

# The Rank Group Plc



**Peter Johnson**  
Chairman

Over the course of the year, Rank delivered a total return to shareholders of 22.6% as the stock market responded positively to the Group's revenue growth, the effectiveness of its cost control measures and further substantial reductions in net debt and financial leverage.

## Operating successfully

At the heart of Rank's strategy to achieve long-term growth in earnings per share is a focus on reaching out to a wider customer base, extending both the reach and the relevance of our businesses.

In order to achieve this, the board recognised that it needed to bring about a change in culture, allying broader retail expertise to our strong understanding of the gaming market and its regulatory framework.

Since 2008, Rank has appointed new managing directors in its three largest businesses. Each has an operational background in either leisure retail or online retail.

In June 2009, Mark V Jones, an experienced operator of pubs and restaurants, joined us as managing director of Mecca Bingo to lead the transformation of that business.

Reflecting this cultural shift, Rank has started to build a reputation for innovation in the development, refinement and deployment of new concepts and new customer experiences in leisure, based around gaming.

In 2009, the Group stepped up the pace of expansion for its proven G Casino format. By the end of the year, the G Casino brand had grown from six to

ten casinos, with each delivering levels of customer visits and revenue significantly higher than the average across the remainder of the estate.

The year also saw the launch of the Mecca 'Full House' club concepts. The first Mecca 'Full House Destination' opened in Nottingham in May 2009, offering a new style of gaming-based social entertainment, aimed principally at women. The early performance of the club has been encouraging and we have now developed two additional sites under the format.

At the same time, the Group achieved much closer integration between its online and land-based gaming brands, exploiting opportunities for revenue and cost synergies.

## Capital structure and dividend policy

During 2009, the Group carried out a review of its capital structure and dividend policy, against a background of operational improvements, significant growth in earnings per share and a sustained reduction in net debt. As a result of this review, Rank intends to adjust its capital structure to target a level of around 2.5 times net debt to EBITDA over the medium term.

In addition, the board has determined to recommend a resumption of dividend payments, beginning with a 1.35p per share final dividend for 2009. The dividend will be paid on 5 May 2010 to shareholders on the register at 6 April 2010.

We plan to adopt a progressive dividend policy, taking into consideration the Group's capital investment requirements and the stability of the wider operating and economic environment. Within this context, the board intends to set dividends such that Rank achieves a dividend cover of around 3.0 times over the medium term.

## Outlook

While the board is pleased with the progress achieved during 2009, opportunities and challenges lie ahead. The current year is forecast to be a period of gradual, if fragile, economic recovery in the UK, Rank's key market, whilst the outcome of the forthcoming general election is likely to influence the regulatory and tax landscape for gaming and betting in Britain.

Rank's primary focus remains on delivering service excellence to our customers as a means of generating

value for our shareholders. The board believes that the quality of Rank's customer propositions, its standards of service and insight and the in-depth strength of its management team give the Group a platform for sustainable growth.

**Peter Johnson**  
Chairman  
24 February 2010

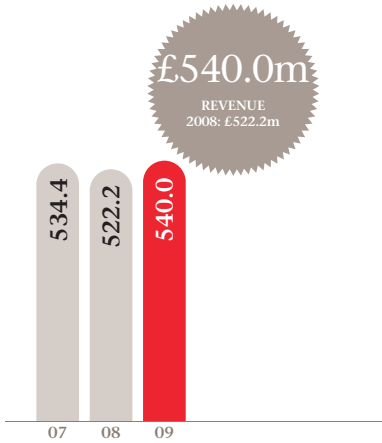
*We are writing to notify you that our notice of 2010 annual general meeting and our 2009 annual report and financial statements are now available online at [www.rank.com](http://www.rank.com)*



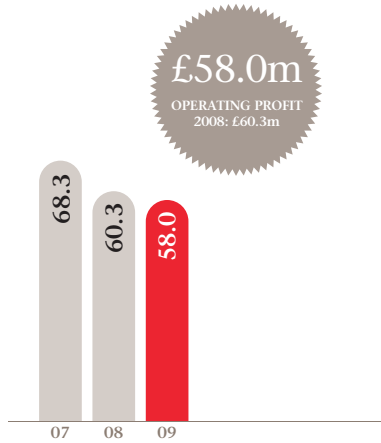
*We have produced this document to provide an overview of the business. It is not intended to be a summary of our 2009 annual report and financial statements.*

