

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your Ordinary shares in The Rank Group Plc please send this document and form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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24 March 2006

To Ordinary shareholders

Dear Shareholder

2006 ANNUAL GENERAL MEETING

This document contains on pages 3 and 4 the Notice of the 2006 Annual General Meeting of the Company, which will be held at the Plaisterers Hall, No. 1 London Wall, London EC2Y 5JU at 11.30am on Wednesday, 26 April 2006. A general description of the matters to be considered at this meeting can be found in the explanatory notes on pages 5 to 7.

You will see that in addition to the ordinary business to be conducted at the meeting there are eight items of special business.

Three of the items of special business concern amendments to the Company's authorised share capital and the adoption of new Articles of Association (a summary of the principal changes from the existing Articles is set out in Appendix 1 on pages 7 and 8).

The remaining five items of special business relate to the Company's authority to allot shares, to disapply pre-emption rights, to make market purchases of its Ordinary shares, to declare scrip dividends and to make EU political donations as defined in the Political Parties, Elections and Referendums Act 2000. The notes on pages 5 to 7 more fully explain the background to each of the resolutions to be proposed at the meeting.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the existing and proposed Articles of Association of the Company are available for inspection at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS, at any time during normal business hours on weekdays (excluding public holidays) from today and up to and including the day of the Annual General Meeting. Copies may also be inspected on the day of the Annual General Meeting at the Plaisterers Hall, No. 1 London Wall, London EC2 for at least 15 minutes prior to the meeting, and during the meeting.

ACTIONS TO BE TAKEN

A form of proxy for use at the forthcoming Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, you are urged to complete and return the form in accordance with the instructions printed on it so that it is received by the Company's registrars not later than 48 hours before the time fixed for the meeting. If you are a CREST member, you can submit your proxy electronically through the CREST system. Details are set out in the notes to the Notice of Annual General Meeting on page 5. Completion and return of the form will not prevent you from attending and voting at the meeting in person if you wish.

RECOMMENDATION

Your Directors consider the passing of all of the resolutions at the Annual General Meeting, including those to be proposed as special business, to be in the best interests of the Company and the shareholders as a whole.

Accordingly your Directors unanimously recommend shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alun Cathcart', written in a cursive style.

ALUN CATHCART

Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the tenth Annual General Meeting of The Rank Group Plc will be held at the Plaisterers Hall, No.1 London Wall, London EC2Y 5JU at 11.30am on Wednesday, 26 April 2006 for the following purposes:

1. To receive the report of the Directors and the audited Accounts for the year ended 31 December 2005.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2005.
3. To declare a final dividend of 10.3p per Ordinary share.
4. To re-appoint Alun Cathcart as a Director.
5. To re-appoint Peter Gill as a Director.
6. To re-appoint John Warren as a Director.
7. To re-appoint Ian Burke as a Director.
8. To re-appoint Bill Shannon as a Director.
9. To re-appoint PricewaterhouseCoopers LLP as auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. To authorise the Directors to agree the remuneration of the auditors.

As special business to consider and, if thought fit, pass the following resolutions of which resolutions 11, 12, 13, 16 and 17 will be proposed as ordinary resolutions and resolutions 14, 15 and 18 will be proposed as special resolutions.

11. "That the 300,000,000 authorised but unissued convertible cumulative redeemable preference shares of 20p each be subdivided and re-designated as 600,000,000 authorised but unissued Ordinary shares of 10p each."
12. "That the 5,000 authorised but unissued preference shares of US\$1,000 each be cancelled so as to reduce the authorised share capital of the Company to £180,000,000 divided into 1,800,000,000 Ordinary shares of 10p each."
13. "That the Directors be authorised and empowered in accordance with the terms of paragraph (A) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 80 amount (as so defined) shall be £22,600,000."
14. "That, subject to and conditional upon the passing as an ordinary resolution of the resolution numbered 13 set out in the notice containing this resolution, the Directors be authorised and empowered in accordance with the terms of paragraph (C) of Article 6 of the Articles of Association on the basis that the prescribed period (as defined in paragraph (D) of that Article) shall be the period expiring on the date for which the Annual General Meeting of the Company next following this meeting is convened and the Section 89 amount (as so defined) shall be £3,130,000."
15. "That, pursuant to Article 4(B) of the Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) on the London Stock Exchange of Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") on the following terms:
 - (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 93,900,000;
 - (b) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be not more than 5% above the average of the middle market quotations for an Ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is purchased;
 - (c) the minimum price (exclusive of expenses) which may be paid is 10p per Ordinary share;
 - (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2007 or on the day preceding the date falling 18 months from the date of passing of this resolution, whichever shall be the earlier; and

(e) the Company may make a contract or contracts to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary shares in pursuance of any such contract or contracts."

