

THE RANK GROUP PRESENTS

HALF-YEAR FINANCIAL RESULTS
TO 31 DECEMBER 2012



THE RANK GROUP PRESENTS
AGENDA



Introduction

Ian Burke, chairman and chief executive

Review of financial results

Clive Jennings, finance director

Strategy and operational update

Ian Burke



THE RANK GROUP PRESENTS



Clive Jennings

finance director



THE RANK GROUP PRESENTS FINANCIAL HEADLINES

Six months to 31 December 2012

- Gross revenue⁽¹⁾: £312.0m (H1 2011/12: £295.9m)
- Operating profit⁽²⁾: £33.4m (H1 2011/12: £34.6m)
- Adjusted earnings per share⁽³⁾: 5.9p (H1 2011/12: 6.1p)
- EBITDA⁽²⁾: £53.7m (H1 2011/12: £53.1m)
- Operating cash flow: £40.9m (H1 2011/12: £24.4m)
- Net cash: £62.6m (£41.8m at 30 June 2012)
- Interim dividend per share of 1.25p

(1) before adjustment for free bets, promotions and customer bonuses;

(2) before exceptional items

(3) before exceptional items, the unwinding of discount in disposal provisions and other financial gains or losses



THE RANK GROUP PRESENTS REVENUE & OPERATING PROFIT

£m	Revenue ⁽¹⁾		Operating profit ⁽²⁾	
	H1	H1	H1	H1
	2012/13	2011/12	2012/13	2011/12
Grosvenor Casinos	144.5	128.1	25.4	18.9
Mecca	146.1	144.8	22.5	26.6
Enracha	13.8	14.9	0.4	(0.3)
Blue Square Bet	7.6	8.1	(4.8)	(1.7)
Central costs	-	-	(10.1)	(8.9)
Group	312.0	295.9	33.4	34.6

