

15 May 2014

**The Rank Group Plc
("Rank" or the "Group")**

Interim Management Statement for the 19 and 45 weeks to 11 May 2014

(all comparisons are with the equivalent periods in 2013)

Rank today announces total revenue for the 19 weeks to 11 May 2014 has grown by 19%, with like-for-like revenues down 1%. For the 45-week period total revenues increased 17%; whereas like-for-like revenues were down 4% as a result of the challenging and highly competitive trading environment.

Group and brand revenue for the 19 and 45 weeks to 11 May 2014*				
	Weeks 27 to 45		Weeks 1 to 45	
	Like-for-like**	Total***	Like-for-like**	Total***
Grosvenor Casinos	2%	45%	(4)%	39%
Mecca	(4)%	(3)%	(5)%	(2)%
Enracha****	(3)%	(3)%	(1)%	(1)%
Total	(1)%	19%	(4)%	17%

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

**Like-for-like includes the Group's estimate of the acquired casinos prior to their acquisition on 12 May 2013 and excludes the effects of clubs openings, closures, relocations and the impact of Machine Games Duty (MGD)

***Total excludes the performance of the acquired casinos pre acquisition

****Enracha performance not adjusted for currency movement.

Henry Birch, chief executive of The Rank Group Plc, commented:

"I am pleased to report that since H1 the Group's performance has shown an improvement in both total and like-for-like revenues. The investment in our Grosvenor Casinos venues and our continuing focus on providing value for money in our Mecca venues are helping deliver this improvement."

Grosvenor Casinos

	Weeks 27 to 45		Weeks 1 to 45	
	Like-for-like	Total	Like-for-like	Total
Venues - Customer visits	0%	37%	(3)%	35%
Venues - Spend per visit	0%	6%	(2)%	3%
Venues revenue	0%	45%	(5)%	39%
Digital revenue	54%	54%	42%	42%
Total brand revenue	2%	45%	(4)%	39%

In the 19-week period like-for-like brand revenue grew by 2% whilst total revenues grew by 45%.

Venues revenue was flat on a like-for-like basis, an improvement from H1, as customer visits continue to recover from the weather-impacted H1.

The London venues win margin in the 19-week period has fallen marginally versus H1, however, was above the comparable 19-week period.

The strong growth in digital continues with revenues in the 19- and 45-week periods up 54% and 42% respectively. The growth in digital was principally driven by an increase in crossover of venues customers to the digital channel and a strong live casino performance.

Mecca

	Weeks 27 to 45		Weeks 1 to 45	
	Like-for-like	Total	Like-for-like	Total
Venues - Customer visits	(4)%	(4)%	(7)%	(7)%
Venues - Spend per visit	2%	3%	3%	6%
Venues revenue	(3)%	(1)%	(5)%	(1)%
Digital revenue	(8)%	(8)%	(5)%	(5)%
Total brand revenue	(4)%	(3)%	(5)%	(2)%

Like-for-like revenue for the Mecca brand fell by 4% in the 19-week period, an improvement on H1; total revenues were down 3%.

Following the introduction of improved value for money bingo sessions at the start of H2 the brand saw improvements in both customer visits and revenue trends in the 19-week period. The 19-week period also benefited from a softer comparable period due to the snow impact in January 2013.

The highly competitive digital bingo market continues to adversely impact the brands digital channel with revenues falling by 8% in the 19-week period and 5% year to date.

Enracha

	Weeks 27 to 45		Weeks 1 to 45	
	Like-for-like	Total	Like-for-like	Total
Venues - Customer visits	(1)%	(1)%	(1)%	(1)%
Venues - Spend per visit	(2)%	(2)%	1%	1%
Total revenue	(3)%	(3)%	(1)%	(1)%

Enracha's euro revenue for the 19-week period was up 1%. In Sterling, revenue fell by 3%.

For the 45-week period, euro revenue fell by 2% but a favourable exchange rate resulted in Sterling revenue to fall by 1%.

Board changes

On 18 March 2014, Colin Child, senior independent director and chair of the audit committee, resigned from the board. Following Colin Child's resignation, Owen O'Donnell, was appointed chair of the audit committee.

The board is currently carrying out a search for a new senior independent director and will update on progress when appropriate.

On 6 May 2014, Henry Birch succeeded Ian Burke as chief executive of Rank. Ian Burke, who was previously both chief executive and executive chairman, moved to the role of non-executive chairman on 6 May 2014.

VAT

On 30 October 2013, Rank received notice that the Court of Appeal found in favour of HMRC regarding claims for overpaid VAT on certain types of amusement machines between 2002 and 2005. HMRC have requested repayment of monies received and it is anticipated that a repayment will be made before the end of the financial year.

On 16 April 2014, the Supreme Court granted Rank permission to appeal against the Court of Appeal decision; the appeal is expected to be heard early 2015.

Bingo duty

On 19 March 2014, the Chancellor announced a reduction in the rate of bingo duty from 20% to 10%. This reduction in bingo duty will apply from 1 July 2014 for the Group.

Rank has committed to a programme of investment and job creation in its bingo venues. Currently the Group is carrying out detailed research, site reviews, planning and licensing to assist with its plans.

Outlook

Following the successful implementation of both revenue and operating profit improvement actions, as outlined at the Group's H1 statement, the board anticipates operating profit for the full year to 30 June 2014 to be in line with management's expectations.

Forthcoming announcements

Rank will announce its full year results on 14 August 2014.

Ends

Conference Call

A conference call for investors and analysts will be held at 8.30am (London time) on Thursday, 15 May 2014. Dial in information follows below:

UK (free call): 0800 694 5707
USA (free call): 18 66 254 0808
International: +44 (0)1452 541 003

Passcode: 34422972

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** – 56 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 12 May 2013, Rank acquired Gala Casino 1 Ltd from Gala Coral. The transaction comprised 19 operating casinos (including four in London) as well as three non-operating licences for a total cash consideration of £179 million.

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.