16. "That the Directors be authorised:

(a) to exercise the power contained in Article 135(C) of the Articles of Association to offer holders of Ordinary shares the right to elect to receive new Ordinary shares, credited as fully paid, in whole or in part, instead of cash in respect of any dividend paid or declared during the period commencing on the date hereof and expiring at the conclusion of the next Annual General Meeting of the Company; and

(b) to determine the basis of allotment of new Ordinary shares in respect of any such dividend so that the value of such new Ordinary shares may exceed the amount of such dividend, but not by more than 20 per cent of such amount, and for these purposes the value of such new Ordinary shares shall be calculated by reference to the "average" quotation of an Ordinary share, which shall be the average of the best bid prices for an Ordinary share as derived from the Stock Exchange Electronic Trading Service at 10am, 12 noon and 3pm for such five consecutive dealing days as the Directors may determine, save that if a best bid price for an Ordinary share is not so available or is zero in respect of any such time, the Directors be authorised to determine the value of such new Ordinary shares on such basis as they may deem appropriate in consultation with London Stock Exchange Plc."

17. "That the Company be authorised for the purposes of Section 347C of the Companies Act 1985:

(a) to make donations to EU political organisations (as defined in Section 347A of the Companies Act 1985) not exceeding £100,000 in total; and

(b) to incur EU political expenditure (as defined in Section 347A of the Companies Act 1985) not exceeding £100,000 in total,

during the period beginning with the date of passing this resolution and ending at the end of the Annual General Meeting of the Company to be held in 2007 or on the date falling 15 months from the date of passing of this resolution, whichever shall be the earlier. In any event, the aggregate amount of donations made and political expenditure incurred by the Company pursuant to this resolution shall not exceed £200,000."

18. "That the new Articles of Association of the Company, a copy of which was produced to the meeting and initialled for the purposes of identification by the Chairman of the Company, be and are hereby adopted as the Articles of Association of the Company to the exclusion and in substitution for the existing Articles of Association."

By order of the Board

Pamela Coles
Secretary

24 March 2006

Registered office:
6 Connaught Place, London W2 2EZ
Registered in England No. 3140769

Notes

1. Under the Company's Current Articles of Association only the holders of Ordinary shares are entitled to attend and to speak and vote.
2. Pursuant to Article 47(B) of the Company's Articles of Association and Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6pm on 24 April 2006 shall be entitled to attend or vote at the aforesaid general meeting in respect of the number of shares registered in their name at the time. Changes to entries on the relevant register of securities after 6pm on 24 April 2006 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) to vote in his or her place. A proxy need not be a member.
4. A form of proxy is enclosed for use by Ordinary shareholders.
5. The appointment of a proxy will not preclude a member from attending the meeting and voting in person.
6. The forms of proxy and the authority (if any) under which they are signed or a certified copy of such authority must be deposited at the offices of the Company's registrars – Lloyds TSB Registrars, The Causeway, Worthing, BN99 6TZ – not later than 11.30am on Monday 24 April 2006.
7. To appoint a proxy or to amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID 7RA01) by 11.30am on Monday 24 April 2006. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsor or voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Electronic proxy appointment is available for this general meeting. This facility enables members to lodge their proxy appointment by electronic means on a website provided by Lloyds TSB Registrars. Members who have already registered their holding(s) with the Shareview portfolio service will be sent an e-mail with full instructions on the electronic proxy voting procedure. Other shareholders may submit an electronic proxy appointment online, using the three reference numbers printed on the form of proxy, at www.sharevote.co.uk where details of the voting procedure are shown. Electronic proxies will not be valid if received after 11.30am on Monday 24 April 2006 and will not be accepted if found to contain a computer virus.

