國浩集團有限公司
Guoco Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

As at the date of this announcement, the board of directors of Guoco Group Limited comprises Mr. Quek Leng Chan as Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Kwek Leng San and Mr. Tan Lim Heng as non-executive directors and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.

News Release

29 January 2016

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

Half-year results for the six months ended 31 December 2015

A good set of results with like-for-like revenue growth across all brands and channels

Financial highlights in the six months ended 31 December 2015

		H1 2015/16	H1 2014/15	Change
Financial KPIs	Group revenue	**£374.2m**	£361.7m	3%
	Like-for-like Group revenue	**£370.1m**	£351.7m	5%
	Adjusted profit before tax	**£37.4m**	£35.8m	4%
	Group operating profit before exceptional items and Remote Gaming Duty	**£46.1m**	£41.7m	11%
	Adjusted earnings per share	**7.4p**	7.1p	4%
	Net debt	**£52.0m**	£94.9m	
	Group EBITDA	**£62.7m**	£62.1m	1%
Statutory performance	Statutory revenue	**£352.7m**	£343.3m	3%
	Profit before taxation after exceptional items	**£42.7m**	£36.3m	18%
	Cash generated from continuing operations	**£63.7m**	£68.5m	(7)%
	Earnings per share before exceptional items	**8.1p**	6.9p	17%
	Dividend per share	**1.80p**	1.60p	13%

Key highlights

- Group revenue up 5% on a like-for-like basis
- Group operating profit before exceptional items up 11% excluding the impact of Remote Gaming Duty ("RGD")
- Continued strong digital revenue growth, up 14%
- Grosvenor Casinos revenue up 7%
- Mecca's retail bingo business in growth with revenue up 2% on a like-for-like basis
- New digital platform migration on track; go-live by the end of this quarter as planned
- Two new format bingo clubs planned to be opened summer 2016
- Contracts agreed with new suppliers for both digital poker and sports book offer
- Luton casino refurbished to accommodate the newly-awarded 2005 Act casino licence
- Strong dividend growth with interim dividend of 1.80p, up 13% reflecting underlying performance
- Adjusted EPS up 4%

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

"I am very pleased to announce a good set of results with like-for-like revenue growth across all brands and channels. Even with the impact of RGD we have delivered growth in both adjusted EPS, up 4%, and dividend, up 13%."

"2016 will see us deliver significant new platforms, new functionality and new products - including a new digital platform, a new retail casino management system, new poker and sports betting products and a new retail bingo format – all of which will drive improvements across our company. It is extremely encouraging that ahead of these changes, we are continuing to grow all parts of our business. In particular, it is very pleasing to have grown Mecca's retail bingo business, on a like-for-like basis, both at the top and bottom line, giving us renewed confidence in its future."

Ends.

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Definition of terms:

- Group revenue is before adjustment for customer incentives;
- Group EBITDA is Group operating profit before exceptional items, depreciation and amortisation;
- Adjusted profit before tax is profit from continuing operations before taxation adjusted to exclude exceptional items, the unwinding of discount in disposal provisions and other financial gains or losses;
- Adjusted earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the related tax effects;
- "H1 2015/16" refers to the unaudited six month period to 31 December 2015 and "H1 2014/15" refers to the unaudited six month period to 31 December 2014; and
- Like-for-like excludes the effect of club openings, closures, relocations, discontinued operations and changes in foreign exchange rates

Enquiries

The Rank Group Plc

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Photographs available from www.rank.com

Analyst meeting and webcast details:

Friday 29 January 2016
There will be an analyst meeting at 9.30am, admittance to which is by invitation only. The presentation will also be accessible via a live webcast, details of which can be found at www.rank.com. A replay of the webcast and a copy of the slide presentation will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements
This announcement includes 'forward-looking statements'. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements, other than statements of historical facts included in this announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements that are based on current expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, achievements or financial position of the Group to be materially different from future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's operating performance, present and future business strategies, and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. Subject to the Listing Rules of the Financial Conduct Authority, the Group expressly disclaims any obligation or undertaking, to disseminate any updates or revisions to any forward-looking statements, contained herein to reflect any change in the Group's expectations, with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past performance cannot be relied upon as a guide to future performance.

Chief executive's review

During the six months to 31 December 2015, Rank has grown like-for-like revenue, up 5%. Group operating profit before exceptional items was down 1% in the period following the introduction of Remote Gaming Duty ("RGD") on 1 December 2014. Excluding the impact of RGD, group operating profit was up 11%.

Venues revenue grew by 2% and digital by 14%. Statutory revenue for the Group grew by 3%.

£m	Revenue*		Operating profit**	
	H1 2015/16	H1 2014/15	**H1 2015/16**	H1 2014/15
Grosvenor Casinos	**219.0**	205.6	**33.3**	31.0
Venues	205.1	195.7	30.9	29.1
Digital	13.9	9.9	2.4	1.9
Mecca	**143.0**	143.3	**19.9**	22.9
Venues	109.8	111.8	14.3	14.5
Digital	33.2	31.5	5.6	8.4
Enracha	**12.2**	12.8	**1.4**	0.9
Venues	12.2	12.8	1.5	1.2
Digital	-	-	(0.1)	(0.3)
Central costs			**(14.2)**	(14.0)
Total	**374.2**	361.7	**40.4**	40.8

* before adjustment for customer incentives; ** before exceptional items

Grosvenor Casinos' revenue increased 7% in the period to £219.0m driven by a solid venues performance and continued strong growth from its digital channel. Total operating profit rose by 7% to £33.3m.

Mecca's like-for-like revenue grew 3% in the period with digital growth of 5% and like-for-like venues growth of 2%. Total operating profit fell by 13% to £19.9m following the introduction of RGD which resulted in an incremental cost of £3.3m in the period.

Enracha's euro revenue increased by 4% following further investments into the retail estate and improvements in the Spanish economy. Sterling operating profit rose by £0.5m to £1.4m.

Central costs increased by 1% to £14.2m, mainly as a result of increases in Long Term Incentive Plan costs.

During the period Rank invested £26.1m of capital across the Group with more than 40% deployed in our Grosvenor Casinos venues and 23% across our digital channels.

The Group's adjusted net financing charge of £3.0m was down in the period due to lower debt levels and lower financing costs following the refinancing of Rank's bank facilities in September 2015.

Adjusted earnings per share increased by 4% to 7.4p.

