

27 April 2004

The Rank Group Plc
AGM Trading Statement
for the period to 17 April 2004

The financial results of the Group's three divisions for the year to date have been mixed. Gaming has been held back by losses at the Clermont casino and by more subdued trading in the provinces. Within Hard Rock, the like-for-like cafe sales have improved and we are starting to reap the benefits from extending the brand into hotels and casinos. Deluxe's performance has been satisfactory in the period although the unfavourable dollar exchange rate continues to be a factor.

Gaming

As stated in our press release on 7 April 2004, the report issued by the Joint Committee on the Draft Gambling Bill was encouraging and was a further positive step towards modernising the UK gaming market. Our strategy to capitalise upon our existing estate remains on course – we will have four facilities housing both bingo and casino gaming by the end of 2004 and a further location will open in 2005.

In Mecca Bingo, since removing admission fees in the UK during the final quarter of 2003, the historic trend in admissions has improved and attendance is down by just 4%. Spend per head continues to rise and year-to-date is 5% ahead of last year, resulting in overall turnover growth of 1%. In Spain, the business continues to deliver steady growth, with increased attendance and spend per head.

Within Grosvenor Casinos, overall turnover is down 2%, but excluding the Clermont, overall turnover would have been up by 6%. The London market has generally been more buoyant, with particularly strong performances at the Park Tower and Hard Rock casinos. In the provinces, turnover has been flat, with the impact of new money laundering rules and general competitive pressures being mitigated by a stronger win percentage. The relocated casino in Cardiff has now opened and the five new casino licence applications announced earlier this year are being progressed.

Blue Square has performed well and both the Grand National and Cheltenham Festival helped to deliver a strong result. Further games development is on track, with a new Blue Square casino and poker room to be launched later this year.

Hard Rock

Overall, Hard Rock's performance in the period has been encouraging. The cafe business performed well with like-for-like sales up 3%. Food and beverage was up 6% and merchandise down 4%. We have made further progress in extending the brand into hotels and casinos. The first of the two hotel and casino developments on Seminole Indian Nation land has opened in Tampa and has traded in line with expectations; the second is due to open in May 2004. The Florida hotels have performed strongly and the Hard Rock Hotel in Chicago had its formal opening earlier this month. We expect to announce further hotel deals over the coming months.

Deluxe

Volumes in both Film and Media have been good in the period, although margins are generally lower than last year in both businesses. We are seeking to extend two of our Film contracts, and in Media we are in discussions concerning the renewal of two major contracts which are due to expire in 2004.

Film continues to perform well and total volume is ahead of last year. Titles produced during the first quarter included The Passion of Christ, Starsky and Hutch, and Hellboy. The outlook remains good with a number of major titles expected in the balance of the year including Spider-man 2, Day after Tomorrow, Stepford Wives and The Brothers Grimm.

In Deluxe Media, manufacturing and distribution volumes are higher than 2003, albeit during this seasonally unimportant time of year. Although Disctronics, which was acquired in 2003, has been integrated and is performing to expectations, its trading pattern mirrors the seasonality of the industry and will therefore result in a greater loss in the first half than last year. Digital Services has continued to perform well.

Outlook

We remain cautious at this early stage about the outlook for the full year, partly because of the seasonality of a number of our businesses and also because of the mixed financial performance to-date. Over the balance of the year we anticipate a further improvement in bingo, a recovery at the Clermont and improvement in trends in provincial casinos. Hard Rock sales are better and as we approach the important summer season, we are more positive than we have been in recent years about the full year prospects for the business. While the outlook for Film remains good, the

full year prospects for Deluxe Media are less certain, being increasingly dependent upon second half performance.

The Group's longer term prospects remain positive, and we believe that the recent pronouncements by the Joint Committee on the Draft Gambling Bill bode well for a timely introduction of new legislation in 2005.

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