

13 May 2013

The Rank Group Plc
Completion of Gala Casinos acquisition
and
Interim Management Statement for the 18 and 44 weeks to 5 May 2013

(all comparisons are with the equivalent periods in 2012)

Gala Casinos

On 6 March 2013 The Rank Group Plc ('Rank' or the 'Group') announced that it had entered into a revised conditional agreement for the acquisition of Gala Casino 1 Limited ("Gala Casinos") from Gala Coral Group Limited.

Rank is pleased to announce that all the conditions in the revised acquisition agreement have been fulfilled and yesterday it completed the acquisition of Gala Casinos.

Interim Management Statement

Rank today announces total continuing revenue for the 18 weeks to 5 May 2013 has grown by 2%, with like-for-like revenues down 2%. For the 44-week period total revenues increased 5% and like-for-like revenues were up 3%.

Group and brand revenue for the 18 and 44 weeks to 5 May 2013*				
	Weeks 27 to 44		Weeks 1 to 44	
	Like-for-like**	Total	Like-for-like**	Total
Grosvenor Casinos	(5)%	1%	5%	8%
Mecca	(1)%	2%	1%	2%
Enracha***	1%	1%	(3)%	(3)%
Total continuing	(2)%	2%	3%	5%
Discontinued – Blue Square Bet	(24)%	(24)%	(3)%	(3)%
Total	(3)%	1%	3%	4%

*Figures not adjusted for free bets, promotions and customer bonuses

**Like-for-like excludes the effects of clubs openings, closures, relocations and the impact of Machine Games Duty (MGD)

***Enracha performance not adjusted for currency movement.

Ian Burke, chairman and chief executive of The Rank Group Plc, commented:

“I am delighted that we have completed the acquisition of Gala Casinos. The addition of 19 casinos creates a market leading position for our Grosvenor Casinos brand, taking us into 11 new markets in the UK.

Unsurprisingly, our venues were affected by the persistent freezing weather conditions during the third quarter. Against that backdrop, we feel our businesses have performed reasonably well.

We remain confident in the Group’s long-term growth strategy and its increasing focus on the growth areas of digital and casino venues.”

Grosvenor Casinos

	Weeks 27 to 44		Weeks 1 to 44	
	Like-for-like**	Total	Like-for-like**	Total
Venues - Customer visits	(5)%	0%	(4)%	0%
Venues - Spend per visit	(1)%	0%	9%	7%
Venues revenue	(6)%	0%	4%	7%
Digital revenue	70%	70%	64%	64%
Total revenue	(5)%	1%	5%	8%

In the 18-week period total brand revenue grew by 1% whilst like-for-like revenues fell by 5%.

Venues were adversely impacted by the recent cold weather; this contributed to a 5% fall in customer visits and a 6% fall in like-for-like venues revenue in the 18-week period. Total venues revenue was in line with last year.

Spend per visit fell by 1% in the 18-week period impacted by a lower than normal win margin in London, which was driven by major player activity.

Revenue growth in the 44-week period remains solid, with the higher than normal London venues win margin seen in H1 still having a positive impact overall.

On 4 March 2013, Grosvenor opened a new G Casino in Reading. Performance to date has been in line with management’s expectations but it has only been open for a few weeks.

The strong growth in digital continues with revenues in the 18- and 44-week periods up 70% and 64% respectively, albeit from a low base. The growth in digital customer numbers was partly driven by an increased investment in marketing.

Mecca

	Weeks 27 to 44		Weeks 1 to 44	
	Like-for-like**	Total	Like-for-like**	Total
Venues - Customer visits	(7)%	(7)%	(5)%	(5)%
Venues - Spend per visit	3%	7%	3%	5%
Venues - Revenue	(4)%	(1)%	(2)%	(1)%
Digital – Revenue	16%	16%	14%	14%
Total revenue	(1)%	2%	1%	2%

The Mecca brand grew total revenue by 2% in the 18-week period with a continued good performance from its digital channel; like-for-like revenues were down 1%.

In the 18-week period venues like-for-like and total revenue was down 4% and 1% respectively as customer visits were adversely impacted by snow and the prolonged cold weather. An increase in like-for-like spend per visit of 3% reflects the continued success of the improved offering.

For the 44-week period like-for-like and total venues revenue were down 2% and 1% respectively.

A continued increase in customers and spend per visit for Mecca's digital brand resulted in revenues increasing by 16% in the 18-week period and 14% year to date. The growth in digital customer numbers was partly driven by an increased investment in marketing.