Exceptional items in the period were a credit of £10.0m, with £6.3m relating to continuing operations and the balance relating to discontinued operations. Further details can be found in note 3.

Dividend

The board is pleased to declare an interim dividend of 1.80 pence per share, an increase of 13% over the prior period. The dividend will be paid on 22 March 2016 to shareholders on the register at 12 February 2016.

Taxation

From 1 December 2014, Remote Gaming Duty at 15% was applied to all online gambling revenue generated by customers in the UK. The incremental cost to the Group in H1 2015/16 was £4.8m.

Board changes

On 30 November 2015, Tim Scoble, non-executive director, stood down from the Rank board. Tim's other commitments had grown substantially in the months preceding and hence concluded he must relinquish some of his responsibilities. A search for a new non-executive director is underway and an announcement will be made when an individual has been appointed.

Current trading and outlook

Trading in the short four week period to 24 January 2016 has been positive and in line with our internal expectations.

Rank remains in a strong financial position, possesses market-leading brands and has a clear strategy for long-term growth.

Strategy update

Rank's aim is to be the UK's leading multi-channel gaming operator. In order to achieve this, we are focused on building engaging brands with the ability to deliver them via the channels that customers prefer – whether venues, online or mobile. We will focus in particular on building engagement with customers across multiple channels, where research tells us we are likely to generate more durable and valuable customer relationships.

At the end of the 2014/15 financial year we outlined the Group's five strategic objectives. Below we provide an update on progress made during H1 2015/16 and plans for H2.

Creating a compelling multi-channel offer	• Migration of the Group's digital brands from Openbet to its new digital platform provided by Bede Gaming, is on track and will go live, as planned, by the end of March 2016 • New Mecca services app, 'My Mecca', was launched in H1. The app provides customers with a club finder tool and details of current promotions at each venue • Concept development and requirement specification has commenced on the Group's single wallet proposition. Engagement with key retail suppliers has commenced • Grosvenor Casinos' loyalty scheme, Play Points, was rolled out into one further venue in H1 with a further three planned for H2 • "Neon" management system of Playtech-owned Intelligent Gaming ("IGS") selected as the new retail management system for Grosvenor Casinos. Neon roll-out due to be completed by the end of July 2016
Building digital capability	• Microgaming appointed as the new provider of Grosvenor's digital poker product. New offer to be launched in H2 • Kambi appointed as the provider of Grosvenor's new digital sports book offer. Launch date planned for summer 2016
Developing our venues	• Grosvenor Casinos' relaunched its Luton casino in September 2015 following a £4.3m investment. The investment covered extension and refurbishment works to accommodate the newly-awarded 2005 Act casino licence, allowing 40 additional slot machines • Second casino licences were added alongside four existing casinos, allowing greater depth of product • A £1.3m refurbishment of the London Park Tower casino commenced in H1 with completion scheduled for Q4 • Four Grosvenor casinos received a "sparkles" refurbishment in H1 with a further seven are scheduled for H2 • Grosvenor Casinos launched a "partial open door" policy to address entry queues at busy times • In H2, subject to planning permission, a second licence will be added alongside our already successful Gunwharf Quays casino in Portsmouth • In H2, a £4.0m refurbishment of the Leeds Westgate casino will

	commence • The first new format bingo venue due to be opened in the Midlands in summer 2016 • Three Mecca venues received “light” refurbishments in the period at a capital cost of £0.4m with a further four planned for H2
Investing in our brands and marketing	• A new marketing director for Grosvenor Casinos was appointed in the period with responsibility for both the venues and digital channels • Total marketing spend, including customer incentives, was up 15% in the period • A new central CRM & analytics team was created in the period and investments into a new customer management system will be made in H2
Using technology to drive efficiency and improve customer experience	• Launch of “Ace King Suited” progressive jackpot across Grosvenor Casinos venues • “Get Set Roulette” launched in four casinos, offering an enhanced customer experience on electronic roulette • Continued use of labour-planning software to reduce employment costs in Grosvenor Casinos venues • Investment in bingo cashline systems to deal with the introduction of the new £1 coin

Business review

Grosvenor Casinos

Grosvenor Casinos has produced a good performance during the six months to 31 December 2015 with strong digital growth and solid venues growth.

	H1 2015/16	H1 2014/15	Change
Total revenue* (£m)	**219.0**	205.6	7%
- Venues	205.1	195.7	5%
- Digital	13.9	9.9	40%
Total EBITDA (£m)	**46.4**	43.8	6%
- Venues	43.0	41.2	4%
- Digital	3.4	2.6	31%
Total operating profit (£m)	**33.3**	31.0	7%
- Venues	30.9	29.1	6%
- Digital	2.4	1.9	26%
Like-for-like revenue	**7%**		
- Venues	5%		
- Digital	40%		

* before adjustment for customer incentives

Venues revenue was up 5% in the period driven by growth across all key areas even with a weaker period in our London venues in the second half of November and early December, in common with other leisure operators. Operating profit of £30.9m was 6% higher in the period. Recent trading in our London venues has returned to expected levels.

The digital channel continued to grow strongly in the period, with revenue up 40%, driven by an increase in customers. Digital operating profit was up 26% even with an incremental £1.5m RGD tax cost being incurred in the period.

Key performance indicators

	H1 2015/16	H1 2014/15	Change
Total customers (000s)*	**not available**	1,766	-
- Venues	not available	1,743	-
- Digital	126	54	133%
Cross channel customer cross over**	**2.7%**	1.7%	1.0ppt
Total customer visits (000s)	**4,600**	4,417	4%
- Venues	4,194	4,147	1%
- Digital	406	270	50%
Total spend per visit (£)	**47.61**	46.55	2%
- Venues	48.90	47.19	4%
- Digital	34.24	36.67	(7)%

* customers shown on a moving annual total ('MAT') basis and cross-over customers included only once; **percentage of registered venues customers who are also digital customers

During H1, some of our UK casinos removed their requirement to register all customers, therefore total venue customer numbers cannot be accurately tracked. This means that total venue customers and total brand customers will no longer be provided. However, the cross channel customer cross over percentage based on registered customer numbers has been provided.

The Luton casino was relaunched in September 2015 following a £4.3m extension and refurbishment programme to accommodate the newly-awarded 2005 Act licence which allowed the addition of a further 40 gaming machines. Trading post the relaunch has been in line with management's expectations.

Our Southend casino, which opened in September 2014, continues to improve its performance.