# Overview of results and operations

## Revenue\* (£m)



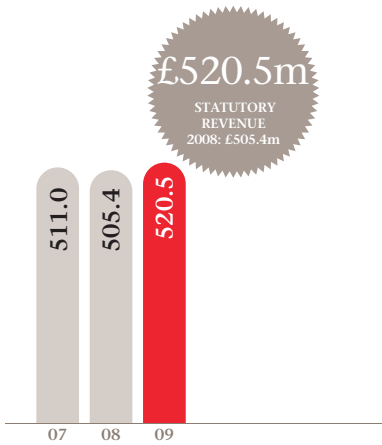
## Operating profit\*\* (£m)



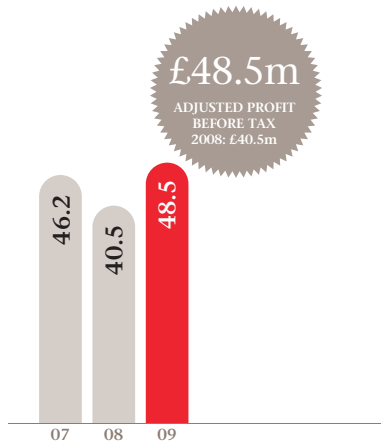
## – Our businesses –

Rank is a leading European gaming and betting company, headquartered in Great Britain and listed on the London Stock Exchange.

## Statutory revenue (£m)



## Adjusted profit before tax (£m)

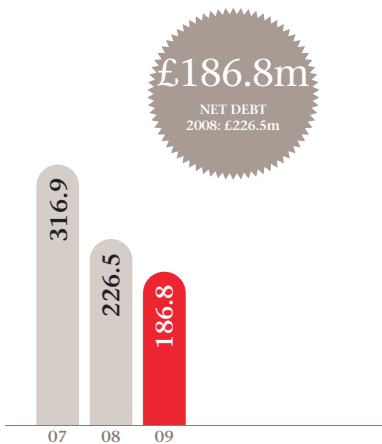


### Mecca Bingo



Mecca Bingo is a leading operator of bingo clubs. The business is headquartered in Maidenhead, England and operates clubs under the Mecca Bingo brand in Great Britain.

## Net debt (£m)



## Adjusted earnings per share (pence)



### Top Rank España



Top Rank España operates 11 premium bingo clubs in Spain. The business is headquartered in Barcelona and operates clubs in the provinces of Madrid, Catalonia, Andalusia and Galicia.

### Grosvenor Casinos



Grosvenor Casinos is a leading operator of casinos. The business is headquartered in Maidenhead, England and operates casinos in Great Britain under the Grosvenor and G Casino brands. It also operates two casinos in Belgium.

### Rank Interactive



Rank Interactive is a remote gaming and betting business. Its principal brands are meccabingo.com (bingo and games), bluesq.com (sports betting, casino, poker and games) and gcasino.com (casino). Rank Interactive is based in Alderney, Channel Islands and its primary market is Great Britain. It provides betting and gaming websites in English, Danish, French, German, Spanish and Swedish.

\* Before adjustment for free bets, promotions and customer bonuses

\*\* Before exceptional items

Revenue\*

£233.0m

2008 : £227.6m



Operating profit\*\*

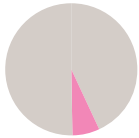
£32.3m

2008 : £37.9m



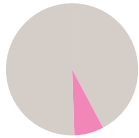
£36.2m

2008 : £35.8m



£5.6m

2008 : £6.9m



£220.0m

2008 : £206.2m



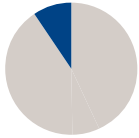
£30.9m

2008 : £25.9m



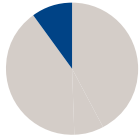
£50.8m

2008 : £52.6m



£7.5m

2008 : £7.6m



\* Before adjustment for free bets, promotions and customer bonuses

\*\* Before exceptional items

## Great Britain

Mecca Bingo: 103 clubs  
Grosvenor Casinos: 35 casinos

Rank Interactive:  
– bluesq.com  
– meccabingo.com  
– grosvenorcasinos.com  
– gcasino.com  
– 888sport.com