Explanatory Notes

These notes are intended to explain the business to be transacted at the Annual General Meeting.

Resolution 1 – Report and Accounts

The Directors of the Company are required under company law to present the Accounts, the Directors' Report and the auditors' report on the Accounts to shareholders at the Annual General Meeting.

Resolution 2 – Approval of Remuneration Report

Shareholders are required to approve the Directors' Remuneration Report for the financial year ended 31 December 2005. This report can be found on pages 30 to 36 of the 2005 Annual Report and Accounts.

Resolution 3 – Declaration of final dividend

Shareholders are required to approve the level of the final dividend in respect of the financial year ended 31 December 2005.

Resolutions 4, 5, 6, 7 and 8 – Re-appointment of Directors

Peter Gill, John Warren (a member of the Audit Committee), Ian Burke and Bill Shannon (a member of the Remuneration, Audit and Nominations Committees) have all been appointed as Directors since the last Annual General Meeting and have chosen to submit themselves for re-appointment.

Ian Burke and Peter Gill have service contracts which, during the period of 12 months following their appointment on 11 July 2005 and 6 March 2006 respectively, are terminable on 24 months' notice. After those periods they are terminable on 12 months' notice. John Warren and Bill Shannon do not have service agreements with the Company.

In addition, one third of the other Directors are required to retire as Directors and therefore Alun Cathcart and John Sunderland will retire by rotation. John Sunderland is currently Chairman of the Remuneration Committee, the Senior Independent Director, and a member of the Audit and Remuneration Committees. He will be retiring as a Director at the conclusion of the Annual General Meeting and therefore has not submitted himself for re-appointment. He does not have a service agreement with the Company. Alun Cathcart has chosen to submit himself for re-appointment and he has a service agreement with the Company terminable on 12 months' notice.

Biographical details of all of the Directors submitting themselves for re-appointment, except for Bill Shannon, are set out on page 27 of the 2005 Annual Report and Accounts. Bill Shannon, age 56, was appointed to the Board as a non-executive Director with effect from 3 April 2006. He is currently chairman of Aegon UK and Gaucho Grill restaurant group and also a non-executive director of Barratt Developments plc and Matalan plc. He had a long and successful career at Whitbread plc, culminating in his appointment as Divisional Managing Director of Whitbread Restaurants from 2000 to 2004.

Resolutions 9 and 10 – Re-appointment and remuneration of auditors

Under company law, auditors are required to be re-appointed at every Annual General Meeting.

Resolutions 11 and 12 – Amendments to the authorised share capital

All of the issued convertible preference shares have either been redeemed or converted into Ordinary shares. As there are currently no issued convertible preference shares outstanding, the Directors are proposing to re-designate the £60 million of authorised but unissued preference share capital as authorised but unissued Ordinary share capital. The new Ordinary shares will be subject to the same rights and restrictions as the current Ordinary shares. The Articles of Association to be adopted by the Company pursuant to Resolution 18 reflect this change to the Company's authorised share capital.

All of the issued dollar preference shares have been redeemed. As there are currently no issued dollar preference shares outstanding, the Directors are proposing to cancel the US\$5 million of authorised but unissued preference share capital. The combined result of Resolutions 11 and 12 will be that the Company's overall authorised share capital will be reduced to £180 million divided into 1,800,000,000 Ordinary shares of 10p each.

Resolution 13 – Authority to allot shares

Resolution 13 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities") with pre-emption rights, up to a maximum aggregate nominal value of £22,600,000 which represents approximately one third of the issued share capital of the Company as at the date of the Directors' Report plus amounts reserved for the exercise of share options. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company. The Directors have no present intention of exercising this authority otherwise than in connection with the exercise of options.

Resolution 14 – Authority to allot shares for cash

Resolution 14 will allow the Directors to allot unissued Ordinary shares of the Company and securities convertible into shares ("relevant securities") for cash, other than to existing shareholders in proportion to their holdings. The aggregate nominal value of relevant securities which can be allotted under the authority is limited to £3,130,000 being equal to approximately 5% of the nominal value of the issued share capital of the Company as at the date of the Directors' Report. The authority will last from the date of the passing of the resolution until the next Annual General Meeting of the Company. The Directors will have due regard to institutional guidelines in relation to any exercise of this authority, particularly the requirement for prior institutional consultation before making any issue which exceeds 7.5% of the Company's issued share capital in any rolling three year period. The Directors have no present intention of exercising this authority otherwise than in connection with the exercise of options.