Venues regional analysis

The casino estate is split into three key areas – London, Provinces and Belgium. To better illustrate the differences across the estate the following analysis has been provided.

	Customer visits (000s)		**Spend per visit (£)**		**Revenue (£m)**		**Operating profit (£m)**	
	H1 2015/16	H1 2014/15	**H1 2015/16**	H1 2014/15	**H1 2015/16**	H1 2014/15	**H1 2015/16**	H1 2014/15
London	**772**	757	**97.41**	94.06	**75.2**	71.2	**16.0**	16.3
Provinces	**3,293**	3,251	**37.47**	36.20	**123.4**	117.7	**14.4**	12.6
Belgium	**129**	139	**50.39**	48.92	**6.5**	6.8	**0.5**	0.2
Total	**4,194**	4,147	**48.90**	47.19	**205.1**	195.7	**30.9**	29.1

An increase in customer visits and handle contributed to a 6% increase in London revenues. Provincial revenue increased by 5% driven by a strong performance from gaming machines. London operating profit has been adversely impacted by increases in irrecoverable VAT and higher promotional costs.

Venues revenue analysis – UK only

£m	**H1 2015/16**	H1 2014/15	Change
Casino games	**131.9**	127.3	4%
Gaming machines	**43.1**	38.8	11%
Card room games	**7.6**	7.8	(3)%
Food & drink/other	**16.0**	15.0	7%
Total	**198.6**	188.9	5%

Gaming machine revenue continues to perform strongly, up 11% in the period, following ongoing investments in the machine estate.

Mecca

Life-for-like brand revenue increased by 3% with like-for-like venues revenue increasing 2% and digital revenue increasing 5%. Total statutory revenue was marginally down in the period.

	H1 2015/16	H1 2014/15	Change
Total revenue* (£m)	**143.0**	143.3	0%
- Venues	109.8	111.8	(2)%
- Digital	33.2	31.5	5%
Total EBITDA (£m)**	**27.5**	29.9	(8)%
- Venues	20.8	20.8	0%
- Digital	6.7	9.1	(26)%
Total operating profit (£m)**	**19.9**	22.9	(13)%
- Venues	14.3	14.5	(1)%
- Digital	5.6	8.4	(33)%
Like-for-like revenue	**3%**		
- Venues	2%		
- Digital	5%		

* before adjustments for customer incentives; ** before exceptional items

Venues revenue of £109.8m was down 2% in the period following the closure of nine clubs in the last 18 months.

The Group remains committed to opening three new venues following the reduction in bingo duty. The first new format bingo venue is due to open in summer 2016 under a new brand name.

During the period, Mecca closed three venues, one of which involved the disposal of a freehold property in Hornchurch which resulted in an exceptional profit of £6.0m.

Digital revenues increased by 5% to £33.2m driven by increases in customer numbers. Operating profit fell by 33% to £5.6m, following the introduction of RGD on 1 December 2014 which resulted in an incremental tax cost of £3.3m in the period.

Key performance indicators

	H1 2015/16	H1 2014/15	Change
Total customers (000s)*	**1,152**	1,105	4%
- Venues	973	938	4%
- Digital	267	243	10%
Cross channel customer cross over**	**9.0%**	8.1%	0.9ppt
Total customer visits (000s)	**8,401**	8,562	2%
- Venues	5,756	5,993	(4)%
- Digital	2,645	2,569	3%
Total spend per visit (£)	**17.02**	16.74	2%
- Venues	19.08	18.66	2%
- Digital	12.55	12.26	2%

* customers shown on a moving annual total (‘MAT’) basis and cross-over customers included only once; **percentage of venues customers who are also digital customers

On a like-for-like basis customer visits were down 1%. On an absolute basis, they were down 4%. The recent investments in new Mecca Max units and customer service improvements led to a 2% increase in spend per visit.

Venues revenue analysis

£m	**H1 2015/16**	H1 2014/15	Change	LFL change
Main stage bingo	**16.0**	15.5	3%	6%
Interval games	**44.5**	46.7	(5)%	(2)%
Amusement machines	**36.0**	36.8	(2)%	2%
Food & drink/other	**13.3**	12.8	4%	7%
Total	**109.8**	111.8	(2)%	2%

Interval bingo's like-for-like revenue fell by 2% in the period due to the increase in new customers, who tend to have a lower preference for interval game play.

Enracha

	H1 2015/16	H1 2014/15	Change
Revenue (€m)	**16.9**	16.3	4%
Revenue (£m)	**12.2**	12.8	(5)%
EBITDA* (£m)	**2.2**	1.7	29%
Operating profit* (£m)	**1.4**	0.9	56%
Like-for-like revenue	**5%**		

* before exceptional items

Refurbishments of three venues in 2014/15 along with the positive momentum in the Spanish economy contributed to a 4% increase in euro revenue in the period. Operating profit continues to benefit from tight cost controls.

Key performance indicators

	H1 2015/16	H1 2014/15	Change
Customers (000s)*	**260**	250	4%
Customer visits (000s)	**978**	903	8%
Spend per visit (€)	**17.28**	18.05	(4)%
Spend per visit (£)	**12.47**	14.17	(12)%

* Customers shown on a moving annual total (‘MAT’) basis

The lease on our Continental venue in Barcelona was due to expire in August 2018. During H1, the Continental freehold was purchased at a cost of €3.2m to ensure continuity of this highly successful venue.

Venues revenue analysis

€m	**H1 2015/16**	H1 2014/15	Change
Bingo	**9.8**	9.4	4%
Amusement machines	**5.8**	5.6	4%
Food & drink/other	**1.3**	1.3	0%
Total	**16.9**	16.3	4%

Financial review

Group revenue for the six-month period from continuing operations rose by 3% to £374.2m while Group operating profit before exceptionals of £40.4m was down 1% compared to the prior period, principally due to the impact of RGD.

Adjusted net interest payable for the six months was lower than the comparable period due to lower debt levels and lower financing costs following the refinancing of Rank's bank facilities in September 2015 (further details can be found on page 13).

The Group's adjusted profit before tax was £37.4m, up 4%.

Adjusted earnings per share was up 4% period-on-period at 7.4p.

Taxation

The Group's effective corporation tax rate on continuing operations was 22.2% (H1 2014/15: 22.9%) based on a tax charge of £8.3m on adjusted profit before taxation. This is within the Group's anticipated effective corporation tax rate range for 2015/16 of 21% to 23%.

