27 February 2004

The Rank Group Plc

Preliminary Announcement of the Results for the year ended 31 December 2003

- *Group operating profit* increased to £223.0m (2002 - £220.6m); £165.5m after goodwill amortisation and exceptional items (2002 - £213.4m)*
- *Profit before tax* of £193.7m (2002 - £201.3m); £129.3m after goodwill amortisation and exceptionals (2002 - £198.0m)*
- *Earnings per share* of 20.1p (2002 - 20.1p); 14.3p after goodwill amortisation and exceptionals (2002 – 19.6p)*
- *Gaming operating profit* up 12% to £117.2m (2002 - £104.8m), reflecting continued growth in bingo and casinos and the addition of Blue Square*
- *Hard Rock operating profit down to £23.1m (2002 - £27.6m), due to difficult trading conditions but with good progress on brand extensions into hotels and casinos*
- *Deluxe operating profit* up 4% to £93.8m (2002 £90.0m), with a strong performance in Film offsetting the anticipated decline within Media*
- *Proposed final dividend up 6% to 9.3p (2002 - 8.8p), making a total for the year of 13.9p (2002 – 13.2p)*
- *Net debt of £700.5m (2002 - £399.1m), following redemption of convertible preference shares; fixed charge cover of 4.4 times*
- *Exceptional charge after tax of £31.9m*

** before goodwill amortisation and exceptional items*

Commenting on the results, Mike Smith, Chief Executive, said:

“Overall, the financial result for 2003 was satisfactory and the Group made substantial progress in positioning its businesses for long-term growth.

The trading patterns experienced in the first eight weeks since the year end are similar to those experienced in 2003. Despite adverse currency movements, we expect to make progress during 2004 and underlying earnings can be expected to benefit from a much lower cost of capital following the refinancings completed in 2003. The main focus of our efforts in 2004 will be on Gaming where the opportunities for further development, especially following the proposed changes in the UK regulatory environment, could be significant.”

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IR/02/04

Analyst Meeting, Webcast and Conference call details:

Friday 27 February 2004
There will be an analyst meeting at King Edward Hall, Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ, starting at 9.30am. There will be a simultaneous webcast and conference call of the meeting.

To register for the live webcast, please pre-register for access by visiting the Group website, (www.rank.com). A copy of the webcast and slide presentation given at the meeting will be available on the Group's web-site later today. The webcast will be available for a period of six months.

An interview with Mike Smith, Chief Executive, in video/audio and text will also be available from 7.00am GMT on 27 Feb 2004 on: http:// www.rank.com and on http://www.cantos.com

Conference call details:

Friday 27 February 2004

9.20am	Please call 0800 953 1444 or from outside the UK +44 (0)1452 542 300 quoting "Rank Group Results"
9.30am	Meeting starts

CHIEF EXECUTIVE'S REVIEW

Results

Group operating profit* was slightly ahead of last year at £223.0m (2002 - £220.6m). Overall, this was a satisfactory result and was achieved despite the costs associated with the future development of the Group and £4.6m of adverse currency movements.

Gaming again achieved double digit growth in operating profit*. Provincial casinos were particularly strong, off-setting a flatter performance at Mecca, while Blue Square performed in-line with expectations following its acquisition by the Group in January 2003. The financial results from Hard Rock were disappointing, as the continued positive trend in like-for-like food and beverage sales was outweighed by poor merchandise sales. Deluxe performed better than expected with another excellent result in Film, more than compensating for the anticipated reduction in profits at Deluxe Media as the business migrates from VHS to DVD.

**Operating profit before goodwill amortisation and exceptional items.*

Development

During 2003, the Group continued to develop each of its three business divisions through a combination of product development and carefully planned investment. This will continue in 2004, with the focus of new investment becoming increasingly centred on Gaming, as the content and timing of gaming deregulation in the UK becomes clearer.

Gaming

In Mecca Bingo, the clubs at York and West Bromwich were relocated in 2003. Since the year end, the club in Burton has been relocated and plans are underway for further relocations in Bolton, Glasgow, Ellesmere Port and Edinburgh, all of which are expected to be completed during 2004. By the end of 2004 Mecca and Grosvenor will have four facilities sharing the same premises, which will ease the potential transition to multi-gaming when the law allows. With approximately 2.8 million square feet of licensed gaming space, the Mecca estate is a major asset of the Group and will play a key role in our gaming deregulation strategy.

Grosvenor Casinos also had a busy 2003 with the refurbishment and expansion of the Park Tower in central London, and the relocation of casinos in Huddersfield, Portsmouth and Plymouth. This takes the total number of casinos which are new builds to 13, out of a total of 34 currently in operation. Two new casino licences have been granted in Stoke-on-Trent and Bolton, the latter being a converted supermarket with over 57,000 square feet which will also house the relocated Mecca Bingo club. Both of these casinos, together with the relocated Cardiff casino, are expected to open in 2004. Applications for at least five new casino licences are also planned. If successful, this would take the total number of casino licences in the UK to 41, strengthening the Group's market position.

The acquisition of Blue Square has transformed the Group's presence in the interactive gaming arena. Having successfully combined the Blue Square and Rank Interactive Gaming operations, the enlarged business now allows customers to bet with Blue Square and play games on the recently launched Meccagames.com using a single account. Product development continues apace - Aces High was launched in the autumn and has already proved very successful. Additional games and a Blue Square casino will be launched later this year. An application has been made to site the first Blue Square shop next to the Victoria Casino in London. Applications for a number of other shops are also planned for locations adjacent to some of the Group's casinos and bingo clubs. This will be a first step ahead of deregulation, when it is expected that sports betting will be permitted within casinos.

Deregulation

The deregulation process appears to be gathering momentum. The Joint Committee on the Draft Gambling Bill is due to publish its report on 8 April 2004, and it is expected that the Government will re-issue the Bill for a first reading later this year. Whilst the fine detail of what is proposed remains to be clarified, Rank believes that its strong position in the UK betting and gaming market leaves it well placed to benefit from the proposed changes.

Hard Rock

At Hard Rock, the focus remains on extending the brand into non-restaurant activities, principally hotels and casinos. The two hotel/casino developments on Seminole Indian land in Florida represent a major step towards increasing the proportion of Hard Rock profits coming from non-restaurant operations. The smaller of the two Seminole developments, located in Tampa, is expected to open next month with 250 hotel rooms and 90,000 square feet of gaming. The second development in Hollywood is due to open in May. Elsewhere, following a successful first phase financing, construction has now begun on a new US$235m Hard Rock Hotel and Casino in Biloxi, Mississippi, under the terms of a 20 year licence agreement.