Resolution 15 – Authority to make market purchases

Resolution 15 will authorise the Company to purchase up to 15% of its issued Ordinary shares at or between the minimum and maximum prices specified in the relevant resolution. The power would only be used after careful consideration by the Company, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion, and its overall financial position. The authority would only be exercised by the Directors if they considered it to be in the best interests of shareholders generally and if the purchase(s) could be expected to result in an increase in earnings per share.

As at 10 March 2006 (being the latest practicable date prior to the publication of this document), there were options outstanding over 17.5m Ordinary shares, representing 2.8% of the issued share capital of the Company. If the authority granted under Resolution 15 were to be exercised by the Company in full by the Directors, such shares would represent 3.3% of the issued share capital of the Company. The Company has no warrants in issue in relation to its shares.

Resolution 16 – Scrip dividend alternative

Resolution 16 is designed to provide the Directors with the authority to offer scrip dividends as an alternative to cash dividends in respect of the 2006 financial year. It is not currently the Directors' intention to offer such an alternative, but they would like to have this flexibility.

Resolution 17 – EU political donations

The Political Parties, Elections and Referendums Act 2000 (the "PPER Act") requires the Company to seek shareholders' authority for any EU political donations and EU political expenditure made by the Company. It has been our long-standing practice not to make payments to EU political parties and we intend that this will remain the case. However, the PPER Act is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities.

Accordingly, the Directors have decided to seek shareholders' authority for political donations and expenditure in case any of our normal activities are caught by the legislation. The authority sought would be capped at £200,000 for the next year and, although the PPER Act permits shareholders to grant authority for up to four years, the Directors will now seek to renew this authority at each Annual General Meeting in accordance with current best practice.

Resolution 18 – Adoption of new Articles of Association

Resolution 18 will approve new Articles of Association in place of the Company's existing Articles of Association which were adopted in 1996, with amendments having been made in 1996, 1999, 2003 and 2005. As a result of the changes required to be made to the existing Articles to reflect the alterations to the Company's share capital (pursuant to Resolutions 11 and 12), together with recent legislative, regulatory and best practice developments, the Directors believe that the simplest course of action is for the Company to adopt a new set of Articles of Association. Details of the key changes proposed are set out in Appendix 1 on pages 7 and 8. Minor, administrative and presentational changes are not noted.

Documents available for inspection

The Directors' service agreements, the terms and conditions of appointment of non-executive Directors, and the register of interests of the Directors (and their families) in the shares and debentures of the Company are available for inspection at the registered office of the Company during normal business hours. Copies of the Company's Memorandum of Association, and of the existing and proposed Articles of Association, will be available at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS at any time during normal business hours on weekdays (excluding public holidays) up to and including the day of the Annual General Meeting.

All of the above documents will also be available for inspection on the date of the Annual General Meeting at the Plaisterers Hall for a period of at least 15 minutes prior to the commencement of the meeting and until the meeting closes.

APPENDIX 1

Summary of the principal changes between the existing and the proposed new Articles of Association (the "Current Articles" and "New Articles" respectively).

(References to Article numbers below are to the numbers in the New Articles unless otherwise stated.)

Articles 2, 3, 6(C) 125 and 134(C) (Dollar and convertible preference shares)

These amendments reflect the re-designation of the unissued convertible preference shares as Ordinary shares, further to the redemption of the issued shares in 2003, and the cancellation of the unissued dollar preference shares, following which the Company's authorised share capital will comprise a single class of Ordinary shares (see the explanatory notes to Resolutions 11 and 12 on page 6 for a more detailed explanation). The provisions in the Current Articles relating to both types of preference shares will therefore be removed. Article 3 of the New Articles therefore states that the Company's authorised share capital is £180,000,000 divided into 1,800,000,000 Ordinary shares of 10p. As a result of Resolution 12, the Company's overall authorised share capital has been reduced by \$5,000,000 (being the amount of authorised but unissued dollar preference shares cancelled). The Company's issued share capital remains unchanged.