The Group had a H1 effective cash tax rate of 15.2% on adjusted profit after excluding a £4.5m repayment received in respect of UK corporation tax overpaid in the prior year. The Group is expected to have a cash tax rate of 17% to 19% in 2015/16, excluding any tax payable on the resolution of a number of legacy issues. This is lower than the Group's effective corporation tax rate due to the utilisation of tax losses and the timing of corporation tax instalment payments.

A restatement of deferred tax balances, to reflect the reduction in corporation tax rates in the future from 20% to 18%, resulted in a £3.1m deferred tax credit in the period.

As previously disclosed, the Group participated in a disclosed tax avoidance scheme which has been included in the list of Disclosure of Tax Avoidance Schemes ("DOTAS"). This scheme is being challenged by HMRC and the case will be heard at a Tax Tribunal later on this calendar year, with another tax payer as lead case. Under tax rules introduced last year, HMRC can request payment of the amounts under dispute in advance of the Tax Tribunal. Consequently HMRC made a formal payment request for £21.4m which was subsequently settled by Rank in the period.

Exceptional items

In order to give a full understanding of the Group's financial performance and aid comparability between periods, the Group reports certain items as exceptional to normal trading.

During the period the Group recognised the following exceptional items:

- A credit relating to the sale of a freehold interest of a Mecca venue;
- A refund due from the Canadian Revenue Authority following the successful settlement of a transfer pricing dispute relating to a disposed business; and
- An exceptional tax credit relating to the reduction of a tax provision.

Full details of the Group's exceptional items are provided in note 3.

Cash flow

	H1 2015/16 **£m**	H1 2014/15 £m
Continuing operations		
Cash inflow from operations	**67.0**	72.8
Net cash payments in respect of provisions and exceptional items	**(3.3)**	(4.3)
Cash generated from continuing operations	**63.7**	68.5
Capital expenditure	**(26.1)**	(15.8)
Fixed asset disposals	**7.0**	1.5
Net interest and tax (payments) / receipts	**(5.1)**	1.3
Payment of disputed tax	**(21.4)**	-
Dividends paid	**(15.6)**	(12.3)
Convertible loan payment	**(1.0)**	-
Other (including foreign exchange translation)	**(0.6)**	(1.1)
Cash inflow	**0.9**	42.1
Opening net debt	**(52.9)**	(137.0)
Closing net debt	**(52.0)**	(94.9)

Financial structure and liquidity

At the end of December 2015, net debt was £52.0m compared with net debt of £94.9m at the end of December 2014. Net debt comprised £97.0m in bank loans, £9.2m in fixed rate Yankee bonds, £10.2m in finance leases and £5.9m in overdrafts offset by cash at bank and in hand of £70.3m.

The Group completed the refinancing of its bank facilities in the period. The new bank facilities comprise a 3.5 year amortising £90.0m term loan facility and a 5 year £90.0m revolving credit facility. These facilities require the maintenance of a minimum ratio of earnings before interest, tax, depreciation and amortisation ('EBITDA') to net interest payable and a maximum ratio of net debt to EBITDA, tested biannually. The Group has complied with its banking covenants.

The Group has a strong balance sheet with a conservative leverage of 0.4 times net debt to EBITDA.

Capital expenditure

	H1 2015/16 **£m**	H1 2014/15 £m
Grosvenor Casinos	**12.8**	9.6
Mecca	**3.9**	4.7
Enracha	**2.4**	0.2
Central	**7.0**	1.3
Total capital expenditure	**26.1**	15.8

During the six-month period, Rank invested £12.6m into its Grosvenor Casino venues, with the majority being expended on the recently refurbished and extended Luton casino (£3.3m in H1) and £1.0m spent on locating a second licence adjacent to existing casinos in Coventry, Blackpool, Glasgow and Sheffield. Grosvenor Casinos also invested £4.3m on new gaming machines following the decision to move a majority of the machine estate from being leased to owned. The balance was principally spent on upgrades to the IT systems and general venues expenditure.

Mecca invested £2.9m into its venues. £1.4m was spent on venue refurbishments and improvements to gaming product. The balance was spent on upgrades to the IT systems and general venues expenditure.

On developing our digital capability we invested a total of £1.0m in Mecca, £0.2m in Grosvenor Casinos and centrally £4.1m on the new digital platform.

During H2 2015/16, we plan to spend between £30m and £34m. Of this, approximately £14.3m will be invested in Grosvenor Casinos venues, which includes an additional £6.4m on purchasing gaming machines following the decision to replace a number of our slots and electronic roulette machines with the latest product. Approximately £8.6m will be invested into Mecca's venues with a focus on new gaming product and our new format retail bingo club. £4.7m will be spent on enhancing our digital capability and £1.9m on group wide IT investments. The balance of the capex spend will be on general expenditure.

£3.6m of capital was committed at 31 December 2015.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during the period as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. Based on the Group's cash flow forecasts and operating budgets, the directors believe that the Group will generate sufficient cash to meet its borrowing requirements for at least 12 months from the approval of this report and comply with its banking covenants.

Principal risk and uncertainties

The Group's risk management strategy focuses on the minimisation of risks for the Group. Key risks are reviewed by the executive committee and board on a regular basis and, where appropriate, actions are taken to mitigate the key risks that are identified. The principal risks and uncertainties faced by the Group remain those set out in the Group's annual report and financial statements for the year ended 30 June 2015 and include:

- Regulatory, finance and tax risks;
- Operational risks (new online gaming platform, volatility of gaming win, loss of licences, business continuity and disaster recovery and wage rise inflation); and
- Information technology risks.

Greater detail on these risks and uncertainties are set out in pages 20 to 23 of the Group's 2015 annual report and financial statements.

Directors' Responsibility Statement

The interim management report complies with the Disclosure Rules and Transparency Rule ('DTR') of the United Kingdom's Financial Conduct Authority in respect of the requirement to produce a half-yearly financial report. The interim report is the responsibility of, and has been approved by, the directors. We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34;
- The interim management report includes a fair review of the important events during the first six months and description of the principal risk and uncertainties for the remaining six months of the year, as required by DTR 4.2.7R; and
- The interim management report and note 12 to the Group financial information includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

The directors of The Rank Group Plc are:

Ian Burke
Henry Birch
Chris Bell
Susan Hooper
Clive Jennings
The Rt. Hon. the Earl of Kilmorey, PC
Owen O'Donnell

For and on behalf of the board on 28 January 2016.