Enracha

	Weeks 27 to 44		Weeks 1 to 44	
	Like-for-like**	Total	Like-for-like**	Total
Customer visits	(4)%	(4)%	(4)%	(4)%
Spend per visit	5%	5%	1%	1%
Total revenue	1%	1%	(3)%	(3)%

Enracha's Sterling revenue for the 18-week period increased by 1%. In local currency, revenue decreased by 2%.

For the 44-week period, euro revenue was flat but an unfavourable exchange rate resulted in a 3% decrease in Sterling revenue.

Blue Square Bet

On 2 April 2013, Rank sold the assets and trademarks of its Blue Square Bet business to Betfair Group plc for £5 million.

Blue Square Bet will be disclosed as a discontinued business in the Group's full year results to 30 June 2013.

Retirement and appointment of senior independent director

Richard Greenhalgh will shortly have served nine years as a non-executive director of Rank and he has indicated that he wishes to stand down from the board on 30 June 2013. Richard joined the board on 1 July 2004 and has served on all three of its principal committees. He has served as senior independent director since 27 April 2006 and has chaired the remuneration committee since that date and chaired the board's nominations committee since 27 July 2011.

Colin Child, who joined the board on 1 January 2012, will become Rank's senior independent director with effect from 1 July 2013.

Ian Burke, Rank's chairman and chief executive said: "On behalf of the board I would like to thank Richard for his commitment and valued contribution during his time on the board."

Outlook

As a result of the temporary impacts of the abnormal weather during the winter period and a weak London win margin in the last 18 weeks, the Group expects its 2012/13 results from continuing businesses (including the contribution from Gala casinos) will be marginally below last year.

With the successful completion of the Gala Casinos acquisition, we have made major progress in delivering the Group's long-term strategy by increasing its focus on the growth areas of casino venues and digital. We remain confident in the Group's long-term growth prospects.

Forthcoming announcements

Rank will announce its full year results on 15 August 2013.

Ends

Conference Call

A conference call for investors and analysts will be held at 11am (London time) on Monday, 13 May 2013. Dial in information follows below:

UK (free call): 0800 694 0257
USA (free call): 18 66 966 9439
International: +44 (0)1452 555 566

Passcode: 70911539

A replay of the conference call will be available from the Rank Group's website (www.rank.com).

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Notes to editors:

1. About The Rank Group Plc

The Rank Group Plc 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 casinos and bingo clubs with complementary digital gaming.

Rank's operations comprise:

- **Grosvenor Casinos** – 54 casinos in Great Britain; two casinos in Belgium; online and mobile offering via grosvenorcasinos.com
- **Mecca** – 97 bingo clubs in Great Britain; online and mobile offering via meccabingo.com
- **Enracha** – 11 bingo clubs in Spain

For more information about The Rank Group, visit www.rank.com.

2. Gala Casinos

On 6 March 2013 Rank announced a revised deal to acquire Gala Casino 1 Ltd following an in-depth merger review by the Competition Commission. The transaction comprises 19 operating casinos (including four in London) as well as three non-operating licences for a total cash consideration of £179 million. The consideration will be subject to customary adjustments for, among other things, the amount of cash, debt and working capital at completion.

Acquiring Gala Casinos presents a significant opportunity for Rank to continue to deliver sustainable value to its shareholders through the development of its successful casino portfolio:

- Creates the largest casino operator in Great Britain by number of casinos with 54 operating venues and 12 non-operating licences
- Accelerates Rank's programme of estate expansion in Grosvenor Casinos
- Expected to be earnings enhancing for Rank in the first full financial year

Rank's anticipated investment in the acquired estate following the Amended Acquisition includes approximately £25 million over two years to roll-out the G Casino format to up to eight Gala casino locations and to upgrade the Gala Casinos estate, including implementing consistent branding and IT systems. This investment will be in addition to Rank's existing investment plans.

Rank will finance the amended acquisition along with its related costs and expenses with £140million of new bank facilities together with cash and existing bank facilities.

3. Regulatory notes - Machine Games Duty

From 1 February 2013, the system of machine income being subject to both VAT and AMLD (a fixed fee on each gaming machine) was replaced by Machine Games Duty ('MGD'). Two rates of MGD are charged on amusement machine income, 20% (for machines with a stake of more than 10p or a prize of over £8) of each machine's gross profits and 5% (for machines with a stake of less than 10p or a prize of less than £8). An exemption to MGD is available for a small number of Mecca machines.

The introduction of MGD has led to an increase in reported revenue and cost of sales for Rank, with a slightly adverse impact on operating profits.