



75 Years of Thrills and Entertainment

The Rank Group Plc

Preliminary Results to 30 June 2012

Agenda



Introduction

Ian Burke, chairman and chief executive

Review of financial results

Clive Jennings, finance director

Strategy and operational update

Ian Burke



75 Years of Thrills and Entertainment

Clive Jennings
finance director

Changes to accounting reference date



Rank's year end changed to 30 June

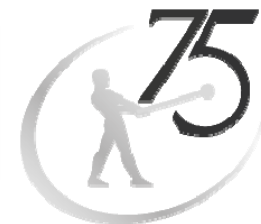
Financial results presentation focussed on pro-forma to 30 June year end

- '2011/12' 12 months to 30 June 2012
- '2010/11' 12 months to 30 June 2011
- pro-forma key statements for June year end

Statutory results

- 18 months to 30 June 12 (FY12) v 12 months to 31 Dec 2010 (FY10)

Financial headlines



12 months to 30 June 2012

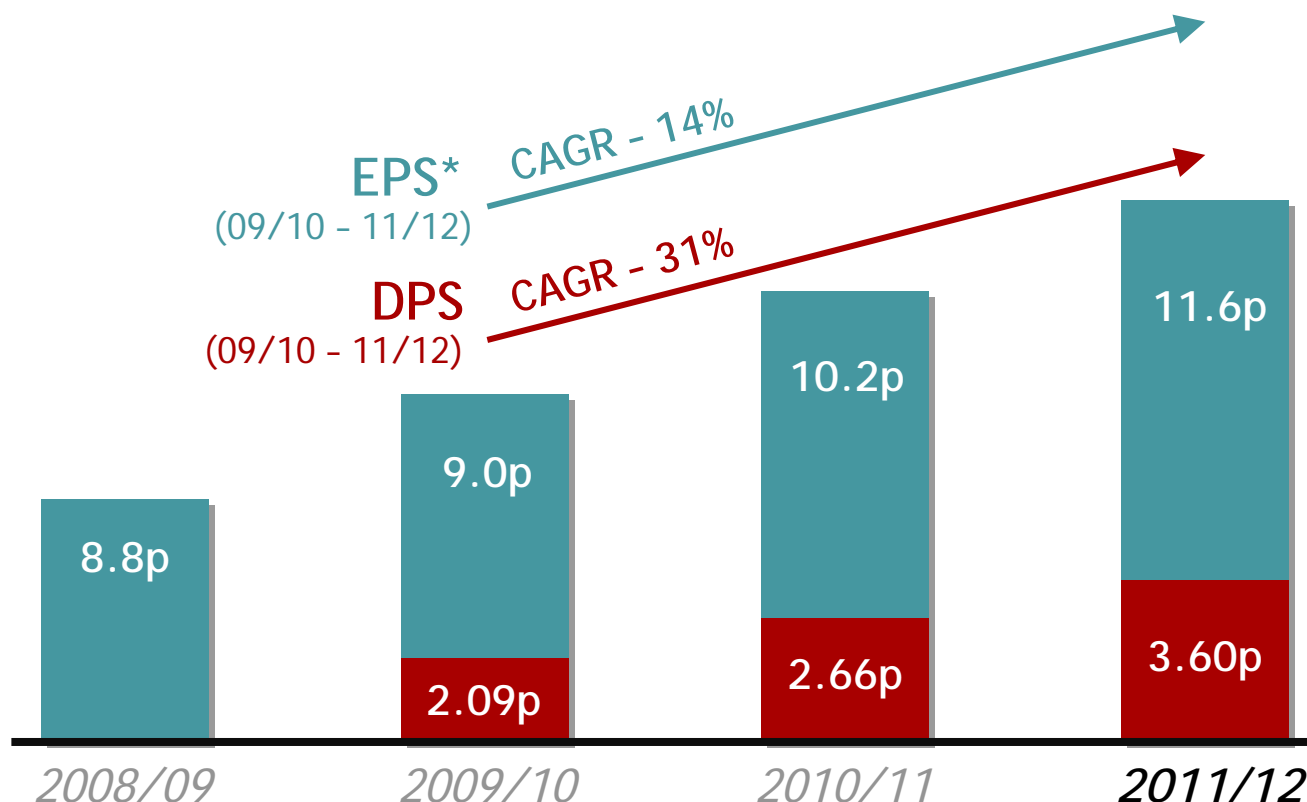
- Growth in revenue and operating profit translates to 13.7% rise in EPS
- Final dividend per share of 2.50p
- Strong financial position