Henry Birch	Clive Jennings
Chief Executive	Finance Director

Independent Review Report to The Rank Group Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2015 which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Balance Sheet, Group Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
28 January 2016

Group Income Statement
for the six months to 31 December 2015

	Six months to 31 December 2015 (unaudited)			Six months to 31 December 2014 (unaudited)		
	Before exceptional items £m	**Exceptional items (note 3) £m**	**Total £m**	Before exceptional items £m	Exceptional items (note 3) £m	Total £m
Continuing operations						
Revenue before adjustment for customer incentives	**374.2**	**-**	**374.2**	361.7	-	361.7
Customer incentives	**(21.5)**	**-**	**(21.5)**	(18.4)	-	(18.4)
Revenue	**352.7**	**-**	**352.7**	343.3	-	343.3
Cost of sales	**(188.1)**	**-**	**(188.1)**	(182.8)	-	(182.8)
Gross profit	**164.6**	**-**	**164.6**	160.5	-	160.5
Other operating (costs) income	**(124.2)**	**6.0**	**(118.2)**	(119.7)	1.4	(118.3)
Group operating profit	**40.4**	**6.0**	**46.4**	40.8	1.4	42.2
Financing:						
– finance costs	**(3.1)**	**-**	**(3.1)**	(5.4)	-	(5.4)
– finance income	**0.1**	**-**	**0.1**	0.3	-	0.3
– other financial losses	**(0.7)**	**-**	**(0.7)**	(0.8)	-	(0.8)
Total net financing charge	**(3.7)**	**-**	**(3.7)**	(5.9)	-	(5.9)
Profit before taxation	**36.7**	**6.0**	**42.7**	34.9	1.4	36.3
Taxation	**(5.1)**	**0.3**	**(4.8)**	(8.0)	-	(8.0)
Profit for the period from continuing operations	**31.6**	**6.3**	**37.9**	26.9	1.4	28.3
Discontinued operations	**-**	**3.7**	**3.7**	-	16.0	16.0
Profit for the period	**31.6**	**10.0**	**41.6**	26.9	17.4	44.3
Attributable to:						
Equity holders of the parent	**31.6**	**10.0**	**41.6**	26.9	17.4	44.3
Earnings per share attributable to equity shareholders						
– basic	**8.1**	**2.5**	**10.6**	6.9	4.4	11.3
– diluted	**8.1**	**2.5**	**10.6**	6.9	4.4	11.3
Earnings per share – continuing operations						
– basic	**8.1**	**1.6**	**9.7**	6.9	0.3	7.2
– diluted	**8.1**	**1.6**	**9.7**	6.9	0.3	7.2
Earnings per share – discontinued operations						
– basic	**-**	**0.9**	**0.9**	-	4.1	4.1
– diluted	**-**	**0.9**	**0.9**	-	4.1	4.1

Group Statement of Comprehensive Income
for the six months to 31 December 2015

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Comprehensive income:		
Profit for the period	**41.6**	44.3
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange adjustments net of tax	**1.3**	(1.1)
Items that will not be reclassified to profit or loss:		
Actuarial loss on retirement benefits net of tax	**(0.1)**	(0.4)
Total comprehensive income for the period	**42.8**	42.8
Attributable to:		
Equity holders of the parent	**42.8**	42.8

Group Statement of Changes in Equity
for the six months to 31 December 2015

	For the six months to 31 December 2015 (unaudited)					
	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained earnings £m**	**Total £m**
At 1 July 2015	**54.2**	**98.4**	**33.4**	**9.0**	**99.4**	**294.4**
Comprehensive income:						
Profit for the period	**-**	**-**	**-**	**-**	**41.6**	**41.6**
Other comprehensive income:						
Exchange adjustments including tax	**-**	**-**	**-**	**1.3**	**-**	**1.3**
Actuarial loss on retirement benefits net of tax	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Total comprehensive income for the period	**-**	**-**	**-**	**1.3**	**41.5**	**42.8**
Transactions with owners:						
Dividends paid to equity holders (see note 6)	**-**	**-**	**-**	**-**	**(15.6)**	**(15.6)**
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**1.3**	**1.3**
At 31 December 2015	**54.2**	**98.4**	**33.4**	**10.3**	**126.6**	**322.9**

	For the six months to 31 December 2014 (unaudited)					
	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings £m	Total £m
At 1 July 2014	54.2	98.4	33.4	13.7	42.6	242.3
Comprehensive income:						
Profit for the period	-	-	-	-	44.3	44.3
Other comprehensive income:						
Exchange adjustments including tax	-	-	-	(1.1)	-	(1.1)
Actuarial loss on retirement benefits net of tax	-	-	-	-	(0.4)	(0.4)
Total comprehensive (expense) income for the period	-	-	-	(1.1)	43.9	42.8
Transactions with owners:						
Dividends paid to equity holders (see note 6)	-	-	-	-	(12.3)	(12.3)
At 31 December 2014	54.2	98.4	33.4	12.6	74.2	272.8

Group Balance Sheet
at 31 December 2015 and 30 June 2015

	31 December 2015 (unaudited) £m	30 June 2015 £m
Assets		
Non-current assets		
Intangible assets	**398.6**	395.7
Property, plant and equipment	**204.5**	203.4
Deferred tax assets	**2.1**	2.2
Other receivables	**6.2**	5.3
	611.4	606.6
Current assets		
Inventories	**3.0**	2.8
Other receivables	**23.0**	29.3
Income tax receivable	**3.8**	1.7
Cash and short-term deposits	**70.3**	89.6
	100.1	123.4
Assets held for sale	**-**	0.6
Total assets	**711.5**	730.6
Liabilities		
Current liabilities		
Trade and other payables	**(144.2)**	(147.0)
Income tax payable	**(10.9)**	(28.0)
Financial liabilities - loans and borrowings	**(17.9)**	(125.5)
Provisions	**(7.9)**	(8.9)
	(180.9)	(309.4)
Net current liabilities	**(80.8)**	(186.0)
Non-current liabilities		
Trade and other payables	**(36.3)**	(37.6)
Financial liabilities - loans and borrowings	**(104.3)**	(17.6)
Deferred tax liabilities	**(20.1)**	(23.1)
Provisions	**(43.2)**	(44.7)
Retirement benefit obligations	**(3.8)**	(3.8)
	(207.7)	(126.8)
Total liabilities	**(388.6)**	(436.2)
Net assets	**322.9**	294.4
Capital and reserves attributable to the Company's equity shareholders		
Share capital	**54.2**	54.2
Share premium	**98.4**	98.4
Capital redemption reserve	**33.4**	33.4
Exchange translation reserve	**10.3**	9.0
Retained earnings	**126.6**	99.4
Total shareholders' equity	**322.9**	294.4

