

18th December 2008

Rank Group pre-close trading update 50 weeks to 14 December 2008

The Rank Group Plc (“Rank” or “the Group”) announces trading results for the 50 weeks to 14 December 2008.

Group

During the 15 weeks to 14 December 2008, we achieved 1% growth in like-for-like revenue. This period covers Group trading since the anniversary of the Gambling Act (implemented on 1st September 2007) and reflects the actions taken in Mecca Bingo and Grosvenor Casinos to counter the negative effects of the Act.

For the 50-week period to 14 December 2008, Group like-for-like revenue declined by 7%, with total revenue down by 5%. Over the course of the year, we have reduced operating costs and taken a number of actions to strengthen the Group’s financial position.

	Like-for-like revenue*		Total revenue
	Weeks 1 to 50	Weeks 36 to 50	Weeks 1 to 50
Mecca Bingo	(11)%	0%	(11)%
Top Rank Espana**	6%	4%	6%
Grosvenor Casinos	(3)%	4%	(2)%
Blue Square	3%	1%	3%
Group	(7)%	1%	(5)%

*excludes club openings, closures and relocations

** Top Rank Espana revenue performance in the period benefited from the strength of Euro against Sterling; see commentary (below) for disclosure of performance in Euros.

Mecca Bingo

During the 15 weeks to 14 December 2008, like-for-like revenue in Mecca Bingo was in line with the comparable period in 2007, with a 5% increase in spend per head offsetting a 5% decline in admissions.

For the year to week 50, like-for-like revenue declined by 11% with admissions down by 11% and spend per head up 1% on the first 50 weeks in 2007.

A statutory order to increase the maximum entitlement of B3 gaming machines (£1 maximum stake and £500 maximum prize) in bingo clubs from four to eight was laid before Parliament on 24 November 2008. We expect to install an additional 300 B3 gaming machines in our Mecca Bingo clubs, should the provisions of the order take effect during the first quarter of 2009.

In addition, the Group continues to seek opportunities to develop adult gaming centres within Mecca Bingo properties and currently has 80 operating with a further 10 licences approved. As a consequence of this programme, we have now deployed more than 310 B3 gaming machines in addition to the 406 in operation at the start of the year.

Top Rank Espana

Trading at our Spanish bingo clubs business, Top Rank Espana, remained difficult as a result of high levels of unemployment and weak consumer confidence in Spain. In local currency, revenue declined by 9% for the 15 weeks to 14 December 2008, with admissions down by 3% and spend per head 6% lower than in the comparable period in 2007. This was offset by the strength of the Euro against Sterling, which resulted in a 4% increase in reported revenue.

For the first 50 weeks of the financial year, revenue in local currency was down 5% with admissions and spend per head both lower than in 2007. Reported revenue (Sterling) for the period rose by 6%.

Grosvenor Casinos

During the 15 weeks to 14 December 2008, like-for-like revenue in Grosvenor Casinos grew by 4%. Higher average handle and an improved win margin resulted in a 16% increase in spend per head, which offset a 12% decline in admissions.

Our London casinos grew revenue by 8% in the period with admissions down 3% and spend per head up 11%. Revenue from our provincial casinos was down by 1% versus the comparable period in 2007 with a 15% rise in spend per head mitigating a 14% decline in admissions.

For the period covering the first 50 weeks of the financial year, like-for-like revenue declined by 3% with admissions down 14% and spend per head up 10%.

At the end of October, we opened the G Casino Aberdeen, our first casino in Scotland and our sixth in the UK under the G Casino brand. During the first quarter of 2009 we will convert our Bolton casino to the G Casino brand.

Blue Square

During the 15 weeks to 14 December 2008, like-for-like revenue from Blue Square, our interactive gaming and betting business, increased by 1%. The performance of meccabingo.com continued to drive revenue growth from gaming, although sportsbook remained disappointing. For the first 50 weeks of the financial year, Blue Square's revenue grew by 3%.

On 3 December 2008, Mark Jones was appointed managing director of Blue Square. Mark has considerable experience in online retail, having founded Online Travel Corporation and been UK managing director of lastminute.com.

Value Added Tax (VAT)

On 10 November 2008, we received from Her Majesty's Revenue & Customs (HMRC) £59.1m in overpaid VAT, following the VAT & Duties Tribunal's ruling in May that the application of VAT to games of interval bingo contravened European Union law. The benefit will be partially offset by higher gross profits tax and associated costs.

Also as a result of the Tribunal's ruling, we have not paid VAT on revenues from interval game bingo since 1 July 2008.

Following consultation with our auditors, PricewaterhouseCoopers, we now intend to recognise in our financial statements, the effects of both the VAT repayment from HMRC and the ongoing non-payment of VAT on games of interval bingo. We estimate that this will benefit Mecca Bingo's revenues by approximately £13m and increase operating profit by approximately £6m in the current year. Also, we will recognise a one-off exceptional gain of £44m in Group profit before tax, which reflects the element of the net VAT repayment relating to the period 2003 to 2007.

In order to ensure comparability with prior periods, the effect of this change in VAT treatment is not reflected in this trading statement's revenue disclosure for either the Group or for Mecca Bingo.

HMRC has appealed the ruling of the Tribunal and this appeal is scheduled to be heard during the first quarter of 2009.

Financing

Rank's convertible bonds mature in January 2009. It remains the Group's intention to redeem the bonds using the available headroom under existing banking facilities put in place in April 2007 and which are committed until 2012.

Outlook

While the outlook for the UK economy in 2009 is uncertain, Rank has taken a number of key actions this year to strengthen the Group's position - stabilising trading; reducing operating costs; and exiting its final salary pension plan – and the Board is confident in the Group's longer-term strategy. Trading for the current financial year remains in line with market expectations.

Ends

The Rank Group Plc

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Conference call

A conference call for investors and analysts will be held at 8.30am GMT today (18 December 2008). Dial-in information follows below:

UK (free call): 0800 694 0257
USA (free call): 1866 966 9439
International: +44 1452 555 566
Passcode: 74767964

A replay of the conference call will shortly be available from the Rank Group's website (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