- Gross revenue*: £600.5m (2010/11: £580.7m)
- EBITDA**: £104.4m (2010/11: £97.0m)
- Operating profit**: £65.5m (2010/11: £62.9m)
- Adjusted earnings per share**: 11.6p (2010/11: 10.2p)
- Operating cash flow: £59.1m (2010/11: £53.2m)
- Net cash: £41.8m (£37.2m at 30 June 2011)
- Total dividend per share: 3.60p (2010/11: 2.66p)

* before adjustment for free bets, promotions and customer bonuses

** before exceptional items

Delivering earnings and dividend growth



- Financial strength and strong operating performance - dividend cover drops

* Adjusted EPS

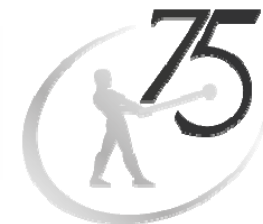
Revenue & operating profit



<i>£m</i>	<i>Revenue*</i>		<i>Operating profit**</i>	
	<i>2011/12</i>	<i>2010/11</i>	<i>2011/12</i>	<i>2010/11</i>
Grosvenor Casinos	255.8	245.4	42.8	38.6
Mecca Bingo	237.8	237.5	28.3	29.9
Rank Interactive	77.7	64.3	10.5	8.3
Top Rank España	29.2	33.5	1.4	4.0
Central costs			(17.5)	(17.9)
Group	600.5	580.7	65.5	62.9

* before adjustment for free bets, promotions and customer bonuses

** before exceptional items

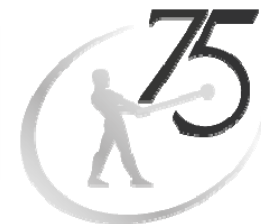


<i>£m</i>	<i>Revenue*</i>		<i>Operating profit**</i>	
	<i>2011/12</i>	<i>2010/11</i>	<i>2011/12</i>	<i>2010/11</i>
London	94.9	95.9	20.7	18.3
Provinces	145.6	132.9	22.8	20.0
Belgium	15.3	16.6	(0.7)	0.3
	255.8	245.4	42.8	38.6
KPIs				
Visits (000s)	6,095	5,742		
Spend per visit (£)	41.97	42.74		

- Like-for-like revenue for 12 months up 3.9%

* before adjustment for free bets, promotions and customer bonuses

** before exceptional items

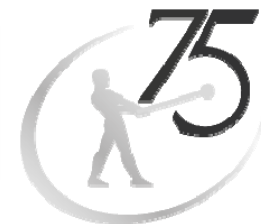


<i>£m</i>	<i>2011/12</i>	<i>2010/11</i>
Revenue*	237.8	237.5
Operating profit**	28.3	29.9
KPIs		
Visits (000s)	14,407	14,656
Spend per visit (£)	16.51	16.20

- Growth in customers and spend per visit driving revenue like for like up 2.0%
- 1.9% growth in spend per visit from improved food and drink offer and increasing popularity of electronic gaming terminals

* before adjustment for free bets, promotions and customer bonuses

** before exceptional items



<i>£m</i>	<i>2011/12</i>	<i>2010/11</i>
Bingo & games	59.7	48.1
Casino	8.5	5.7
Poker	1.1	1.5
Sports betting	8.4	9.0
Revenue	77.7	64.3
Operating profit	10.5	8.3

- meccabingo.com and grosvenorcasino.com benefiting from increased online:offline crossover
- Blue Square's mobile applications now account for over a quarter of revenue



<i>£m</i>	<i>2011/12</i>		<i>2010/11</i>	
	<i>H2</i>	<i>H1</i>	<i>H2</i>	<i>H1</i>
Revenue (£m)	14.3	14.9	14.9	18.6
Revenue (€m)	17.1	17.4	16.6	22.3
Operating profit*	0.9	0.5	0.2	3.8
KPIs				smoking ban introduced
Visits (000s)	2,049		2,207	
Spend per visit (£)	14.25		15.18	

