

To Rank Group Shareholders

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UK Shareholders Association
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Rank Group to Pay Special Dividend

Dear Shareholder,

Rank Group have announced the disposal of the "Hard Rock" business for £490 million of which £350 million will be returned to shareholders as a special dividend. That should equate to a dividend of about 65 pence per share. The balance will be used to reduce debt in the group.

The UK Shareholders Association (UKSA) welcomes this as it suggests that our previous criticisms of share buy-backs in this company have been noticed. The previously announced share buy-back programme has been completed and there is no apparent short term intention to execute another one.

The special dividend will help those shareholders who rely on dividends for income, although the Company has made it clear that it is not changing its decision to rebase the on-going regular dividends at a lower level. This is not unreasonable as the group's new form, which is much reduced in size following a number of disposals, could hardly justify maintenance of the dividend at the former level.

Although the share price has picked up in recent weeks, the latest announcements seemed to have a slight negative impact but this appeared to be more about minor disappointment with the price obtained for the Hard Rock chain, concerns about the bingo business and the failure of any news on a possible bid for the Company which had been rumoured.

I hope that you will see that becoming a member of UKSA and supporting campaigns such as the one on Rank can benefit you personally as an investor. Membership information is present on our web site at: www.uksa.org.uk/Membership.htm .

Yours sincerely

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