In June 2003 we announced the formation of a joint venture with Sol Meliá, the Spanish hotel group, to develop Hard Rock Hotels. The first hotel operated by the joint venture has opened in Chicago. Plans for a Hard Rock Hotel in San Diego have already been announced and we expect to be able to confirm plans for further hotels before the end of the year.

New owned cafes opened in Cardiff, Choctaw, Cologne, Detroit and Lisbon, with new franchised cafes in Moscow and Nassau. A total of ten new cafes are planned to open in 2004, five of which will be owned, including two within casino developments – one in Foxwoods, Connecticut, the other within the Seminole development in Hollywood, Florida.

Deluxe

Deluxe Film continued to grow customer volumes during 2003, supported by the new laboratories in Toronto and Rome and improved geographic coverage following investments in Spain and Australia. Deluxe Film's contract position was bolstered last year by the successful extension of three contracts, further securing its position as the world's leading film processing business.

In Deluxe Media, the on-going transition from VHS to DVD continued with the concentration of all North American DVD replication into the low cost production facility in Arkansas. Following the acquisition of Disctronics in July 2003, the Group now has a substantial disc manufacturing presence in Europe. The distribution business continues to prosper on the back of strong market growth, while Digital Services, Deluxe's compression and authoring business, is now one of the largest in the North American market. The demand for DVD continues to grow rapidly and securing additional contracted business from major customers remains a key objective.

Financing

During 2003, the Group raised almost £1 billion in new finance from a variety of sources, which both lowered the Group's cost of borrowing and also improved the overall debt maturity profile. These facilities were partly used to refinance both the £226m of outstanding convertible preference shares and the £125m 2008 sterling bond which were redeemed in December 2003. Net debt was £700.5m at the year end with an average cost of borrowing of 5.4% for the year.

Current Trading and Outlook

The trading patterns experienced in the first eight weeks since the year end are similar to those experienced in 2003. Despite adverse currency movements, we expect to make progress during 2004 and underlying earnings can be expected to benefit from a much lower cost of capital following the refinancings completed in 2003. The main focus of our efforts in 2004 will be on Gaming where the opportunities for further development, especially following the proposed changes in the UK regulatory environment, could be significant.

The benefits from the investments made across all of the Group's businesses, accompanied by the continued prudent management of the Group's balance sheet, mean that the Board remains confident of delivering long-term returns for Rank shareholders. We are pleased to announce a 6% increase in the proposed final dividend to 9.3p per share, making a total dividend for the year of 13.9p per share.

Summary of Results

	Turnover 2003 £m	Turnover 2002 £m	Profit before tax* 2003 £m	Profit before tax* 2002 £m
Gaming**	**865.7**	518.4	**117.2**	104.8
Hard Rock	**234.0**	242.7	**23.1**	27.6
Deluxe	**788.5**	704.2	**93.8**	90.0
US Holidays	**37.7**	43.2	**6.0**	8.1
Central costs and other	**-**	-	**(17.1)**	(9.9)
Continuing operations including acquisitions	**1,925.9**	1,508.5	**223.0**	220.6
Net income from associates and joint ventures			**0.4**	3.3
Managed businesses' interest			**(29.7)**	(22.6)
Profit before tax, exceptional items and goodwill amortisation			**193.7**	201.3
Amortisation of goodwill			**(6.4)**	(1.0)
Profit before tax and exceptional items			**187.3**	200.3
Exceptional items			**(58.0)**	(2.3)
Profit before tax			**129.3**	198.0
Basic earnings per share before goodwill amortisation and exceptionals			**20.1p**	20.1p
Basic earnings per share before exceptional items			**19.2p**	19.9p
Basic earnings per share			**14.3p**	19.6p
Dividend per share			**13.9p**	13.2p

**before exceptional items and goodwill amortisation*
***2002 turnover restated following the acquisition of Blue Square (see Note 1)*

Group turnover was 28% ahead of 2002 after including a £351m contribution from acquisitions, in particular Blue Square, which was acquired in January 2003. Turnover from continuing operations was up 4%, reflecting further growth in Gaming and Deluxe, offset by a weaker performance at Hard Rock and adverse currency movements. The movement in exchange rates between 2002 and 2003 reduced turnover by £26.4m.

Group operating profit before goodwill amortisation and exceptional items was up 1%, despite adverse currency movements which cost £4.6m. Gaming delivered another year of record profits with both Mecca Bingo and Grosvenor Casinos continuing to benefit from the investments made in new facilities and gaming products. The acquisition of Blue Square, and the accompanying operating synergies with Rank Interactive Gaming, helped to turn a £5.0m loss in 2002 into a £1.9m profit, before goodwill amortisation and exceptional items. Deluxe Film profit was up 15%, despite the loss of the Universal film contract during the year, reflecting continued strong underlying footage growth and the full year benefit of acquisitions made in 2002. In Deluxe Media, overall volumes in both manufacturing and distribution were up strongly, but, as expected, the impact of the transition from VHS to DVD led to lower profits for the year. The war in Iraq and the lack of any discernible upturn in travel and tourism meant that Hard Rock experienced another challenging year. Operating profit was down to £23.1m from £27.6m in 2002.

Managed businesses' interest payable before exceptional items was £7.1m higher than last year at £29.7m, largely reflecting higher debt levels, principally as a result of the acquisitions of Blue Square and Disctronics.

Earnings per share before goodwill amortisation and exceptional items of 20.1p was in-line with last year, reflecting a further reduction in the effective tax rate to 28.9% (2002 – 30.3%).

The Group has recorded a net pre-tax exceptional charge of £58.0m, offset by a tax credit of £26.1m. The pre-tax charge comprises restructuring costs in Deluxe Media of £35.8m, integration costs at Blue Square of £6.0m, a provision of £9.3m in respect of certain long-standing legal matters in the US (previously disclosed as contingent liabilities), costs associated with the redemption of the £125m 2008 bonds of £11.5m, and a credit of £4.6m from the release of certain disposal provisions which are no longer required. The tax credit of £26.1m includes £12.7m in respect of tax liabilities provided for on the previous disposal of the UK Holidays business which are no longer required.