- Effect of full smoking ban and challenging economic situation
- Cost discipline means operating margin up 5 percentage points in H2 2011/12 v H2 2010/11

* before exceptional items

Operating costs - *including free bets*



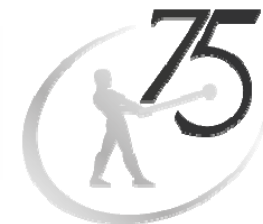
<i>£m</i>	<i>2011/12</i>	<i>2010/11</i>	<i>Change</i>
Employment	192.6	191.6	0.5%
Taxes & duties	95.7	90.5	5.7%
Direct costs	54.5	53.1	2.6%
Property costs	49.6	48.8	1.6%
Marketing*			
- online	26.0	20.6	26.2%
- offline	35.2	33.5	5.1%
Depreciation**	38.9	34.1	14.1%
Other	42.5	45.6	(6.8)%
Total	535.0	517.8	3.3%

- Operating costs rise sub-inflationary
- TV advertising campaigns and online marketing driving revenue growth
- Capital investment programme results in higher depreciation cost

* includes the cost of free bets, promotions and customer bonuses

** includes amortisation

Statutory profit & loss



<i>£m</i>	<i>2011/12</i>	<i>2010/11</i>
Profit from continuing operations	65.5	62.9
Net interest payable	(4.9)	(6.3)
Profit before tax and exceptional items	60.6	56.6
Exceptional items	(19.8)	124.8
Profit before tax	40.8	181.4
Taxation	(12.5)	(45.3)
Discontinued operations	(0.2)	6.1
Profit for the period	28.1	142.2

- Effective tax rate 26.3%; prior year adjustments and fall in headline rate

Cash flow and net cash/(debt)



<i>£m</i>	2011/12	2010/11
Continuing operations		
Cash inflow from operations	108.5	97.5
Capital expenditure	(49.6)	(45.0)
Fixed asset disposals	0.2	0.7
Operating cash inflow	59.1	53.2
Net acquisitions and disposals	(0.1)	0.8
Net cash receipts/(payments); provisions and exceptional items	(12.8)	66.7
Net interest and tax receipts/(payments)	(35.6)	77.2
Dividends	(8.2)	(9.3)
Other*	2.2	(18.0)
Cash inflow	4.6	170.6
Opening net cash/(debt)	37.2	(133.4)
Closing net cash	41.8	37.2

* includes the purchase of own shares, new finance leases and fx translation

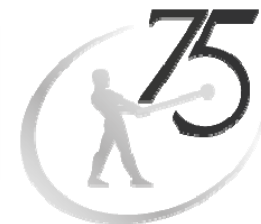
Capital investment to support growth



<i>£m</i>	<i>2012/13F</i>	<i>2011/12</i>
Grosvenor Casinos	25-26	26.8
Mecca Bingo	14-15	12.7
Rank Interactive	10-11	7.9
Top Rank España	1-2	1.4
Other	2-3	1.5
Total	52-57	50.3

- Grosvenor expansionary capex year 2 cash-on-cash return; 23.7%
 - Grosvenor Casinos expansion on track
- Success of Mecca Wood Green provides template for more conversions

Move to brand based reporting



<i>£m</i>	<i>Revenue by brand*</i>	
	<i>2011/12</i>	<i>2010/11</i>
Grosvenor Casinos	261.8	249.0
Mecca	294.0	282.6
Top Rank España /enracha	29.2	33.5
Blue Square	15.5	15.6
Group	600.5	580.7

* before adjustment for free bets, promotions and customer bonuses

Financial strength



- New revolving credit facility of £80m agreed
- Rank's capital investment programme delivering against targets
- Certainty on bingo VAT receipts
- Additional VAT claims of an estimated £275m

Current trading



- Like-for-like growth in six week trading period
- UK brands performing well in tough economic conditions



75 Years of Thrills and Entertainment

Ian Burke



To achieve sustainable growth in earnings per share by stimulating and meeting growing demand for gaming based entertainment

Develop trusted brands available in venues, online and on mobile ...

- ... identify distinct customer segments

- ... understand our customers needs

Engage in constructive political engagement to ...