Group Cash Flow Statement
for the six months to 31 December 2015

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Cash flows from operating activities		
Cash generated from continuing operations	**63.7**	68.5
Interest received	**0.1**	0.3
Interest paid	**(2.5)**	(4.2)
Tax (paid) received	**(22.6)**	5.2
Discontinued operations	**(0.2)**	-
Net cash from operating activities	**38.5**	69.8
Cash flows from investing activities		
Disposal of subsidiary	**-**	(0.1)
Purchase of intangible assets	**(6.5)**	(3.5)
Purchase of property, plant and equipment	**(19.6)**	(12.3)
Proceeds from sale of property, plant and equipment	**7.0**	1.5
Purchase of convertible loan note	**(1.0)**	-
Net cash used in investing activities	**(20.1)**	(14.4)
Cash flows from financing activities		
Dividends paid to equity holders	**(15.6)**	(12.3)
Drawdown (repayment) of revolving credit facilities	**7.0**	(20.0)
Repayment of term loans	**(120.0)**	-
Drawdown of term loans	**90.0**	-
Loan arrangement fees	**(1.5)**	-
Finance lease principal payments	**(1.5)**	(1.6)
Net cash used in financing activities	**(41.6)**	(33.9)
Net (decrease) increase in cash, cash equivalents and bank overdrafts	**(23.2)**	21.5
Effect of exchange rate changes	**0.1**	(0.1)
Cash and cash equivalents at start of period	**87.5**	46.3
Cash and cash equivalents at end of period	**64.4**	67.7

1 General information, basis of preparation and accounting policies

The Company is a public limited company which is listed on the London stock exchange and incorporated and domiciled in England and Wales under registration number 03140769. The address of its registered office is Statesman House, Stafferton Way, Maidenhead SL6 1AY.

This condensed consolidated interim financial information was approved for issue on 28 January 2016.

This condensed consolidated financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 12 month period ended 30 June 2015 were approved by the board of directors on 19 August 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement made under Section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed but not audited.

Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 December 2015 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS34 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the 12 month period ended 30 June 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during the period as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. Based on the Group's cash flow forecasts and operating budgets, the directors believe that the Group will generate sufficient cash to meet its borrowing requirements for at least 12 months from the approval of this report and comply with its banking covenants.

Accounting policies

There have been no new or amended standards or interpretations that became effective in the period which have had a material impact upon the values or disclosures in the interim financial information.

Except as described below, the accounting policies applied are consistent with those of the financial statements for the 12 month period ended 30 June 2015, as described in those financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

2 Segment information - continuing operations

Six months to 31 December 2015 (unaudited)

	Grosvenor Casinos Venues £m	**Grosvenor Casinos Digital £m**	**Mecca Venues £m**	**Mecca Digital £m**	**Enracha Venues £m**	**Enracha Digital £m**	**Central costs £m**	**Total £m**
Continuing operations								
Group revenue reported in internal information	**205.1**	**13.9**	**109.8**	**33.2**	**12.2**	**-**	**-**	**374.2**
Customer incentives	**(7.8)**	**(2.2)**	**(5.3)**	**(6.2)**	**-**	**-**	**-**	**(21.5)**
Segment revenue	**197.3**	**11.7**	**104.5**	**27.0**	**12.2**	**-**	**-**	**352.7**
Operating profit (loss) before exceptional items	**30.9**	**2.4**	**14.3**	**5.6**	**1.5**	**(0.1)**	**(14.2)**	**40.4**
Exceptional operating profit	**-**	**-**	**6.0**	**-**	**-**	**-**	**-**	**6.0**
Segment result	**30.9**	**2.4**	**20.3**	**5.6**	**1.5**	**(0.1)**	**(14.2)**	**46.4**
Finance costs								**(3.1)**
Finance income								**0.1**
Other financial losses								**(0.7)**
Profit before taxation								**42.7**
Taxation								**(4.8)**
Profit for the period from continuing operations								**37.9**

Six months to 31 December 2014 (unaudited)

	Grosvenor Casinos Venues £m	Grosvenor Casinos Digital £m	Mecca Venues £m	Mecca Digital £m	Enracha Venues £m	Enracha Digital £m	Central costs £m	Total £m
Continuing operations								
Group revenue reported in internal information	195.7	9.9	111.8	31.5	12.8	-	-	361.7
Customer incentives	(3.8)	(2.1)	(6.8)	(5.7)	-	-	-	(18.4)
Segment revenue	191.9	7.8	105.0	25.8	12.8	-	-	343.3
Operating profit (loss) before exceptional items	29.1	1.9	14.5	8.4	1.2	(0.3)	(14.0)	40.8
Exceptional operating profit (loss)	-	-	1.9	-	(0.5)	-	-	1.4
Segment result	29.1	1.9	16.4	8.4	0.7	(0.3)	(14.0)	42.2
Finance costs								(5.4)
Finance income								0.3
Other financial losses								(0.8)
Profit before taxation								36.3
Taxation								(8.0)
Profit for the period from continuing operations								28.3

2 Segment information - continuing operations (continued)

To increase transparency, the Group continues to include additional disclosure analysing total costs by type and segment. A reconciliation of total costs, before exceptional items, by type and segment is as follows:

	Six months to 31 December 2015 (unaudited)							
	Grosvenor Casinos		**Mecca**		**Enracha**		**Central**	
	Venues	**Digital**	**Venues**	**Digital**	**Venues**	**Digital**	**costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Employment and related costs	**69.7**	**1.5**	**26.4**	**2.6**	**5.8**	**-**	**8.7**	**114.7**
Taxes and duties	**43.3**	**1.7**	**18.0**	**4.0**	**0.7**	**-**	**0.8**	**68.5**
Direct costs	**5.9**	**3.4**	**10.4**	**7.6**	**1.1**	**-**	**-**	**28.4**
Property costs	**14.5**	**0.1**	**13.2**	**0.2**	**0.8**	**-**	**0.5**	**29.3**
Marketing	**8.9**	**1.2**	**5.7**	**5.2**	**0.4**	**-**	**-**	**21.4**
Depreciation and amortisation	**12.1**	**1.0**	**6.5**	**1.1**	**0.8**	**-**	**0.8**	**22.3**
Other	**12.0**	**0.4**	**10.0**	**0.7**	**1.1**	**0.1**	**3.4**	**27.7**
Total costs before exceptional items	**166.4**	**9.3**	**90.2**	**21.4**	**10.7**	**0.1**	**14.2**	**312.3**
Cost of sales								**188.1**
Operating costs								**124.2**
Total costs before exceptional items								**312.3**