Employees: 8,170

## Spain

Top Rank España: 11 clubs

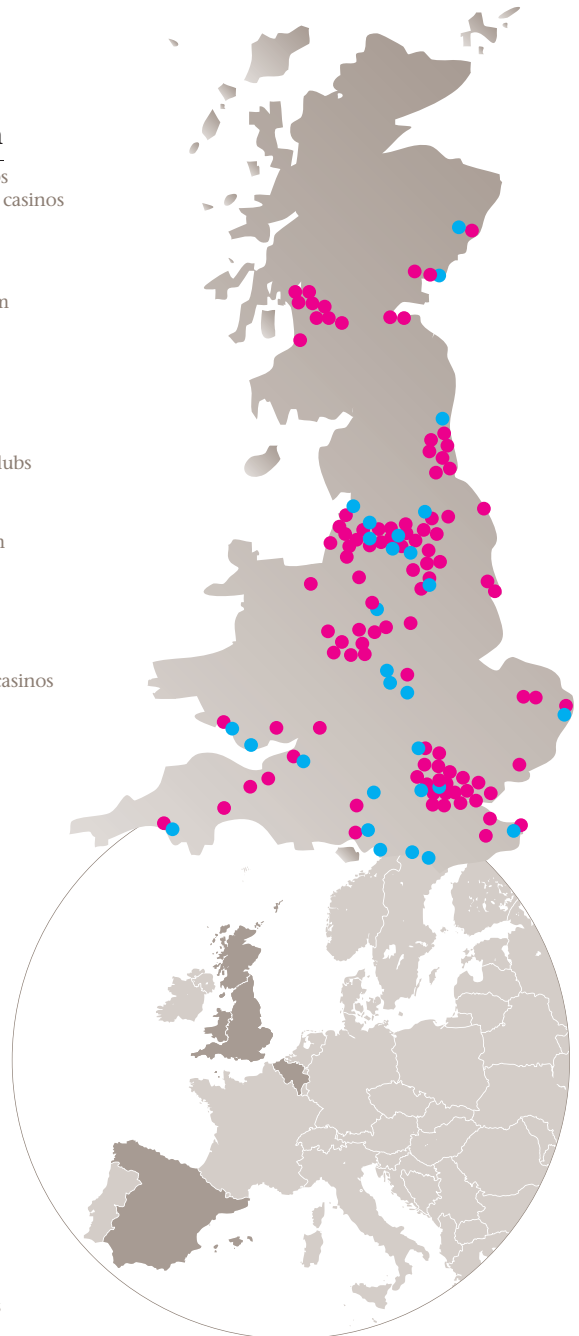
Rank Interactive:  
– bingouniversal.com  
– apuestauniversal.com  
– 888sport.com

Employees: 607

## Belgium

Grosvenor Casinos: 2 casinos

Employees: 180



● Mecca Bingo  
● Grosvenor/G Casinos

Note:

888sport.com is a sports betting website owned and operated by 888 Holdings plc. In return for a share of revenue, Rank Interactive supplies a 'white label' online sports betting service to customers of 888.com through 888sport.com

# Visit us at [www.rank.com](http://www.rank.com)

The Rank Group website provides news and details of the Group's activities, as well as useful links. The investor section contains a variety of information including the Group's latest results and current and historic share prices.

#### **Frequently asked questions**

We have a shareholder 'frequently asked questions' section on our website which provides answers to many questions that shareholders have: [www.rank.com/investors/shareholder\\_faqs.jsp](http://www.rank.com/investors/shareholder_faqs.jsp)

#### **Registrar**

Enquiries relating to shareholdings, dividends and changes of address should be addressed to the Company's registrar (quoting reference number 1235), Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA (Tel: from the UK 0871 384 2098 and from outside the UK +44 121 415 7161).

For any other information please contact: Frances Bingham, company secretary or Dan Waugh, director of investor relations  
The Rank Group Plc, Statesman House, Stafferton Way, Maidenhead, SL6 1AY  
Tel: 01628 504 000  
Fax: 01628 504 042  
Web: [www.rank.com](http://www.rank.com)



#### **Paper copies**

If you would like the notice of 2010 annual general meeting and/or the 2009 annual report and financial statements sent to you in hard copy form, please write to us at our registered office address (quoting 'hard copy shareholder information request'): Company Secretary, The Rank Group Plc, Statesman House, Stafferton Way, Maidenhead SL6 1AY and specify which document you require a hard copy of.

#### **Payment of dividends**

The Company is no longer operating a dividend re-investment plan. Shareholders may find it more convenient to make arrangements to have dividends paid directly to their bank account. The advantages of this are that the dividend is credited to a shareholder's bank account on the payment date, there is no need to present cheques for payment and there is no risk of cheques being lost in the post.

To set up a dividend mandate or to change an existing mandate please contact Equiniti Limited, our registrar, whose contact details are adjacent. Alternatively, shareholders who use Equiniti's Shareview can log on to [www.shareview.co.uk](http://www.shareview.co.uk) and follow the online instructions.



The Forest Stewardship Council (FSC) is an international network which promotes responsible management of the world's forests. Forest certification is combined with a system of product labelling that allows consumers readily to identify timber-based products from certified forests.

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