Group excl. additional Blue Square Bet marketing costs

35.4 34.6 ▲ 2%

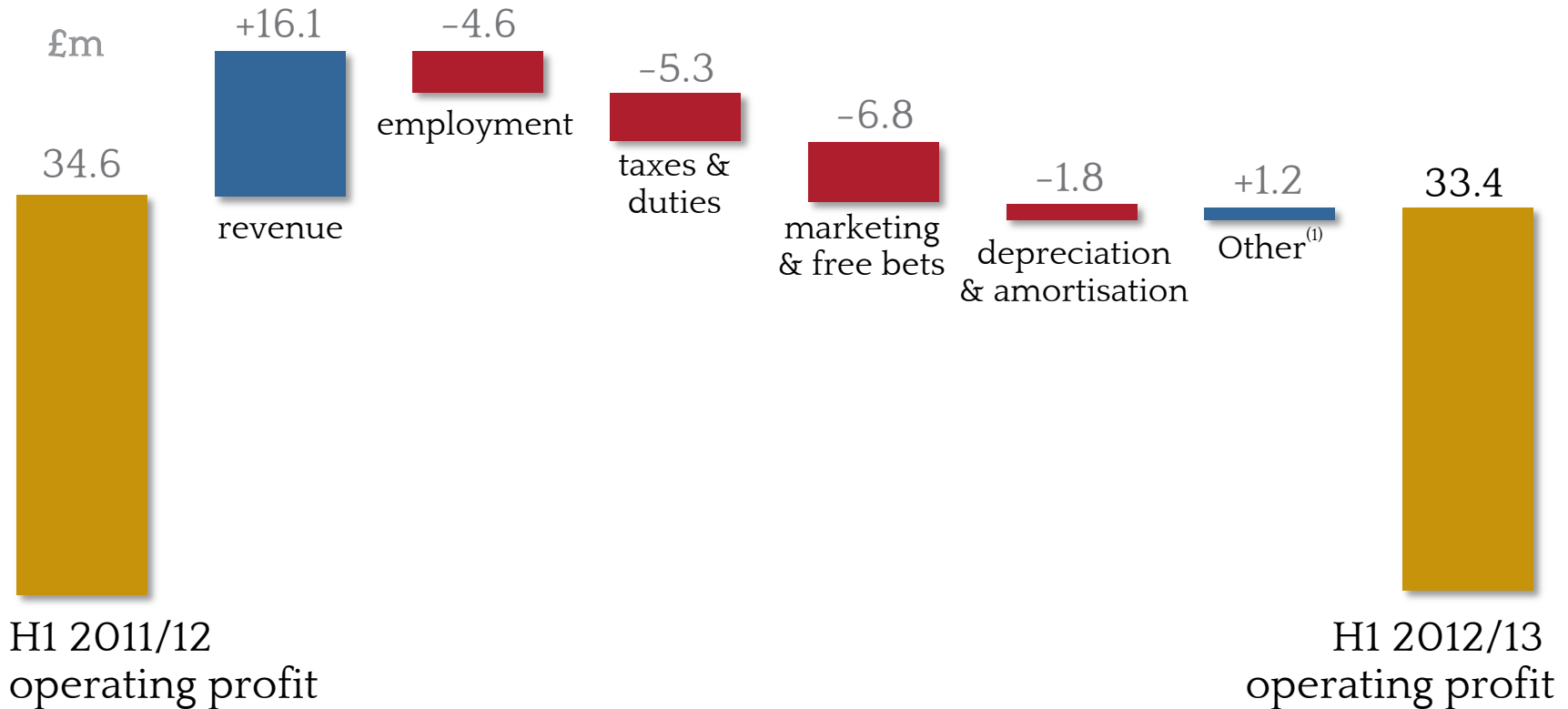
Group excl. Blue Square Bet

38.2 36.3 ▲ 5%

(1) before adjustment for free bets, promotions and customer bonuses;
(2) before exceptional items



THE RANK GROUP PRESENTS OPERATING PROFIT BRIDGE



(1) other includes direct and property costs



THE RANK GROUP PRESENTS REVENUE & PROFIT MOVEMENT BY BRAND

£m	Grosvenor Casinos	Mecca	Enracha	Blue Square Bet	Central costs	Total
Revenue	16.4	1.3	(1.1)	(0.5)	-	16.1
Employment costs	(2.1)	(1.3)	0.6	(0.3)	(1.5)	(4.6)
Taxes and duties	(5.9)	0.4	-	0.1	0.1	(5.3)
Marketing & free bets	(2.8)	(1.4)	0.3	(2.6)	(0.3)	(6.8)
D&A	(1.8)	0.1	0.1	(0.1)	(0.1)	(1.8)
Other ⁽¹⁾	2.7	(3.2)	0.8	0.3	0.6	1.2
Operating profit	6.5	(4.1)	0.7	(3.1)	(1.2)	(1.2)

All numbers are variances to last year

(1) Other includes direct and property costs
Negative movement reflects an increase in cost.



THE RANK GROUP PRESENTS
GROSVENOR CASINOS



£m	Revenue ⁽¹⁾		Operating profit ⁽²⁾	
	H1	H1	H1	H1
	2012/13	2011/12	2012/13	2011/12
London	57.2	46.5	16.5	10.2
Provinces	75.4	71.5	10.8	11.4
Belgium	7.5	7.8	(0.1)	(1.2)
Venues total	140.1	125.8	27.2	20.4
Digital	4.4	2.3	(1.8)	(1.5)
Total brand	144.5	128.1	25.4	18.9

KPIs	Venues		Digital	
Visits (000s)	3,052	3,059	166	84
Spend per visit (£)	45.90	41.12	26.51	27.38

- London: benefited from higher than average gaming win
- Provinces: impacted by three new G casinos opened in the last 16 months

(1) before adjustment for free bets, promotions and customer bonuses;