	Six months to 31 December 2014 (unaudited)							
	Grosvenor Casinos		Mecca		Enracha		Central	
	Venues	Digital	Venues	Digital	Venues	Digital	costs	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Employment and related costs	68.8	1.5	26.9	3.1	6.4	0.1	8.7	115.5
Taxes and duties	41.4	0.2	17.7	0.7	0.9	-	1.1	62.0
Direct costs	6.9	2.3	11.4	7.3	1.0	0.2	-	29.1
Property costs	15.0	0.1	13.7	0.2	0.8	-	0.5	30.3
Marketing	7.3	0.9	5.3	4.9	0.4	-	-	18.8
Depreciation and amortisation	12.1	0.7	6.3	0.7	0.8	-	0.7	21.3
Other	11.3	0.2	9.2	0.5	1.3	-	3.0	25.5
Total costs before exceptional items	162.8	5.9	90.5	17.4	11.6	0.3	14.0	302.5
Cost of sales								182.8
Operating costs								119.7
Total costs before exceptional items								302.5

3 Exceptional items

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Exceptional items relating to continuing operations		
Closure of venues	**6.0**	2.4
Charge to provision for property leases	-	(1.0)
Exceptional operating income	**6.0**	1.4
Taxation (see note 5)	**0.3**	-
Exceptional items relating to continuing operations	**6.3**	1.4
Exceptional items relating to discontinued operations		
Finance costs (see note 4)	**(0.2)**	-
Taxation (see note 5)	**3.9**	16.0
Exceptional items relating to discontinued operations	**3.7**	16.0
Total exceptional items	**10.0**	17.4

Continuing operations

Closure of venues

The Group has recognised a credit of £6.0m in respect of the sale of its freehold interest on the closure of a Mecca venue. This freehold was held for sale at 30 June 2015. The credit includes a charge to provision for restructuring costs of £0.2m which relate to costs associated with the closure of this venue.

4 Financing

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Continuing operations		
Finance costs:		
Interest on debt and borrowings	**(1.8)**	(3.3)
Amortisation of issue costs on borrowings	**(0.4)**	(0.7)
Interest on direct taxation	**-**	(0.3)
Interest payable on finance leases	**(0.4)**	(0.4)
Unwinding of the discount in onerous lease provisions	**(0.5)**	(0.6)
Unwinding of the discount in disposal provisions	**-**	(0.1)
Total finance costs	**(3.1)**	(5.4)
Finance income:		
Interest income on short term bank deposits	**0.1**	0.1
Interest income on direct taxation	**-**	0.2
Finance income	**0.1**	0.3
Other financial losses - including foreign exchange	**(0.7)**	(0.8)
Total net financing cost for continuing operations	**(3.7)**	(5.9)
Discontinued operations		
Exceptional finance costs	**(0.2)**	-
Total net financing cost for discontinued operations	**(0.2)**	-
Total net financing costs	**(3.9)**	(5.9)

Exceptional finance costs recognised in discontinued operations relate to the cost of a letter of credit held in respect of taxation balances on disposed entities.

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Total net financing cost for continuing operations	**(3.7)**	(5.9)
Adjust for:		
Unwinding of the discount in disposal provisions	**-**	0.1
Other financial losses - including foreign exchange	**0.7**	0.8
Interest payable included in adjusted profit	**(3.0)**	(5.0)

5 Taxation

Income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial period.

	Six months to 31 December 2015 (unaudited)		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**
Current income tax			
Current income tax – UK	**(7.1)**	**-**	**(7.1)**
Current income tax – overseas	**(0.6)**	**-**	**(0.6)**
Current income tax charge	**(7.7)**	**-**	**(7.7)**
Amounts over provided in previous years on exceptional items	**0.3**	**3.9**	**4.2**
Total current income tax (charge) credit	**(7.4)**	**3.9**	**(3.5)**
Deferred tax			
Deferred tax – UK	**(0.4)**	**-**	**(0.4)**
Deferred tax - overseas	**(0.1)**	**-**	**(0.1)**
Restatement of deferred tax from 20% to 18%	**3.1**	**-**	**3.1**
Total deferred tax credit	**2.6**	**-**	**2.6**
Tax (charge) credit in the income statement	**(4.8)**	**3.9**	**(0.9)**

	Six months to 31 December 2014 (unaudited)		
	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax			
Current income tax – UK	(7.0)	-	(7.0)
Current income tax – overseas	(0.3)	-	(0.3)
Current income tax charge	(7.3)	-	(7.3)
Current income tax on exceptional items	(0.4)	-	(0.4)
Amounts over provided in previous years	0.5	-	0.5
Amounts over provided in previous years on exceptional items	0.4	16.0	16.4
Total current income tax (charge) credit	(6.8)	16.0	9.2
Deferred tax			
Deferred tax – UK	(0.6)	-	(0.6)
Deferred tax – overseas	(0.1)	-	(0.1)
Amounts under provided in respect of previous years	(0.5)	-	(0.5)
Total deferred tax charge	(1.2)	-	(1.2)
Tax (charge) credit in the income statement	(8.0)	16.0	8.0

5 Taxation (continued)

The tax effect of items within other comprehensive income was as follows:

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Current tax credit (charge) on exchange movements offset in reserves	**0.1**	(0.1)
Deferred tax credit on actuarial loss on retirement benefits	**-**	0.1
Total tax credit on items within other comprehensive income	**0.1**	-

The credit in respect of employee share schemes included within the Statement of Changes in Equity includes a deferred tax credit of £0.2m (six months to 31 December 2014: £nil).

Tax on discontinued operations

The £3.9m exceptional tax credit in discontinued operations relates to a refund of amounts previously paid which the Group expects to receive following the conclusion of a tax exposure relating to a discontinued operation in an overseas jurisdiction. As at 30 June 2015 this item was disclosed as a contingent asset.