The following table sets out the divisional results and profit before tax, stated after exceptional items and goodwill amortisation:

	Profit before tax 2003 £m	2002 £m
Gaming	**108.7**	104.8
Hard Rock	**23.1**	27.6
Deluxe	**54.1**	82.8
US Holidays	**6.0**	8.1
Central costs and other	**(26.4)**	(9.9)
Continuing operations including acquisitions	**165.5**	213.4
Net income from associates and joint ventures	**0.4**	1.3
Non-operating items	**4.6**	5.9
Managed businesses' interest	**(41.2)**	(22.6)
Profit before tax	**129.3**	198.0

GAMING

	Turnover		Operating Profit*	
	2003	**2002**	**2003**	**2002**
	£m	**£m**	**£m**	**£m**
Mecca Bingo				
UK	**233.1**	231.7	**72.6**	72.4
Spain	**24.6**	18.6	**6.8**	4.6
	257.7	250.3	**79.4**	77.0
Grosvenor Casinos				
UK	**173.7**	163.3	**32.0**	29.9
Belgium	**9.6**	8.5	**0.3**	(0.2)
	183.3	171.8	**32.3**	29.7
Rank Leisure Machine Services	**52.8**	50.0	**3.6**	3.1
Blue Square**	**371.9**	46.3	**1.9**	(5.0)
	865.7	518.4	**117.2**	104.8
Goodwill amortisation			**(2.5)**	-
Total			**114.7**	**104.8**

**before exceptional items*
***2002 turnover restated following the acquisition of Blue Square (see note 1)*

The Gaming division delivered another year of double digit growth in 2003 with operating profit before goodwill amortisation and exceptional items of £117.2m, a 12% increase over the previous year.

Mecca Bingo

UK Bingo statistics	**2003**	**2002**	***Change***
Admissions (000s)	**21,066**	22,678	*-7%*
Spend per head (£)	**11.06**	10.22	*8%*

In the UK, the well-established trends at Mecca Bingo of lower admissions and higher spend per head continued. Turnover increased by 1% in the year and was affected in the fourth quarter by the removal of box office fees following the change to a gross profits tax regime at the end of October 2003. Operating profit was marginally ahead of 2002 at £72.6m, reflecting a very healthy 31% profit margin.

The growth in revenue at Mecca continues to be driven by the success of interval games and machines with an increase in spend per head of 11% and 9% respectively. The split of revenue by activity is shown below.

Analysis of UK bingo turnover

	2003 £m	2002 £m	*Change*
Main stage bingo	**46.0**	47.1	*-2%*
Interval games	**105.8**	102.8	*3%*
Gaming machines	**57.2**	56.8	*1%*
Food, beverage & other	**24.1**	25.0	*-4%*
	233.1	231.7	*1%*

By the end of 2003, the roll out of jackpot machines across the Mecca estate was virtually complete with a total of 353 jackpot machines installed, compared with 210 at 31 December 2002. A number of new gaming machines are currently being trialled under Section 21 of the Gaming Act in certain Mecca clubs. The early performance statistics have been encouraging and, if ultimately successful, the plan will be to roll out a number of these machines across the entire UK estate.

The clubs at York and West Bromwich were relocated to new purpose-built facilities during the year. Since the start of 2004, the club at Burton has also been moved to new premises and others at Bolton, Ellesmere Port, Glasgow and Edinburgh will all be relocated before the year end.

In Spain, Mecca continued to develop with good like-for-like growth in both revenue and operating profit, plus full year contributions from the three clubs acquired during 2002. A further club at Santiago de Compostela was added in October 2003, taking the total number of clubs in Spain to ten. The Spanish operation contributed £6.8m of operating profit.

Grosvenor Casinos

Turnover at Grosvenor Casinos was up by 6% and operating profit was up by 7%, despite difficult trading conditions in the London market during the year. The provincial casinos continued their strong growth trend with profits up a further 16% in the year.

	Turnover		Operating Profit	
	2003	**2002**	**2003**	**2002**
	£m	**£m**	**£m**	**£m**
UK				
London – upper	**19.0**	23.2	**3.6**	6.0
London – other	**54.2**	55.5	**10.4**	11.7
Provincial	**91.5**	83.3	**26.3**	22.7
Hard Rock	**9.0**	1.3	**(1.6)**	(2.1)
Overheads	**-**	-	**(6.7)**	(8.4)
	173.7	163.3	**32.0**	29.9

	Admissions (000s)		Handle per head (£)		Win %	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**
UK						
London – upper	55	54	1,901	2,062	18.2%	20.9%
London – other	604	647	486	469	17.3%	17.1%
Provincial	2,667	2,627	181	166	16.5%	16.6%
Hard Rock	354	74	124	79	17.5%	16.7%

Profits at the Group's two upper end London casinos – the Clermont and the Park Tower – were below 2002 due largely to the impact of the major refurbishment of the Park Tower during the first half of the year and a lower win percentage at both casinos in the second half of the year. Since reopening in July with 40% additional gaming space, admissions and handle have increased substantially at the Park Tower.

Along with the rest of the market, the Group's three mid-market London casinos – the Victoria, the Connoisseur and the Gloucester – were affected by lower customer volumes in the run up to and following the war in Iraq. Admissions were down 7% and although handle per head was up 4%, overall handle was down resulting in lower levels of both turnover and operating profit.

The Group's provincial casinos enjoyed another strong year with turnover up 10% and operating profit up 16%. Since 2000, operating profits in this business have doubled as a result of the continuous investment in relocations, new licences and product development. This combination of initiatives succeeded again in increasing both admissions and handle per head in 2003. Whilst the relocation programme continues apace, the exceptional uplift in performance from the introduction of electronic roulette and the other new products during 2002 has now been realised. This factor, together with increased competition in certain key locations, resulted in a slowdown in the rate of growth in admissions and handle during the second half of the year.

The two Hard Rock casinos continued to make good progress in 2003. Both casinos enjoyed strong growth in attendance and handle and the London casino moved into profit during the second half of 2003 and is now the Group's second highest in terms of attendance. Both casinos are expected to benefit from deregulation and the ability to advertise the Hard Rock Casino concept.

Blue Square

Since its acquisition in January 2003 and integration with Rank Interactive Gaming, Blue Square has grown at an impressive rate. On a pro forma basis, assuming that the business had been owned for the full 12 months, stakes increased by 57% and gross win increased to £23.1m (2002 - £15.8m). With the launch of Meccagames.com, the introduction of a single account for both Blue Square and Meccagames customers, as well as the introduction of new games such as "Aces High", the number of active customers[1] increased by 50% compared with 2002.