(2) before exceptional items

THE RANK GROUP PRESENTS MECCA



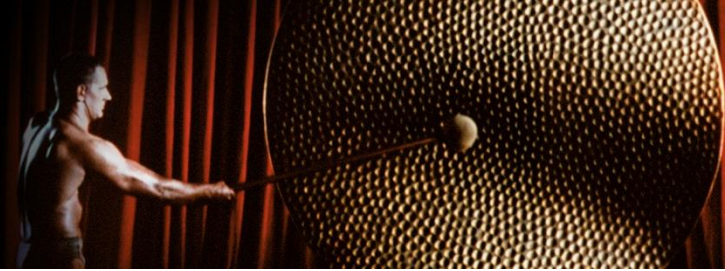
£m	Revenue ⁽¹⁾		Operating profit ⁽²⁾	
	H1	H1	H1	H1
	2012/13	2011/12	2012/13	2011/12
Venues	115.7	117.4	11.1	14.8
Digital	30.4	27.4	11.4	11.8
Total brand	146.1	144.8	22.5	26.6

KPIs	Venues		Digital	
Visits (000s)	6,864	7,163	2,436	2,027
Spend per visit (£)	16.86	16.39	12.48	13.52

- Digital: Strong growth in customers and customer visits
- Venues: Drop in average age of customer; increase in operating costs

(1) before adjustment for free bets, promotions and customer bonuses;
(2) before exceptional items

THE RANK GROUP PRESENTS ENRACHA



	H1 2012/13	H1 2011/12
Revenue (£m)	13.8	14.9
Revenue (euros m)	17.3	17.2
Operating profit (£m)⁽¹⁾	0.4	(0.3)

KPIs

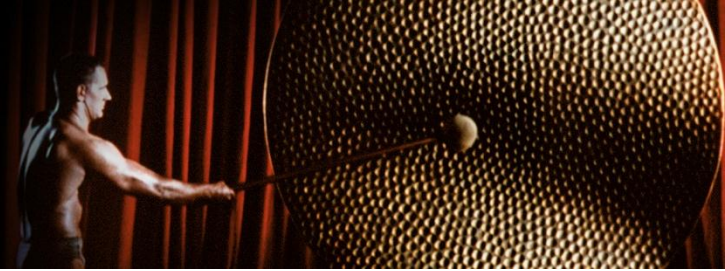
Visits (000s)	998	1,064
Spend per visit (£)	13.83	14.00

- Tough economic conditions
- Growth in euro revenue

(1) before exceptional items



THE RANK GROUP PRESENTS BLUE SQUARE BET



£m	H1 2012/13	H1 2011/12
Games	4.0	3.4
Sports betting	3.6	4.7
Revenue	7.6	8.1
Operating loss	(4.8)	(1.7)

KPIs		
Visits (000s)	852	858
Spend per visit (£)	8.92	9.44

- £2.0m of additional marketing spend
- Lower than average win margin in sports betting



THE RANK GROUP PRESENTS
OPERATING COSTS
 EXCLUDING FREE BETS



£m	H1 2012/13	H1 2011/12	Change
Employment	98.1	93.5	5%
Direct costs	28.0	27.2	3%
Property costs	25.6	25.1	2%
Other	19.1	21.6	(12)%
Sub total	170.8	167.4	2%
Marketing			
- online	10.4	6.5	60%
- offline	9.2	8.4	10%
Taxes & duties	52.6	47.3	11%
D&A	20.3	18.5	10%
Total	263.3	248.1	6%

- Grosvenor Casinos: Gaming duty; new openings
- Digital channels: increase in marketing; increased headcount



THE RANK GROUP PRESENTS STATUTORY PROFIT & LOSS

£m	H1 2012/13	H1 2011/12
Adjusted profit from continuing operations	31.3	32.5
Other	0.2	(0.7)
Profit before tax and exceptional items	31.5	31.8
Exceptional items	(16.2)	(12.9)
Profit before tax	15.3	18.9
Taxation	(6.3)	(4.6)
Discontinued operations	9.1	-
Profit for the period	18.1	14.3