- ... articulate our contribution to the communities and economies in which we are established

- ... shape an environment which encourages responsible operators

Our brands



Rank's long term competitive advantage arises from the development of a portfolio of trusted brands

Brand	Needs	Segment
 grosvenorcasinos.com	Social and competitive gaming-based entertainment	Male-led Age: 25 to 55 years
	Social, community gaming-based entertainment	Female-led Age: 25 to 55 years
	Sports-led betting and gaming	Male-led Age: 25 to 44 years



- Systematic use of customer data and feedback
 - customer focus
 - insight into action
- Capital investment to extend reach and broaden appeal
 - Grosvenor; G casino and Gala Casinos
 - Mecca; Full House
- Multi-channel distribution
 - reorganisation around brands

Multi-channel distribution - reorganisation



The Rank Group

- Strategic direction
- Shared service support



grosvenorcasinos.com

Grosvenor Casinos, Phil Urban

- venues contribute over half of operating profit
- opportunities in digital channel



Mecca, Mark V Jones

- strong online revenue growth
- high brand recognition



Blue Square, Mark A Jones

- mobile opportunity



Top Rank España, Jorge Ibáñez

- developing enracha

Our brands - Grosvenor Casinos



Insight;

low brand awareness as a result of historic advertising prohibition



grosvenorcasinos.com

Leading gaming brand

Awareness

%'age of respondents who recognise brand when prompted

44%

93%

Consideration

%'age of respondents who would use brand products

10%

19%

Action

%'age of respondents who have used brand products

7%

14%

Our brands – Grosvenor Casinos



Grosvenor is Britain's leading casino operator

Our focus

1. Product and service improvement

- gaming, food, drink and entertainment

2. Extending reach

- developing inclusive gaming venues, online and mobile
- multi channel distribution



Portfolio development 2011/12

- Three new G casinos
- Two G casino conversions

Portfolio development plan 2012/13

- Two new G casinos
- One conversion to G casino format
- Medium term targets
 - larger venues in high profile locations suitable for large provincial markets
 - recent CMS report
 - Gala Casinos acquisition

Grosvenor Casinos - extending reach, distribution



Online, including mobile

- Product upgrades
- Increased marketing
- Closer co-operation between venues and digital channels