	Turnover*		**Gross Win***	
	2003 £m	**2002 £m**	**2003 £m**	**2002 £m**
Internet	178.5	142.9	11.1	10.8
Telebet	77.3	48.0	3.9	1.9
Games	134.1	57.2	8.1	3.1
Total	**389.9**	**248.1**	**23.1**	**15.8**

** Restated to show Blue Square as if Rank had owned the business for the full year in both 2002 and 2003*

The realisation of £5m of synergy benefits and cost savings from the acquisition resulted in a £1.9m operating profit before goodwill amortisation and exceptional items, compared with a £5m reported loss in 2002.

Rank Leisure Machine Services

Operating profit at Rank Leisure Machine Services increased during the year to £3.6m (2002 – £3.1m). On 10 February 2004, the Group completed the disposal of this business to Gamestec Leisure Limited for £30m in cash.

[1] *Someone who has placed a bet within the last 12 months*

HARD ROCK

	Turnover		Operating Profit	
	2003	**2002**	**2003**	**2002**
	£m	**£m**	**£m**	**£m**
Owned cafes	**222.0**	230.4	**24.4**	29.2
Cafe franchise and other income	**6.3**	6.7	**5.8**	6.2
Hotel franchise and other income	**3.9**	3.3	**5.2**	3.8
Territory sales	**1.8**	2.3	**1.8**	2.3
Advertising and promotion	-	-	**(0.7)**	(1.4)
Overheads	-	-	**(13.4)**	(12.5)
	234.0	242.7	**23.1**	27.6

Despite an encouraging performance in food and beverage revenues in the owned cafes and increased income from hotel franchises, the absence of any significant recovery in international travel and tourism continued to undermine merchandise sales and, together with negative currency movements, resulted in a reduction in operating profit to £23.1m (2002 - £27.6m).

Like-for-like sales for the year were down 3.1%. Whilst food and beverage sales were up 2.4%, merchandise sales were down 11.2%. The shortfall in merchandise sales remains concentrated in the major tourist locations such as Paris, Rome, London, New York and Orlando.

Hard Rock like-for-like cafe sales %

	Food and Beverage	Merchandise	Total
To 31 December 2003			
North America	3.1%	(10.5)%	(2.4)%
Europe	(0.2)%	(13.8)%	(5.6)%
Total	2.4%	(11.2)%	(3.1)%
8 weeks to 22 February 2004	3.5%	(8.9)%	(0.5)%

The like-for-like sales trends have been relatively steady since June 2003 with a marginal improvement towards the end of the year. In the eight weeks to 22 February 2004 like-for-like sales were down only 0.5%.

Profit from cafe franchise and other income was down 6% to £5.8m and was impacted by the outbreak of the SARS virus which particularly affected the cafes in the Far East. Hotel franchise and other income contributed £5.2m in 2003, reflecting a good performance by the Orlando hotel and dividends from the Group's interest in the Universal Rank Hotel partnership in Orlando . Territory fees included up front fees from the Biloxi casino and from the Hard Rock Cafe planned at Foxwoods. Central overheads increased due to one-off redundancy costs of £1.1m associated with the restructuring announced at the beginning of 2003.

The strategy of continuing to extend the Hard Rock brand into hotels and casinos took a major step forward during 2003 with the formation in June of a joint venture with Sol Meliá to develop Hard Rock Hotels in the Americas and Europe. The Hard Rock Hotel in Chicago was the first hotel to open as part of the joint venture and is already attracting large amounts of media and customer interest. The joint venture has announced the development of a second hotel in San Diego, which is scheduled to open in 2006 and further potential projects are in the pipeline.

The first of the two Seminole Indian Nation developments, both branded Hard Rock, is expected to open in Tampa next month with 90,000 square feet of gaming, 1,500 slot machines, 55 poker tables and an 800-seater bingo facility; a 250 room hotel is also expected to open in March. The second development, in Hollywood, Florida, with 115,000 square feet of gaming, 2,000 slots, 65 poker tables, an 800-seater bingo facility and a 500 room hotel, is scheduled to open in May of this year. Elsewhere, the first phase of financing for a US$235m Hard Rock casino and hotel in Biloxi, Mississippi was completed at the beginning of 2004 and this is expected to open during the third quarter of 2005.

DELUXE

	Turnover		Operating Profit*	
	2003	**2002**	**2003**	**2002**
	£m	**£m**	**£m**	**£m**
Film Services	**396.4**	367.5	**72.3**	62.6
Media Services	**392.1**	336.7	**21.5**	27.4
	788.5	704.2	**93.8**	90.0
Goodwill amortisation			**(3.9)**	(1.0)
			89.9	89.0
Associates and joint ventures			**0.4**	1.8
Total			**90.3**	90.8

**before exceptional items*

Deluxe produced another strong result in difficult circumstances with turnover up 12% and operating profit up 4%. The overall result was achieved despite adverse currency movements which reduced operating profit by £3.5m, and reflected a very strong performance at Film, offset by the anticipated reduction in profit at Media, which was impacted by the continued transition from VHS to DVD.

Film Services

	Turnover		Operating Profit*	
	2003	2002	**2003**	2002
	£m	£m	**£m**	£m
Film Laboratories	**372.7**	366.6	**63.9**	62.3
Other services	**23.7**	0.9	**8.4**	0.3
	396.4	367.5	**72.3**	62.6
Goodwill amortisation			**(1.6)**	(0.1)
Total			**70.7**	62.5

**before exceptional items*

Film Services had an outstanding year in 2003 with operating profit up 15%. Film footage was up 3% despite the loss of the Universal film contract in March and the smaller Fox International contract in October 2003. Excluding these two contracts, contracted footage was up 10%. The growth in volume was due to the continued trend of the increasing number of prints per title, as studios move to ever wider release patterns, together with the addition of a number of contracts from independent film producers. Major titles produced during the year included Lord of the Rings – The Return of the King, X-Men United, Charlies Angels 2, and Master and Commander. The outlook for 2004 for Film Laboratories will be affected by the full year impact of contract losses but the schedule looks promising and accordingly we would expect underlying volume growth to mitigate the impact of these contract losses.