Factors affecting future taxation

On 8 July 2015, the Chancellor of the Exchequer announced the reduction in the main rate of UK corporation tax to 19.0% for the year starting 1 April 2017 and a further 1.0% reduction to 18.0% from 1 April 2020. These changes were substantively enacted in October 2015. The rate reductions will reduce the amount of cash tax payments to be made by the Group.

On 20 June 2014, the Spanish Government announced the reduction in the corporation tax rate in Spain from 30% to 28% for financial years beginning in 2015 and to 25% for financial years beginning in 2016 and onwards. These changes were substantively enacted in November 2014.

A reconciliation of tax on continuing operations to tax included in adjusted profit is described below:

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Tax charge for continuing operations	**(4.8)**	(8.0)
Adjust for:		
Tax on exceptional items	**(0.3)**	-
Tax on adjusted items and impact of reduction in tax rate	**(3.2)**	(0.2)
Tax charge included in adjusted profit	**(8.3)**	(8.2)

6 Dividends

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Dividends paid to equity holders		
Final dividend for 2014/15 paid on 21 October 2015 - 4.00p per share	**15.6**	-
Final dividend for 2013/14 paid on 22 October 2014 - 3.15p per share	**-**	12.3
Total	**15.6**	12.3

The Board has declared an interim dividend of 1.80p per ordinary share. The dividend will be paid on 22 March 2016 to shareholders on the register at 12 February 2016. The financial information does not reflect this dividend.

7 Adjusted earnings per share

Adjusted earnings is calculated by adjusting profit attributable to equity shareholders to exclude the impact of reductions in tax rate, discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the related tax effects. Adjusted earnings is one of the business performance measures used internally by management to manage the operations of the business. Management believes that the adjusted earnings measure assists in providing a view of the underlying performance of the business.

Adjusted net earnings attributable to equity shareholders is derived as follows:

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Profit attributable to equity shareholders	**41.6**	44.3
Adjust for:		
Discontinued operations (net of taxation)	**(3.7)**	(16.0)
Exceptional items after tax on continuing operations	**(6.3)**	(1.4)
Other financial losses	**0.7**	0.8
Unwinding of the discount in disposal provisions	**-**	0.1
Taxation on adjusted items and impact of reduction in tax rate	**(3.2)**	(0.2)
Adjusted net earnings attributable to equity shareholders	**29.1**	27.6
Weighted average number of ordinary shares in issue	**390.7m**	390.7m
Adjusted earnings per share (p) - basic	**7.4p**	7.1p
Adjusted earnings per share (p) - diluted	**7.4p**	7.1p

8 Provisions

	Property lease provisions £m	Disposal provisions £m	Restructuring provisions £m	Indirect tax provisions £m	Total £m
At 1 July 2015	**47.6**	**4.3**	**0.5**	**1.2**	**53.6**
Exchange adjustments	**-**	**0.1**	**-**	**-**	**0.1**
Unwinding of discount	**0.5**	**-**	**-**	**-**	**0.5**
Charge to the income statement - exceptional	**-**	**-**	**0.2**	**-**	**0.2**
Utilised in period	**(2.6)**	**-**	**(0.7)**	**-**	**(3.3)**
At 31 December 2015 (unaudited)	**45.5**	**4.4**	**-**	**1.2**	**51.1**
Current	**5.7**	**1.0**	**-**	**1.2**	**7.9**
Non-current	**39.8**	**3.4**	**-**	**-**	**43.2**
At 31 December 2015 (unaudited)	**45.5**	**4.4**	**-**	**1.2**	**51.1**

9 Borrowings to net debt reconciliation

Under IFRS, accrued interest and unamortised facility fees are classified as loans and borrowings. A reconciliation of loans and borrowings disclosed in the balance sheet to the Group's net debt position is provided below:

	At 31 December 2015 (unaudited) £m	At 31 December 2014 (unaudited) £m
Total loans and borrowings	**(122.2)**	(167.9)
Less: accrued interest	**0.6**	0.9
Less: unamortised facility fees	**(0.7)**	(1.0)
	(122.3)	(168.0)
Add: cash and short term deposits	**70.3**	73.1
Net debt	**(52.0)**	(94.9)

10 Cash generated from continuing operations

	Six months to 31 December 2015 (unaudited) £m	Six months to 31 December 2014 (unaudited) £m
Continuing operations		
Operating profit	**46.4**	42.2
Exceptional items	**(6.0)**	(1.4)
Operating profit before exceptional items	**40.4**	40.8
Depreciation and amortisation	**22.3**	21.3
Increase in inventories	**(0.2)**	(0.2)
Decrease in other receivables	**7.3**	7.7
(Decrease) increase in trade and other payables	**(4.3)**	3.2
Share-based payments	**1.1**	-
Impairment of property, plant and equipment	**0.4**	-
	67.0	72.8
Cash utilisation of provisions	**(3.3)**	(4.2)
Cash payments in respect of exceptional items	**-**	(0.1)
Cash generated from continuing operations	**63.7**	68.5

11 Contingent liabilities

Property leases

Concurrent to the £211m sale and leaseback in 2006, the Group transferred the rights and obligations but not the legal titles of 44 property leases to a third party. The Group remains potentially liable in the event of default by the third party. Should default occur then the Group would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 11 of these have not expired or been surrendered. These 11 leases have durations of between 11 months and 97.5 years and a current annual rental obligation (net of sub-let income) of approximately £1.1m.

During a prior year, the Group became aware of certain information in respect of a deterioration in the financial position of the third party and one of the guarantors. However, the Group has not to date been notified of any default, or intention to default, in respect of the transferred leases.

Stamp duty

The Group has received a determination from HMRC in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by the Group on 12 May 2013. The maximum potential additional stamp duty that could be due if HMRC are successful is £7.2m plus interest. Under the terms of the Sale and Purchase Agreement any liability arising falls upon Gala Coral and the Group has an indemnification from Gala Coral.

12 Related party and ultimate parent undertaking

Guoco Group Limited (Guoco), a company incorporated in Bermuda and listed on the Hong Kong stock exchange, has a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco is Hong Leong Company (Malaysia) Berhad (Hong Leong) which is incorporated in Malaysia. At 31 December 2015, entities controlled by Hong Leong owned 56.1% of the Company's shares, including 52.0% through Guoco and its wholly owned subsidiary Rank Assets Limited, the Company's immediate parent undertaking.