



Creation of a
focused gaming business
Hard Rock disposal



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Agenda

- Transaction overview
- Strategic rationale
- Financial impact and use of proceeds
- Ongoing Rank Group

Transaction overview

- Agreement to sell Hard Rock to Seminole Hard Rock Entertainment Inc for \$965m (£490m) in cash
- £460m net proceeds, after transaction costs and tax
- £350m to be returned to shareholders via special dividend
- Shareholder approval at EGM required
- Rank's transformation into focused gaming group essentially complete

Expected timetable & process

- Sale of Hard Rock announced 07/12/06
- Circular posted to shareholders 15/12/06
- EGM 08/01/07
- Sale completes 05/03/07
- Special dividend paid to shareholders April 2007
- Share consolidation effective* April 2007

* Share consolidation ratio to be published within class 1 circular

Overview of Hard Rock

- £250.1m revenue*
- £48.1m EBITDA*
- £34.8m operating profit*
- Active in restaurants, hotels and casinos markets
- Merchandise retail core to business model
- >130 Hard Rock branded outlets world-wide

* Rank Group 2005 accounts

NB - transaction does not include Hard Rock Casino, London which will be retained by Rank and re-branded

Rationale for disposal

- Thorough review undertaken
- Sale of Hard Rock right action for maximising value
 - Limited synergies with Rank Gaming
 - Future growth requires significant capital investment
 - Competitive auction process captured future value
- Exciting opportunities exist in Gaming
 - Desire to focus management resources at critical juncture
 - Group now entirely focused on operational performance

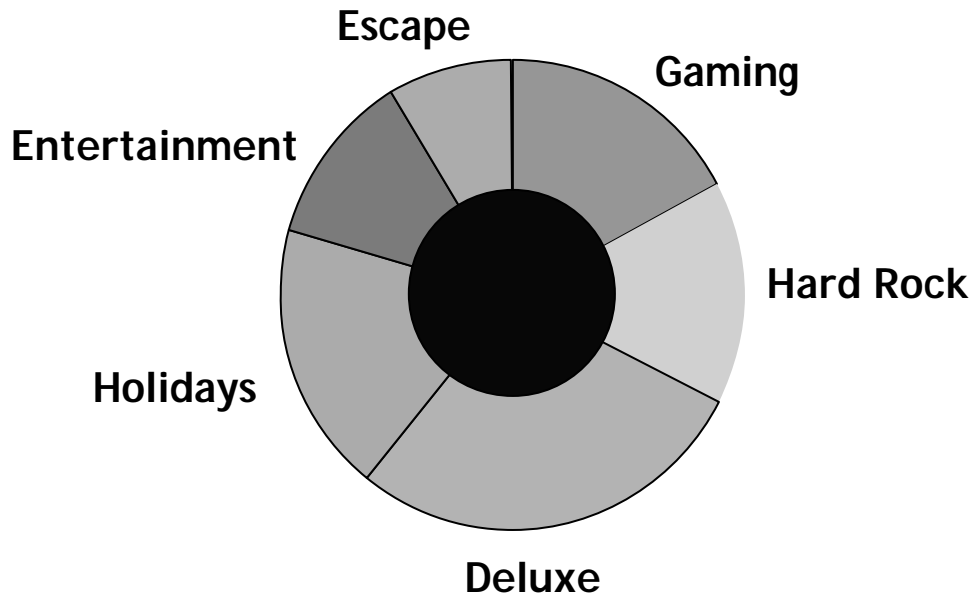
Use of proceeds and capital structure

- \$965m (£490m) gross proceeds from transaction
- £460m net proceeds
- £350m to be returned to shareholders via payment of special dividend (65 pence per share)
- £110m to be used to reduce borrowings
- Balance sheet policies remain unchanged over medium term
- No change to expected level of final dividend for year to 31 December 2006

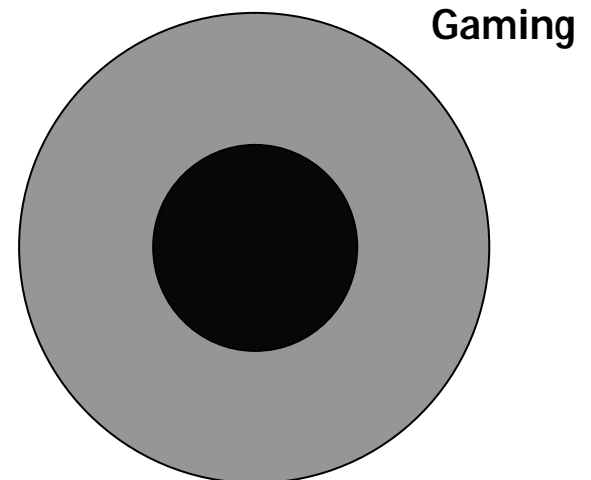
Strategic Transformation essentially complete

Rank Group 1998 - 2006

Operating profit 1998



Pro forma operating
profit H1 2006



Strategic Transformation essentially complete

Strategic priority	Progress
Examine strategic options for Hard Rock	✓ \$965m Hard Rock sale agreed
Exit Deluxe Media and other non-core interests	✓ DMS exit in Europe (including UK) ✓ Complete exit by June 2007 ✓ \$32.5m US Holidays sale agreed
Establish appropriate group cost structure	✓ Actions taken to deliver £16m overhead and operational cost savings
Complete balance sheet restructuring	✓ £200m share buy-back completed ✓ Gaming property portfolio rationalised ✓ £350m special dividend determined

Rank Group

- a focused gaming business
- Integrated gaming model with established brands and track record of responsible operation
 - Bingo - Mecca Bingo & Top Rank Espana
 - Casinos - Grosvenor
 - Interactive - Blue Square
- Significant distribution footprint
 - 113 Mecca Bingo clubs across UK
 - 11 Top Rank Espana bingo clubs in Spain
 - 35 Casinos in UK and Belgium
 - On-line distribution of gaming expertise and sportsbook through Blue Square

Rank Group

- a focused gaming business

- £529.8m revenue*
- £133.0m EBITDA*
- £105.7m operating profit

* Pro forma Rank Group 2005 accounts, excludes Hard Rock, US Holidays, Deluxe Media Services and Group overhead

The UK Gaming market

- A growing market
 - UK betting and gaming expenditure expected to grow by 30% by 2010*
- A changing market
 - Full implementation of 2005 Gambling Act to spur product evolution
 - Clear potential for further regulatory evolution
- Attractive fundamentals
 - Healthy cash flows and operating margins
 - Customer bases already substantial

* source: Key Note Betting & Gaming Market Report 2006

Current trading & directorate

- 48 week trading statement issued today
 - good progress in underlying business
 - near term challenge from smoking ban
- Appointment of chairman
 - Peter Johnson appointed as Rank Group chairman from 1 March 2007

Summary

- Rank is a leading UK gaming group with strong market positions
- Long term dynamics of gaming market remain attractive
- Well positioned to capitalise on opportunities as gaming market develops

