

William Hill ready to gamble on Rank buyout

Bookmaker William Hill is considering a takeover bid for Rank, the leisure group that is in the throes of selling its Hard Rock cafe business for an estimated GBP 500m.

William Hill joins Ladbroke and a number of American groups in running a slide rule over the company as analysts speculate that a bidding war could erupt in the coming weeks.

Rank disclosed on Friday that US investment giant Fidelity had built up an 11 per cent holding in the company, just days before this week's trading update, which is expected to include news about progress to find a buyer for Hard Rock.

City sources are divided over whether Rank could be sold in its entirety or whether bidders will wait until Hard Rock is sold. One analyst said: 'An American company such as Harrah could afford the whole thing, but British trade buyers such as William Hill and Ladbroke will probably wait until Hard Rock is out of the way.'

Rank has been unravelling as a mini-conglomerate and is attempting to focus on its casino and bingo operations. It was Rank chief executive Ian Burke who announced that advisers were looking at options for Hard Rock in the summer.

The bingo business, Britain's second-biggest after Gala, is going through a tough time as the number of casinos expands and internet gambling sites grow in popularity.

Though company insiders say Burke is trying to increase the gambling business, an offer of hard cash will prove impossible to resist, according to observers.