- Effective tax rate: 27%
- Cash tax rate: 16%
- Exceptionals: Gala transactions costs; historic indirect taxes & duties



THE RANK GROUP PRESENTS CASH FLOW AND NET CASH



£m	H1 2012/13	H1 2011/12
Continuing operations		
Cash inflow from operations	56.8	52.2
Capital expenditure	(17.9)	(28.0)
Fixed asset disposals	2.0	0.2
Operating cash inflow	40.9	24.4
Net cash payments; provisions and exceptional items	(5.3)	(11.3)
Net interest and tax	(4.7)	(23.7)
Dividends	(9.8)	(3.9)
New finance leases	(0.8)	(0.2)
Other ⁽¹⁾	0.5	2.5
Cash inflow / (outflow)	20.8	(12.2)
Opening net cash	41.8	37.2
Closing net cash	62.6	25.0

(1) includes the purchase of own shares and fx translation

THE RANK GROUP PRESENTS

CAPITAL INVESTMENT TO SUPPORT GROWTH

£m	H1 2012/13	H1 2011/12	FY 2012/13
Grosvenor Casinos	10.9	14.9	27-29
Mecca	4.1	6.3	12-13
Enracha	0.5	3.2	1-2
Blue Square Bet	0.8	-	1
Central costs	2.4	3.8	6-7
Total	18.7	28.2	47-52

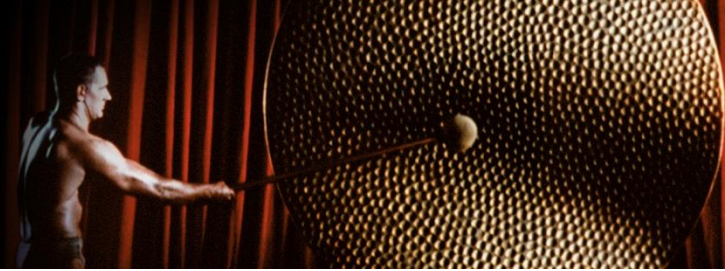
- Includes new finance leases of £0.8m (H1 2011/12: £0.2m)

THE RANK GROUP PRESENTS FINANCIAL STRENGTH

- Strong financial position, net cash £62.6m
- Undrawn revolving credit facilities of £80.0m
- Strong cash flow of over £100m annually
- VAT claims



THE RANK GROUP PRESENTS CURRENT TRADING



- Like-for-like growth in two week period before snow
- Snow impact on last two weeks
- Remain confident for rest of the year



THE RANK GROUP PRESENTS



Ian Burke

chief executive



THE RANK GROUP PRESENTS GROUP STRATEGY

- Develop strong gaming based entertainment brands
 - customer insight driving product and service improvement
 - capital investment to extend reach and broaden appeal of our brands
 - deliver brand experiences in venues, online & via mobile devices
- Engage in constructive political engagement



THE RANK GROUP PRESENTS
OUR BRANDS **GROSVENOR CASINOS**

Product and service improvement

- Quantitative and qualitative research
 - improved gaming offer
 - food, drink and entertainment
 - recruitment, induction, training and development



THE RANK GROUP PRESENTS
OUR BRANDS **GROSVENOR CASINOS**

Capital investment, £10.9m

- First half 2012/13
 - Gunwharf Quays, Portsmouth (Dec 2012; £2.2m)
- Second half 2012/13
 - Reading (March 2013; £7.5m)
 - extension of Bury New Road (June 2013; £1.8m)
- Extended entertainment offer; show bar