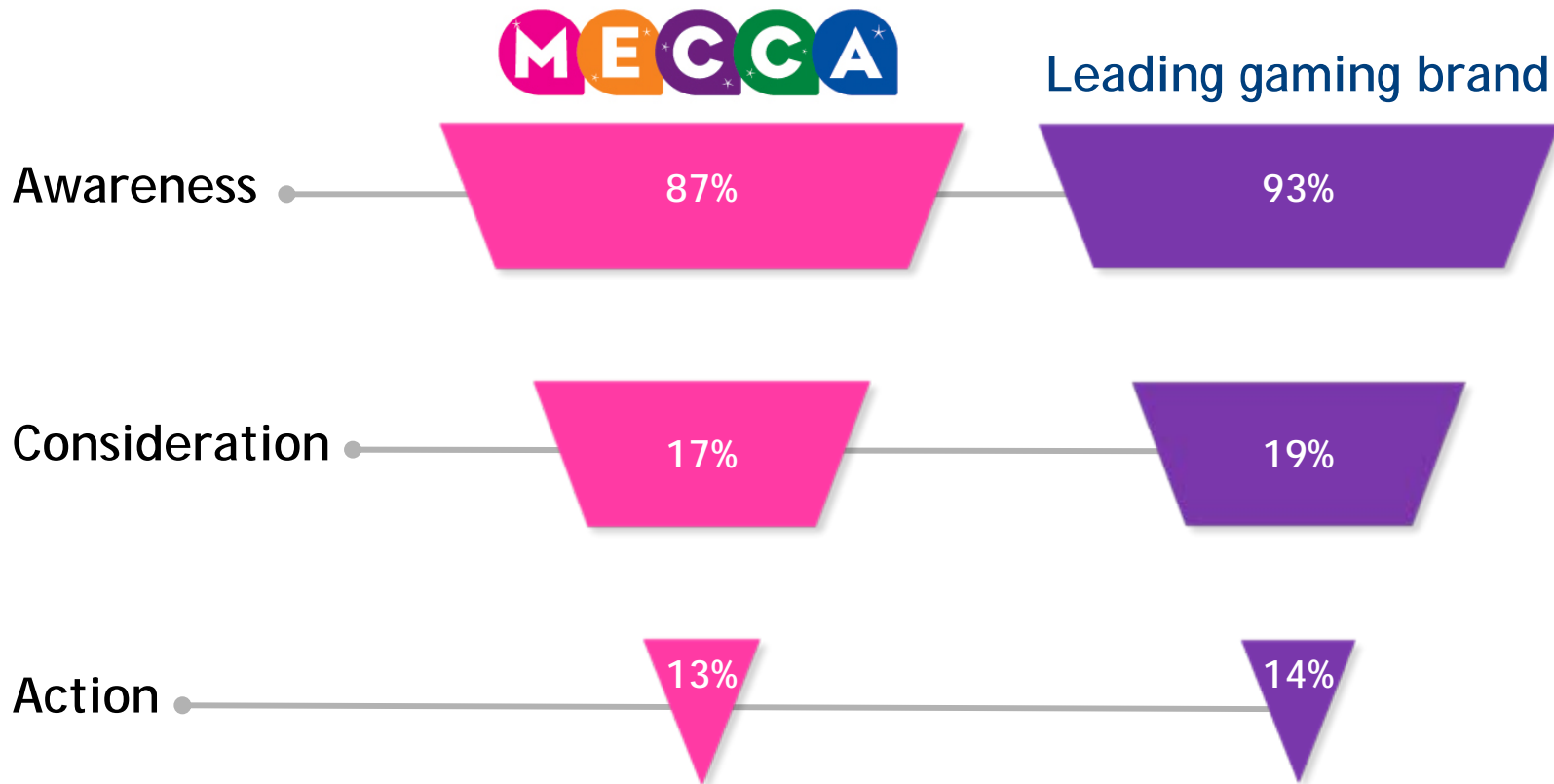


Our brands - Mecca



Insight;

Mecca enjoys high awareness but low conversion to trial



Our brands - Mecca



Mecca is one of Britain's most familiar gaming brands

- Multi-channel distribution through 97 venues, online and via mobile applications

Our focus

1. Product and service improvement

- cross channel community gaming, food, drink and entertainment

2. Extending reach

- developing inclusive gaming venues, online and mobile
- multi-channel distribution

Mecca - extending reach, capital investment



Full House Destination

- Wood Green exceeding expectations; four more sites scheduled to prove the concept

	<i>Venues</i>	<i>Average visits/week</i>	<i>Average spend per visit (£)</i>	<i>Average EBITDA per week (£'k)</i>
Full House Destination	7	3,953	18.40	15.6
Traditional Mecca	90	2,732	16.41	9.9



Good growth in year

- Cross channel marketing
- Product upgrades
- Strength of the brand
- TV advertising