Other services includes the results of ETS and Capital FX and benefited in 2003 from a full year's contribution from both businesses. ETS, the physical film distribution business, became a wholly-owned subsidiary at the end of 2002. Additional contract wins resulted in strong growth in operating profit. Capital FX has continued to build on its position in the UK laser sub-titling and digital effects market. Deluxe's involvement in the digital arena is supplemented by its 20% interest in EFILM, one of Hollywood's leading providers of digital intermediates, which is accounted for as an associate.

All of Deluxe's film contracts as at 31 December 2003 are secure until at least 2005, with 82% of 2003 contracted volume secure until at least 2006, with a weighted average contract life of 49 months.

Media Services

	Turnover		Operating Profit*	
	2003	2002	**2003**	2002
	£m	£m	**£m**	£m
Video duplication	**111.2**	178.9	**(8.9)**	18.1
DVD/CD replication	**150.6**	55.7	**13.7**	3.2
Distribution services	**106.8**	90.8	**11.5**	5.3
Digital services	**23.5**	11.3	**5.2**	0.8
	392.1	336.7	**21.5**	27.4
Goodwill amortisation			**(2.3)**	(0.9)
Total			**19.2**	26.5

**before exceptional items*

The Group made significant progress towards completing the transition of the Media business in 2003. The transformation of the business from a pure VHS duplicator and distributor to a fully integrated DVD compression and authoring, replication and distribution business is now all but complete.

Key events during the year included the acquisition of Disctronics in July 2003, providing important European manufacturing capacity and making the Group one of the world's largest DVD manufacturers; the integration and rationalisation of the Ritek acquisition, which involved the relocation of plant, equipment and employees to a single production facility in Arkansas; and the commencement of a restructuring of the VHS business in Europe including the announcement to close the operations in Italy, Germany and Portugal.

The rate of decline of VHS continued to accelerate during the year with 160m units (2002 – 224m) being produced, leading to a decline in turnover of 38% and an operating loss of £8.9m. In contrast, the DVD/CD side of the business continued to make excellent progress. Total volume increased to 162m discs (2002 – 69m), revenue grew by 270% and operating profit increased fourfold with major titles produced in 2003 including the Indiana Jones box set and Seabiscuit. While technological advances have meant that the manufacturing costs are typically lower for DVD than VHS, the relative pricing and costs associated with the transition from VHS to DVD led to lower combined profits in VHS and DVD manufacturing. The global market for DVD grew by 46% in 2003 and is expected to continue to grow strongly.

The growth in demand for DVD was the major factor behind the growth in the distribution business where total volumes increased by 18% to 523m units (2002 – 443m units). Revenues increased by 18% to £106.8m (2002 - £90.8m) and operating profit more than doubled to £11.5m (2002 - £5.3m).

Digital Services doubled its revenues and grew profit to £5.2m, with particularly strong performance in the compression, encoding and authoring business.

US Holidays

The US Holidays business generated operating profit of £6.0m (2002 - £8.1m) and net cash of £7.8m (2002 - £13.0m).

Central costs and other

	2003 £m	2002 £m
Central costs	**(15.9)**	(14.3)
Other	**(1.2)**	4.4
	(17.1)	(9.9)

Central costs and Other increased by £7.2m in the year. This is due to increased insurance costs and a net £1.2m expense in Other compared with a £4.4m profit in 2002.

Associates and joint ventures

	2003 £m	2002* £m
Deluxe associates and joint ventures	**0.4**	1.8
BL Rank Properties (discontinued in 2002)	**-**	1.5
	0.4	3.3

**before exceptional items*

Deluxe associates and joint ventures comprises the 20% interest in EFILM and the investment in Atlab. The acquisition of the remaining 50% of ETS on 31 December 2002 resulted in that business being consolidated within Deluxe.

Managed businesses' interest*

	2003 £m	2002 £m
Interest payable and other charges	**44.8**	33.0
Interest receivable	**(13.0)**	(9.5)
Profit on disposal of Seminole Bonds	**(2.1)**	-
Net profit on redemption of fixed rate debt	**-**	(0.9)
	29.7	22.6
Average interest rate	**5.4%**	5.5%

**before exceptional items*

Managed businesses' interest increased to £29.7m reflecting the acquisitions of Blue Square and Disctronics, together with deferred consideration relating to previous acquisitions. The increase in interest cost was offset by a £2.1m profit on disposal of the Group's US$25m investment in bonds acquired as part of the original financing for the two Seminole Hard Rock hotel and casino developments in Florida.

Taxation

The effective tax rate, before exceptional items, is 28.9% (2002 – 30.3%). The pre-exceptional current tax rate is 7.2% (2002 – 15.6%). Cash tax liabilities relating to 2003 profits benefited from tax losses in the US and certain transactions structured in a tax efficient way in the UK.

Dividend

A proposed final dividend of 9.3p per Ordinary share will be paid on 7 May 2004 to those shareholders on the register on 13 April 2004.

Exchange rates

The average exchange rates used and the net translation effect of changes in average exchange rates between 2002 and 2003 is summarised in the next table.

	Average exchange rate		Impact on 2003	
			Turnover	Operating Profit
	2003	2002	£m	£m
US dollar	1.63	1.51	(45.8)	(7.0)
Canadian dollar	2.32	2.40	2.4	0.1
Euro	1.45	1.59	15.2	2.2
Other			1.8	0.1
			(26.4)	(4.6)
Gaming			2.9	0.6
Hard Rock			(11.1)	(1.2)
Deluxe			(15.1)	(3.5)
US Holidays			(3.1)	(0.5)
			(26.4)	(4.6)
Interest				2.0
Net impact on profit before tax				(2.6)

Exceptional items

	£m
Exceptional items within operating profit	
- Deluxe Media Services restructuring	(35.8)
- Blue Square restructuring	(6.0)
- Legal provision	(9.3)
Non-operating exceptional items	
- Release of disposal provisions	4.6
Exceptional items within net interest payable and similar charges	
- Premium on redemption of £125m Eurobond	(11.5)
	(58.0)
Tax	
- Credit on exceptional items above	13.4
- Release of disposal provisions	12.7
	(31.9)

The Deluxe Media Services restructuring charge of £35.8m comprises:

	£m
Cost of closure of DVD facilities	15.4
Impairment charge in connection with VHS assets	20.4
Total	35.8

In North America, the transition from VHS to DVD involved the gradual relocation of DVD replication capacity from California to replace existing VHS capacity in Arkansas. This relocation programme is now complete and, as a consequence, the DVD plants in Ontario and Carson, California have been closed. This gave rise to an exceptional charge of £15.4m comprising redundancy costs of £3.2m, asset write-offs of £3.9m and property related costs of £8.3m.