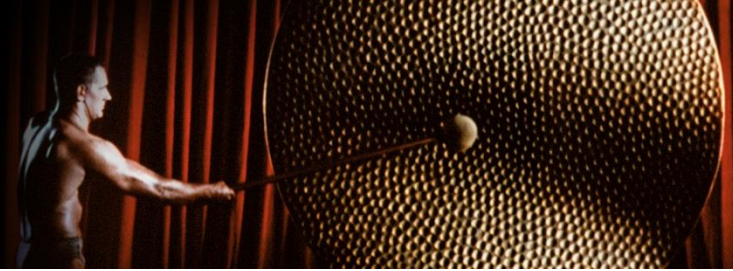


THE RANK GROUP PRESENTS
OUR BRANDS **GROSVENOR CASINOS**

Multi channel development

- Product upgrades
- Marketing spend
 - first TV advertising campaign
- Cross channel co-operation
 - brand leadership team

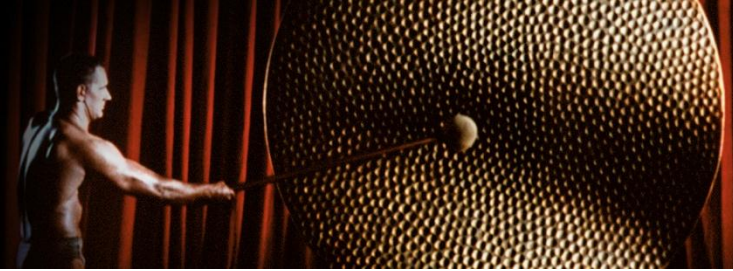




Product and service improvements

- Gaming product
 - Mecca Max, new terminals
- Food, drink and entertainment
 - cooked to order, improved menu
- Improved employee performance
 - service improvements (iCare; skill bytes)

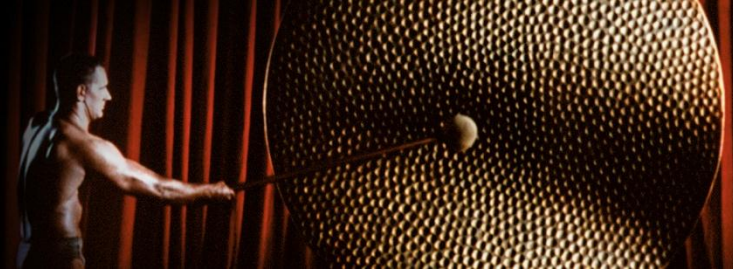




Capital investment

- Wood Green performance
 - achieving 20% cash return
- Hartlepool
 - November 2012 (£0.7m)
- Knotty Ash
 - February 2013 (£0.7m)

THE RANK GROUP PRESENTS
OUR BRANDS **MECCA**



Multi channel distribution

- Continued success
 - product upgrades
 - marketing
 - growth in mobile
 - venues/digital co-operation



THE RANK GROUP PRESENTS SUMMARY

- Grosvenor Casinos and Mecca
 - strong, trusted brands
- Casino venues and digital bingo
 - continue to be our stronger performing areas
- Opportunities
 - improve bingo venues and digital casinos
- Gala Casinos
- Blue Square Bet review



THE RANK GROUP PRESENTS



Appendices



THE RANK GROUP PRESENTS ANALYSIS FOR DATA SHEETS

- Rank's year end changed to 30 June
- Each operating businesses' results recast to 30 June accounting reference date
 - H1 2012/13 6 months to 31 December 2012
 - FY 2011/12 12 months to 30 June 2012
 - H1 2011/12 6 months to 31 December 2011
 - FY 2010/11 12 months to 30 June 2011
 - H1 2010/11 6 months to 31 December 2010
 - FY 2009/10 12 months to 30 June 2010