Further growth opportunities

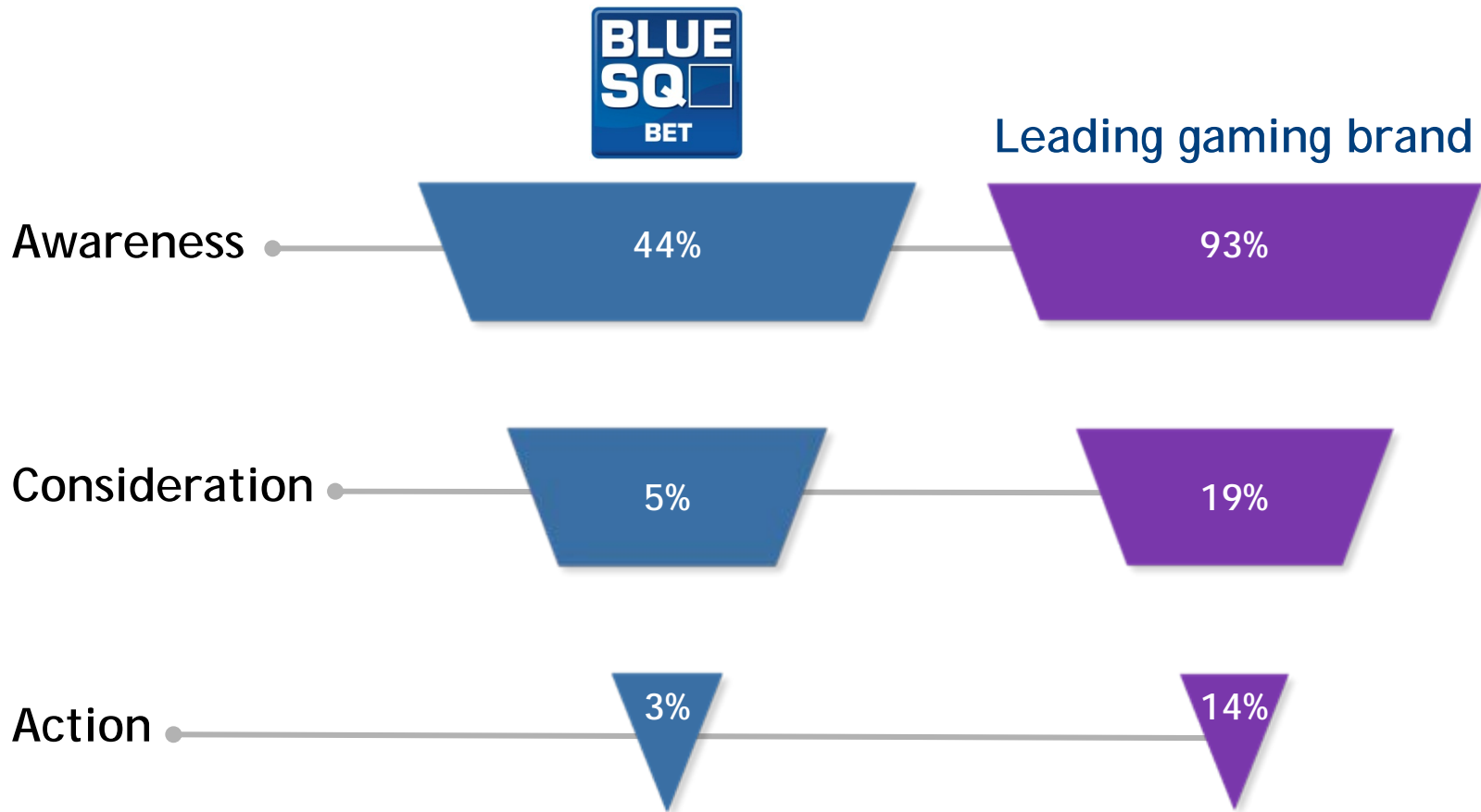
- Enhancements to website to improve customer experience
- Product range
- Mobile applications

Our brands - Blue Square



Insight;

young brand with no high street presence; low brand awareness





Fairness, Responsibility and Sustainability

- Current regime rife with anachronistic distinctions that stifle growth

Select Committee

- Culture, Media and Sport select committee report on Gambling Act 2005
 - reduction in bingo tax rate to 15%
 - portability of casino licences
 - harmonising rules for '68 Act with '05 Act; including amusement machines entitlement

Budget 2012

- HM Treasury announces introduction of two tier Machine Games Duty
- UK online gaming duty, based on location of consumer, expected in December 2014

Summary



- Strong brands with dedicated management
- Momentum for regulatory reform
- Financial strength



75 Years of Thrills and Entertainment

Appendices

Our brands - insight into action



Rank's brands face different challenges to achieve their potential

Leading gaming brand



	93%	44%	87%	44%
Awareness % 'age of respondents who recognise brand when prompted				
Consideration % 'age of respondents who would use brand products	19%	10%	17%	5%
Action % 'age of respondents who have used brand products	14%	7%	13%	3%



Analysis for datasheets



Rank's year end changed to 30 June

Each operating businesses' results recast to 30 June accounting reference date

- H1 2011/12 6 months to 31 December 2011
- FY 2011/12 12 months to 30 June 2012
- H1 2010/11 6 months to 31 December 2010
- FY 2010/11 12 months to 30 June 2011
- H1 2009/10 6 months to 31 December 2009
- FY 2009/10 12 months to 30 June 2010