The decline in VHS volumes and the consequent restructuring of Arkansas for DVD has led to a reassessment of the carrying value of the Group's VHS assets. This has resulted in an impairment charge of £20.4m being made against those assets.

In Europe, the decline in VHS has lagged behind US trends but volume was 20% down in 2003. As a consequence, subsequent to year end, the decision was taken to close the duplication plants in Germany, Italy and Portugal and concentrate duplication into just three locations in the UK, Spain and Sweden. These closures, together with further actions that will be taken to restructure the European VHS business, are expected to give rise to a further exceptional item of around £10m, which, in accordance with FRS 12 "Provisions, Contingent Liabilities and Contingent Assets", will be booked in 2004.

Blue Square was acquired for £65m in January 2003. The business was integrated with Rank Interactive Gaming, generating £5m of annualised operating cost savings. The cost of achieving these savings was £6m and this has been included as an exceptional charge in these results. The charge includes redundancy costs of £3.4m and asset write-offs of £2.6m.

As previously described in the contingent liabilities note to the Group accounts, the Group has been subject to a number of legal actions in the US, including class action suits. Since 30 June 2003, one of these actions has been settled and progress has been made on other actions, such that the Directors are now in a position to make a reasonable estimate of the possible liabilities associated with these actions. Accordingly, a provision of £9.3m has been included as an exceptional item in the results. Additional information required to be disclosed by FRS 12 is not disclosed on the grounds that it can be expected to prejudice the outcome of the outstanding actions concerned.

During the course of 1999 and 2000, the Group made disposals totalling approximately £1.4 billion. Various provisions which were made at the time of the disposals are now no longer deemed to be necessary, resulting in a write-back of £4.6m.

On 8 December, the Company redeemed all the Group's £125m 7.25% bonds so as to allow the subsequent redemption of the Group's outstanding convertible preference shares. This gave rise to a premium on redemption of the bonds totalling £11.5m.

The tax credit on the exceptional charge is £13.4m. In addition, an exceptional tax credit of £12.7m has been recognised in respect of tax liabilities provided on the disposal of the Holidays business which are no longer required.

Cash flow

	2003	2002
	£m	£m
Cash inflow from operating activities		
Before Deluxe contract advances	**309.2**	242.3
Deluxe contract advances, net of repayments	**(17.3)**	(135.0)
	291.9	107.3
Capital expenditure	**(111.4)**	(117.9)
Fixed asset disposals	**5.7**	21.0
Operating cash flow	**186.2**	10.4
Interest, tax and dividend payments	**(172.8)**	(146.9)
Free Cash Flow	**13.4**	(136.5)
Acquisitions and investments*	**(123.6)**	(57.5)
Disposals (including sale and leaseback transactions)	**4.1**	18.9
	(106.1)	(175.1)
Issue of Blue Square convertible loan stock	**65.0**	-
Cash outflow	**(41.1)**	(175.1)

**including £65m of Blue Square debt*

The Group generated £13.4m of cash before acquisitions and disposals but after interest, tax and dividends (2002 – outflow of £136.5m). This reflects a much reduced net outflow on Deluxe contract advances and a £30.6m inflow from working capital.

Capital expenditure

	2003 £m	2002 £m
Gaming (excluding Rank Leisure Machine Services)	**44.8**	40.0
Hard Rock	**12.4**	26.2
Deluxe	**33.7**	30.4
US Holidays	**1.0**	1.3
	91.9	97.9
Rank Leisure Machine Services *	**19.5**	20.0
Total	**111.4**	117.9

**The depreciation charge associated with RLMS in 2003 was £17.8m (2002 - £16.6m).*

Acquisitions and investments*

	2003 £m
Blue Square	64.3
Disctronics	27.6
Other	7.4
Deferred consideration	17.8
Purchase of subsidiaries (net of cash acquired)	117.1
Purchase of investments	
- Investment in Hard Rock Hotels	2.6
- Rank Ordinary shares	3.7
- Other	0.2
Total	**123.6**

**Cost of investment and related fees, offset by cash acquired.*

On 27 January 2003, the Group completed the acquisition of Blue Square for a total consideration of £65m in unlisted, unsecured convertible loan stock. The loan stock, which became redeemable from the end of July 2003, is convertible into Rank Ordinary shares at a price of 282p per £1 of loan stock held. Full conversion of the loan stock, which if not converted beforehand will be redeemed for cash on 31 December 2004, would result in the issue of 23 million new Rank Ordinary shares.

In July 2003 the Group completed the acquisition of Disctronics, one of the largest independent DVD and CD replicators in Europe, for a total consideration of £34.3m, of which £6.7m relates to 2004 and 2005.

Net debt

	2003 £m
Opening net debt	**(399.1)**
Free cashflow	**13.4**
Acquisitions, investments and disposals	(119.5)
Net redemption of preference shares	(211.0)
Foreign currency translation	27.5
Other	(11.8)
Closing net debt	**(700.5)**

Net debt at 31 December 2003 was £700.5m compared with £399.1m at 31 December 2002. Net debt as a percentage of shareholders' funds was 133% compared to 53% at 31 December 2002 reflecting the redemption of preference shares.

Pensions – SSAP 24

Rank continues to account for its pension costs under SSAP 24. Pension costs in the year were £7.0m; this reflects contributions offset by £4.7m of SSAP 24 surplus amortisation relating to the 2001 actuarial valuation of the Rank Pension Plan ("the Plan").

At 5 April 2001, the market value of the Plan assets of £589.9m exceeded the market value of the Plan's liabilities by 9%, giving a surplus of £49.2m. The next actuarial valuation of the pension fund is scheduled for April 2004.

Pensions – FRS 17

In accordance with the provisions of FRS 17 "Retirement Benefits", at 31 December 2003 the deficit on this plan would be £64.8m (2002 - £90.9m). The reduction in the deficit includes a £49.1m credit due to the effect of changing the assumption regarding discretionary pension payments from 1.25% to nil.

SHAREHOLDER INFORMATION

Dividends

The proposed final dividend of 9.3p per Ordinary share, together with the interim dividend of 4.6p per Ordinary share, makes a total for the year of 13.9p (2002 – 13.2p). The total dividend for 2003 will be covered 1.4 times by earnings before exceptional items, based on 596.2 million Ordinary shares outstanding at 31 December 2003. The record date for the final dividend is 13 April 2004 and the payment date is 7 May 2004.