THE RANK GROUP PRESENTS GROSVENOR CASINOS VENUES DATA SHEET

	H1 2012/13	FY 2011/12	H1 2011/12	FY 2010/11	H1 2010/11	FY 2009/10
Casino licences						
London	4	4	4	5	5	5
Provinces	33	33	33	32	31	30
Belgium	2	2	2	2	2	2
Total	39	39	39	39	38	37
Unused licences	10	10	10	10	11	12
Revenue (£m)						
Revenue (£m)	140.1	255.8	125.8	245.4	122.0	229.9
EBIT (£m)	27.2	42.8	20.4	38.6	18.4	33.8
Operating margin	19.4%	16.7%	16.2%	15.7%	15.1%	14.7%
Customers MAT (000s) ⁽¹⁾	1,282	1,193	1,194	1,113	1,131	918
Visits (000s)	3,052	6,095	3,059	5,742	2,790	5,179
Spend per visit (£)	45.90	41.97	41.12	42.74	43.73	44.39
Electronic gaming (UK only)						
B1 machines	704	704	707	693	671	648
B2 machines	10	10	-	-	-	-
B3/C/D machines	79	93	71	34	48	48
Electronic casino terminals	1,092	1,072	1,015	981	969	950

THE RANK GROUP PRESENTS MECCA VENUES DATA SHEET



	H1 2012/13	FY 2011/12	H1 2011/12	FY 2010/11	H1 2010/11	FY 2009/10
Clubs	97	97	98	100	103	103
Revenue (£m)	115.7	237.8	117.4	237.5	115.8	235.4
EBIT (£m)	11.1	28.3	14.8	29.9	13.7	29.3
Operating margin	9.6%	11.9%	12.6%	12.6%	11.8%	12.4%
Customers MAT (000s)	958	965	943	924	911	895
Visits (000s)	6,864	14,407	7,163	14,656	7,167	14,963
Spend per visit (£)	16.86	16.51	16.39	16.20	16.16	15.73
Electronic gaming						
B3/B4 machines ⁽¹⁾	1,224	1,164	1,114	913	997	1,036
C/D machines	4,213	4,285	4,451	4,335	4,542	4,572
Electronic bingo terminals	8,100	8,055	7,545	7,545	7,300	7,051

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



THE RANK GROUP PRESENTS ENRACHA VENUES DATA SHEET



	H1 2012/13	FY 2011/12	H1 2011/12	FY 2010/11	H1 2010/11	FY 2009/10
Clubs	11	11	11	11	11	11
Revenue (£m)	13.8	29.2	14.9	33.5	18.6	36.5
EBIT (£m)	0.8	1.4	0.5	4.0	3.8	5.9
Operating margin	5.8%	4.8%	3.4%	11.9%	20.4%	16.2%
Customers MAT(000s)	291	305	308	319	331	341
Visits (000s)	998	2,049	1,064	2,207	1,197	2,322
Spend per visit (£)	13.83	14.25	14.00	15.18	15.54	15.72

THE RANK GROUP PRESENTS BLUE SQUARE BET DATA SHEET



£m	H1 2012/13	H1 2011/12
Games	4.0	3.4
Sports betting	3.6	4.7
Revenue (£m)	7.6	8.1
EBIT (£m)	(4.8)	(1.7)
Customers MAT (000s)	120	96
Visits (000s)	852	858
Spend per visit (£)	8.92	9.44



THE RANK GROUP PRESENTS OUR BRANDS – INSIGHT INTO ACTION

Rank's brands face different challenges to achieve their potential

Leading
gaming brand



Awareness

93%

49%

87%

42%

%age of respondents who recognise brand when prompted

Consideration

17%

13%

25%

5%

%age of respondents who would use brand products

Action

21%

11%

18%

3%

%age of respondents who have used brand products



THE RANK GROUP PRESENTS UK CASINOS MARKET SUPPLY



Operator	Casino Venues ⁽¹⁾	Total Licences ⁽¹⁾
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
(1) includes 2005 Act casino licences



THE RANK GROUP PRESENTS UK BINGO CLUBS MARKET SUPPLY

Operator	Clubs ⁽¹⁾
Gala Bingo	138
Mecca Bingo	97
Top Ten Bingo	22
Carlton Clubs	14
Others	192
Total	463

Source: company research

(1) excludes the conversion of adult gaming centres to bingo clubs