Grosvenor Casinos data sheet



	<i>FY 2011/12</i>	<i>H1 2011/12</i>	<i>FY 2011/10</i>	<i>H1 2011/10</i>	<i>FY 2010/09</i>	<i>H1 2010/09</i>
Casino licences						
London	4	4	5	5	5	5
Provinces	33	33	32	31	30	30
Belgium	2	2	2	2	2	2
Total	39	39	39	38	37	37
Unused licences	10	10	10	11	12	12
Revenue (£m)						
Revenue (£m)	255.8	125.8	245.4	122.0	229.9	113.3
EBIT (£m)	42.8	20.4	38.6	18.4	33.8	16.2
Operating margin	16.7%	16.2%	15.7%	15.1%	14.7%	14.3%
Customers MAT (000s)*	1,193	1,194	1,113	1,131	918	918
Visits (000s)	6,095	3,059	5,742	2,790	5,179	2,555
Spend per visit (£)	41.97	41.12	42.74	43.73	44.39	44.34
Electronic gaming (UK only)						
B1 machines	704	707	693	671	648	648
B3/C/D machines	93	71	34	48	48	20
Electronic casino terminals	1,072	1,015	981	969	950	933

* Active customers on a Moving Annual Total basis, excluding Belgium

Mecca Bingo data sheet

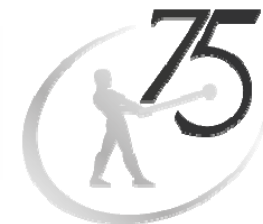


FY 2011/12 H1 2011/12 FY 2011/10 H1 2011/10 FY 2010/09 H1 2010/09

Clubs	97	98	100	103	103	103
Revenue (£m)	237.8	117.4	237.5	115.8	235.4	116.7
EBIT (£m)	28.3	14.8	29.9	13.7	29.3	13.3
Operating margin	11.9%	12.6%	12.6%	11.8%	12.4%	11.4%
Customers MAT (000s)	965	943	924	911	895	881
Visits (000s)	14,407	7,163	14,656	7,167	14,963	7,442
Spend per visit (£)	16.51	16.39	16.20	16.16	15.73	15.68
Electronic gaming						
B3/B4 machines*	1,164	1,114	913	997	1,036	971
C/D machines	4,285	4,451	4,335	4,542	4,572	4,508
Electronic bingo terminals	8,055	7,545	7,545	7,300	7,051	6,922

* includes B3 machines located in adult gaming centres, operated by Rank and located adjacent to Mecca Bingo clubs

Rank Interactive data sheet



FY 2011/12 H1 2011/12 FY 2011/10 H1 2011/10 FY 2010/09 H1 2010/09

Bingo & games	59.7	28.9	48.1	22.2	37.7	17.9
Sports betting	8.4	5.1	9.0	4.6	7.7	4.1
Casino	8.5	3.2	5.7	2.7	5.7	2.7
Poker	1.1	0.6	1.5	0.8	2.2	1.2
Revenue (£m)	77.7	37.8	64.3	30.3	53.3	25.9
EBIT (£m)	10.5	6.4	8.3	5.6	6.8	4.5
Operating margin	13.5%	16.9%	12.9%	18.5%	12.8%	17.4%

Top Rank España data sheet



FY 2011/12 H1 2011/12 FY 2011/10 H1 2011/10 FY 2010/09 H1 2010/09

Clubs	11	11	11	11	11	11
Revenue (£m)	29.2	14.9	33.5	18.6	36.5	18.1
EBIT (£m)	1.4	0.5	4.0	3.8	5.9	2.9
Operating margin	4.8%	3.4%	11.9%	20.4%	16.2%	16.0%
Customers MAT(000s)	305	308	319	331	341	314
Visits (000s)	2,049	1,064	2,207	1,197	2,322	1,180
Spend per visit (£)	14.25	14.00	15.18	15.54	15.72	15.34

Casinos market supply



<i>Operator</i>	<i>Casino Venues*</i>	<i>Total Licences*</i>
Genting	39	57
Grosvenor Casinos	35	47
Gala	25	31
London Clubs	10	11
A&S Leisure	6	6
Aspers/Aspinall's	5	8
Club 36	3	3
Clockfair	2	2
Guoco	1	6
Others	12	22
Total	138	193

Source: company research

* includes 2005 Act casino licences

Bingo clubs market supply



<i>Operator</i>	<i>Clubs*</i>
Gala Bingo	143
Mecca Bingo	97
Top Ten Bingo	22
Carlton Clubs	14
Others	192
Total	468

Source: company research

* excludes the conversion of adult gaming centres to bingo clubs