Articles 2, 142, 143, 144, 148, 149 and 151 (Use of electronic communications)

These Articles enable the Company to communicate with shareholders by sending documents in electronic form or by using website publication. Given the likelihood that shareholders will increasingly wish to communicate with the Company electronically, a number of changes have been made to the Articles. For example, Articles 143 and 144 set out the procedure for the provision of notices and documents to shareholders by publication on the Company's website. Shareholders will continue to receive notices and documents through the post in paper form unless they elect otherwise.

Articles 4(B) and 6(C) (Treasury shares)

The Company is currently authorised to purchase any of its own shares. Article 4(B) gives the Company an option to hold repurchased shares in “treasury” for future transfer into employee share schemes or future sale for cash rather than cancelling them. Article 6(C), which deals with the disapplication of pre-emption rights, clarifies that treasury shares being sold for cash will be dealt with in the same way as new shares being issued for cash.

Articles 59, 60 and 68 (Option to abstain)

In line with current best practice, Articles 59, 60 and 68 extend two-way voting by giving shareholders three voting options – “for”, “against” and “vote withheld” – for each resolution.

Articles 68 and 69 (Electronic appointment of proxies)

Articles 68 and 69 enable the Directors to establish procedures for proxies to be appointed and instructed electronically, for example through CREST, as well as by written instrument. Electronic proxy appointment provides an efficient means for shares to be voted in a direct and timely manner, and is in accordance with current best practice.

Article 72 (Rights of proxies)

Article 72 extends the rights of a proxy to include the right to speak at meetings.

Articles 98 and 113 (Committees)

Articles 98 and 113 extend the range of people who may be appointed to committees of the Directors by allowing the Directors to appoint non-directors as well as Directors to such committees. This will provide greater flexibility in the day-to-day running of the Company by enabling the Directors to appoint the most appropriate people to any given committee, whether or not they have been formally appointed as Directors.

Article 103 (Borrowing powers)

The powers of the Directors to borrow money are limited by Article 103 of the Current Articles to two and a half times the Company’s adjusted capital and reserves. Changes to accounting standards, including Financial Reporting Standard 17 and the introduction of International Financial Reporting Standards, have the potential to bring additional uncertainty or volatility to the calculation of the Company’s adjusted capital and reserves for these purposes, which could impact adversely the Company’s ability to borrow at the current level. To deal with this uncertainty, the Directors are therefore proposing that the limit on borrowings be increased to £1 billion.

Article 118 (Minute books)

Article 118 clarifies that minutes of meetings may be recorded either in bound books or in any other manner, provided that the recording is capable of being reproduced in a legible form. Minutes can therefore be stored, for example, on microfilm or as images on computer disks rather than in paper form.

Article 145 (Notices)

Article 145 entitles the Company to cease sending notices to a member if communications sent to that member are returned undelivered and, the Company having confirmed that the address it holds for such member is incorrect, the share register has been flagged with a “do not mail” marker in respect of that member. This formalises the Company’s current practice and will avoid the administrative expense of mailing notices to members who have changed address but omitted to provide the Company with updated contact details.

Article 154 (Indemnity)

The Companies (Audit, Investigations and Community Enterprise) Act 2004 (the “CAICE Act”) has extended the circumstances in which the Company may indemnify its Directors in legal proceedings. The CAICE Act allows indemnification of Directors and former directors in respect of proceedings brought by third parties, covering both legal costs and the financial costs of any adverse judgment. The CAICE Act does not permit indemnification to include the legal costs of the unsuccessful defence of criminal proceedings, fines imposed in criminal proceedings or penalties imposed by regulatory bodies such as the Financial Services Authority. Article 154 reflects these changes.

Pursuant to Article 154, the Company may also pay a Director’s defence costs as they are incurred, even if the action is brought by the Company itself. If the Director’s defence is unsuccessful, the Director will still be liable to pay any damages awarded and to repay defence costs (except where the proceedings have been brought by a third party and the Company chooses to indemnify the Director).