25 March and 2 April 2009, the High Court heard Her Majesty's Revenue & Customs appeal against last year's VAT & Duties Tribunal rulings (in Rank's favour) on the application of fiscal neutrality to games of interval bingo and to gaming machines. The outcome of the appeal is anticipated before the end of June 2009.

In addition, Rank has submitted a number of further claims for VAT overpaid in periods prior to 1997. These claims follow the case law decided in the Fleming and Conde Nast cases.

## **Outlook**

In spite of the economic uncertainty, Rank has performed in line with management expectations during the first 16 weeks of the year. However, the tax changes announced in the Government's Budget statement today will have an adverse effect on the Group's profits in 2009.

We will continue to manage our businesses with a focus on offering value and enjoyment for our customers, while maintaining a measured and disciplined approach to capital investment and cost control.

Ends

## **The Rank Group Plc**

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## News Release

### **Conference call**

A conference call for investors and analysts will be held at 8.30am (London time) on Thursday 23 April 2009. Dial-in information follows below:

UK (free call): 0800 694 0257

USA (free call): 1866 966 9439

International: +44 (0)1452 555 566

Passcode: 95593161

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

### **About The Rank Group Plc**

The Rank Group Plc ('Rank') 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.

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