Annual General Meeting

The Annual General Meeting will be held at 11.30am on 27 April 2004 at The Radisson SAS Portman Hotel, 22 Portman Square, London W1H 7BG.

General

The financial information contained in this announcement is based on that contained in the full audited financial statements for the year ended 31 December 2003 dated 27 February 2004. The Directors approved this announcement on 27 February 2004.

This announcement does not constitute full accounts within the meaning of S.240 Companies Act 1985. The 2002 accounts for The Rank Group Plc have been delivered to the Registrar of Companies. The 2003 accounts for The Rank Group Plc have not yet been delivered to the Registrar of Companies.

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December

	2003 Before exceptional items £m	2003 Exceptional items £m	2003 Total £m	2002 Before exceptional items (as restated) £m	2002 Exceptional items £m	2002 Total (as restated) £m
Turnover						
Continuing operations (note 1 & 2)	**1,574.7**	**-**	**1,574.7**	1,508.5	-	1,508.5
Acquisitions	**351.2**	**-**	**351.2**	-	-	-
	1,925.9	**-**	**1,925.9**	1,508.5	-	1,508.5
Operating Profit before goodwill amortisation	**223.0**	**(51.1)**	**171.9**	220.6	(6.2)	214.4
Goodwill amortisation	**(6.4)**	**-**	**(6.4)**	(1.0)	-	(1.0)
Operating Profit						
Continuing operations (notes 2 & 3)	**211.9**	**(51.1)**	**160.8**	219.6	(6.2)	213.4
Acquisitions	**4.7**	**-**	**4.7**	-	-	-
	216.6	**(51.1)**	**165.5**	219.6	(6.2)	213.4
Share of operating profit in associates and joint ventures	**0.8**	**-**	**0.8**	4.8	-	4.8
	217.4	**(51.1)**	**166.3**	224.4	(6.2)	218.2
Non-operating items (note 3)	**-**	**4.6**	**4.6**	-	5.9	5.9
Profit (loss) before interest	**217.4**	**(46.5)**	**170.9**	224.4	(0.3)	224.1
Interest:						
Group	**(29.7)**	**(11.5)**	**(41.2)**	(22.6)	-	(22.6)
Share of associates and joint ventures	**(0.4)**	**-**	**(0.4)**	(1.5)	(2.0)	(3.5)
	(30.1)	**(11.5)**	**(41.6)**	(24.1)	(2.0)	(26.1)
Profit (loss) before tax	**187.3**	**(58.0)**	**129.3**	200.3	(2.3)	198.0
Tax (note 4)	**(54.2)**	**26.1**	**(28.1)**	(59.8)	0.6	(59.2)
Profit (loss) after tax	**133.1**	**(31.9)**	**101.2**	140.5	(1.7)	138.8
Equity minority interests	**(2.3)**	**2.8**	**0.5**	(2.1)	-	(2.1)
Preference dividends	**(17.1)**	**-**	**(17.1)**	(21.0)	-	(21.0)
Earnings (loss)	**113.7**	**(29.1)**	**84.6**	117.4	(1.7)	115.7
Basic earnings per share before goodwill amortisation	**20.1p**	**(4.9)p**	**15.2p**	20.1p	(0.3)p	19.8p
Basic earnings per Ordinary share	**19.2p**	**(4.9)p**	**14.3p**	19.9p	(0.3p)	19.6p
Diluted earnings per Ordinary share	**18.5p**	**(4.7)p**	**13.8p**	19.8p	(0.3)p	19.5p
Net dividend per Ordinary share	**13.9p**			13.2p		

GROUP BALANCE SHEET

	As at 31.12.03 £m	As at 31.13.02 £m
Fixed assets		
Intangible assets	**123.9**	52.3
Tangible assets	**803.2**	780.7
Investments	**63.6**	67.4
	990.7	900.4
Current assets		
Stocks	**70.2**	74.4
Debtors (including amounts falling due after more than one year)	**776.4**	731.5
Investments	**4.2**	24.0
Cash and deposits	**167.9**	83.2
	1,018.7	913.1
Creditors (amounts falling due within one year)		
Loan capital and borrowings	**(292.1)**	(38.8)
Other	**(441.7)**	(403.5)
	(733.8)	(442.3)
Net current assets	**284.9**	470.8
Total assets less current liabilities	**1,275.6**	1,371.2
Creditors (amounts falling due after more than one year)		
Loan capital and borrowings	**(580.5)**	(467.5)
Other creditors and provisions	**(152.0)**	(135.0)
	543.1	768.7
Capital and reserves		
Called up share capital	**59.6**	104.8
Share premium account	**17.5**	13.6
Other reserves	**449.9**	630.2
Shareholders' funds	**527.0**	748.6
Equity interests	**527.0**	522.0
Non-equity interests	**-**	226.6
Equity minority interests	**16.1**	20.1
	543.1	768.7

GROUP CASH FLOW

For the year ended 31 December	**2003 £m**	**2002 £m**
Net cash inflow from operating activities (note 6)	**291.9**	107.3
Returns on investment and servicing of finance		
Interest (net)	**(38.6)**	(23.1)
Dividends paid to preference shareholders and minorities	**(27.0)**	(20.9)
	(65.6)	(44.0)
Tax paid (net)	**(27.8)**	(27.1)
Capital expenditure and financial investment		
Purchase of investments	**(6.5)**	(13.7)
Purchase of tangible fixed assets	**(111.4)**	(117.9)
Sale of fixed assets and assets held for disposal	**9.8**	34.8
	(108.1)	(96.8)
Acquisitions and disposals		
Purchase of subsidiaries	**(53.7)**	(38.7)
Net cash acquired	**1.6**	3.4
Investments in joint ventures and associates	**-**	(8.5)
Sale of businesses and investments	**-**	5.1
	(52.1)	(38.7)
Ordinary dividends paid	**(79.4)**	(75.8)
Cash outflow before use of liquid resources and financing	**(41.1)**	(175.1)
Management of liquid resources	**19.6**	(18.8)
Cash outflow before financing	**(21.5)**	(193.9)
Financing		
(Redemption) Issue of share capital	**(211.0)**	5.2
Changes in debt and lease financing		
Debt due within one year:		
new sterling borrowings	**82.1**	-
(repayment) drawdown of other short term loans and borrowings	**(24.5)**	25.8
Debt due after one year:		
Drawdown on syndicated facilities	**200.0**	159.9
Repayment of syndicated facilities	**(137.0)**	-
New US dollar private placements	**304.3**	-
Repayment of sterling borrowings	**(125.0)**	-
Net movement on other long term facilities	**7.2**	(25.5)
Capital element of finance lease rental payments	**(3.8)**	(0.5)
Increase in financing	**92.3**	164.9
Increase (decrease) in cash (note 7)	**70.8**	(29.0)

GROUP RECOGNISED GAINS AND LOSSES

For the year ended 31 December	2003 £m	2002 £m
Profit for the financial year	**101.7**	136.7
Currency translation differences on foreign currency net investments	**(10.0)**	(26.5)
Tax on exchange adjustments offset in reserves	**8.8**	(0.5)
Total recognised gains and losses for the year	**100.5**	109.7

MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

For the year ended 31 December	2003 £m	2002 £m
Profit for the financial year	**101.7**	136.7
Dividends payable	**(99.9)**	(97.0)
Retained profit for the year	**1.8**	39.7
Other recognised gains and losses (net)	**(1.2)**	(27.0)
New share capital subscribed	**3.9**	5.3
Redemption of convertible preference shares	**(226.1)**	-
Goodwill realised on disposals	**-**	2.6
Amounts deducted in respect of shares issued to the QUEST	**-**	(0.7)
Net movement in shareholders' funds	**(221.6)**	19.9
Opening shareholders' funds as previously stated	**748.6**	728.7
Closing shareholders' funds	**527.0**	748.6

Notes to the accounts:

1. Accounting policies

The Group has amended its interactive gaming revenue recognition policy to show gross turnover (stakes) rather than gross win, reflecting current industry standards. The change increases turnover by £43.9m for the year ended 31 December 2002. There is no impact on operating profit.

2. Segmental analysis by geographical area of origin

	Turnover by origin		Operating profit by origin	
	2003	**2002**	**2003**	**2002**
	£m	**£m**	**£m**	**£m**
United Kingdom	**1,064.3**	630.3	**98.1**	100.5
North America	**665.6**	707.6	**87.7**	98.2
Rest of the World	**196.0**	170.6	**30.8**	20.9
	1,925.9	1,508.5	**216.6**	219.6

3. Exceptional and non-operating items

	2003	**2002**
	£m	**£m**
Exceptional items within operating profits:		
Blue Square restructuring	**(6.0)**	-
Deluxe Media Services restructuring	**(35.8)**	-
Legal provisions	**(9.3)**	-
Impairment of DVD assets within Deluxe	**-**	(6.2)
	(51.1)	(6.2)
Non-operating exceptional items:		
Profit on previously discontinued operations	**4.6**	-
Net loss on disposal of continuing operations	**-**	(0.8)
Net loss on disposal of fixed assets in discontinued joint venture	**-**	(1.0)
Profit on disposal of interest in discontinued joint venture	**-**	7.7
	(46.5)	(0.3)
Exceptional item within interest:		
Premium on redemption of Eurobond	**(11.5)**	**-**
Exceptional item within joint venture interest	**-**	(2.0)
	(58.0)	(2.3)
Tax:		
Credit on exceptional items	**13.4**	0.6
Release of disposal provisions	**12.7**	**-**
	(31.9)	(1.7)
Minority Interests:		
Share of exceptional item in Deluxe Media Services	**2.8**	-
Total	**(29.1)**	(1.7)

4. Tax charge

The tax charge may be analysed as follows:

	2003 £m	2002 £m
Rank subsidiaries	**54.0**	58.4
Associates and joint ventures	**0.2**	1.4
	54.2	59.8
Exceptional tax credit	**(26.1)**	(0.6)

Taxation has been provided at an effective rate of 28.9% (2002 – 30.3%) before exceptional items.

The following deferred tax asset has been recognised in the balance sheet in debtors. This asset primarily represents US tax losses and depreciable assets which are expected to be utilised against future profits.

	2003 £m	2002 £m
Deferred tax asset	**89.7**	105.9

5. Weighted average number of shares

The weighted average number of Ordinary shares used in the calculation of basic earnings per share is 592.3m (2002 – 589.2m). Diluted earnings per share is calculated using 618.5m Ordinary shares (2002 – 592.4m). The number of Ordinary shares as at 31 December 2003 was 596.2m.

6. Reconciliation of operating profit to cash flow

	2003 £m	2002 £m
Operating profit	**165.5**	213.4
Exceptional costs charged	**51.1**	6.2
	216.6	219.6
Cash payments in respect of exceptional costs and provisions	**(34.8)**	(15.8)
Depreciation and goodwill amortisation	**94.9**	80.6
Decrease (increase) in working capital	**30.6**	(38.1)
Contract advance payments, net of repayments	**(17.3)**	(135.0)
Other non-cash movements	**1.9**	(4.0)
Net cash inflow from operating activities	**291.9**	107.3

7. Reconciliation to net debt

	2003 £m	2002 £m
Increase (decrease) in cash	**70.8**	(29.0)
Increase in debt and lease financing	**(303.3)**	(159.7)
Movement in liquid resources	**(19.6)**	18.8
Increase in net debt from cash flows	**(252.1)**	(169.9)
Convertible bond	**(65.0)**	-
Borrowings and lease obligations acquired with subsidiaries	**(11.8)**	(10.9)
Gain on repayment of fixed rate debt	**-**	1.0
Currency translation adjustment	**27.5**	28.8
	(301.4)	(151.0)
Net debt at 1 January	**(399.1)**	(248.1)
Net debt at 31 December	**(700.5)**	(399.1)

8. Exchange rates

The US$/£ exchange rates for the relevant accounting periods were:

US$/£	2003	2002
Average	1.63	1.51
Period-end	1.79	1.61

9. Post balance sheet events

In January 2004, the Group issued £167.7m convertible bonds due 2009 which carry a coupon of 3.875%. The bonds are convertible into 39.9 million new Rank shares.

On 30 October 2003, the Group announced that it had agreed to sell the businesses, assets and liabilities of Rank Leisure Machine Services Limited and Rank Seasonal Amusements Limited (together "RLMS") to Gamestec Leisure Limited, for a total consideration of £30m in cash. The transaction completed on 10 February 2004. In the year to 31 December 2003, RLMS had turnover of £52.8m and operating profit of £3.6m.