

**Regus plc (société anonyme)**

Annual accounts  
for the period from 8 August 2008 (date of incorporation)  
to 31 December 2008

(with the report of the Réviseur d'Entreprises thereon)

**Registered Office: 22 Grenville Street,  
St Helier, Jersey, JE4 8PX, Channel  
Islands  
Jersey Registration Number: 101523**

**Central Administration (Head Office):  
26 Boulevard Royal  
L-2449 Luxembourg  
R.C.S. Luxembourg B 141 159**

**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2008**

**Directors' report and annual accounts**

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To the Shareholders of  
Regus plc S.A.  
26, Boulevard Royal  
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## **REPORT OF THE REVISEUR D'ENTREPRISES**

### ***Report on the annual accounts***

We have audited the accompanying annual accounts of Regus plc (société anonyme), which comprise the balance sheet as at 31 December 2008 and the profit and loss account for the period from 8 August 2008 (date of incorporation) to 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

### ***Board of Directors' responsibility for the annual accounts***

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Responsibility of the Réviseur d'Entreprises***

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Regus plc (société anonyme) as of 31 December 2008, and of the results of its operations for the period from 8 August 2008 (date of incorporation) to 31 December 2008 in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### ***Report on other legal and regulatory requirements***

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, 20 March 2009

KPMG Audit S.à r.l.  
Réviseurs d'Entreprises



Thierry Ravasio

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

**MANAGEMENT REPORT**

The Directors present their report and the audited financial statements for the period ended 31 December 2008.

**Introduction**

Regus plc (société anonyme) (the “**Company**”), was originally incorporated as a private company on 8 August 2008 in Jersey, Channel Islands and was re-registered as a public company on 18 August 2008. The Company transferred its place of central administration (head office) from Jersey to Luxembourg as of 21 August 2008 and was registered for the sole purpose of the transfer of its place of central administration (head office) to Luxembourg with the Luxembourg Registre de Commerce et des Sociétés as a Société Anonyme.

The Company was incorporated to participate in a group reorganisation of the Regus Group which was announced on 29 August 2008 whereby the Company would be introduced as the new holding company of the Regus Group through a High Court approved scheme of arrangement under sections 895 to 899 of the Companies Act 2006. The scheme became effective on 14 October 2008.

As a result the Company acquired the entire share capital of Regus Group Limited (formerly Regus Group plc) in exchange for the issue of new shares in the Company on the basis of one share in the Company for one share previously held in Regus Group Limited. As the Company had nominal assets and liabilities at the date of the scheme the transaction was accounted for as a reverse acquisition of the Company by Regus Group Limited in the consolidated accounts. Regus Group Limited's shares were de-listed and the Company's ordinary shares were admitted for listing on the main market of the London Stock Exchange when the scheme became effective.

**Business review**

Following the scheme of arrangement, the Company's principal activity was to act as a holding company for the Regus Group and the Company is the ultimate parent company of all subsidiaries of the Regus Group. Details of shares in affiliated undertakings of the Company can be found in note 3 to the accounts.

During the period the Company had assigned or transferred to it certain assets, including investments and loans, from Regus Group Limited through interim dividends paid to the Company. The Company then assigned the loans to a direct subsidiary in exchange for zero per cent. coupon loan notes issued by the subsidiary. In addition the Company incurred expenditure in relation to its listing on the main market of the London Stock Exchange and related costs with both external suppliers and other group companies.

The Company declared a final dividend of 1.2 pence per ordinary share for the period ending 31 December 2008. It is anticipated that the dividend is to be paid on 29 May 2009 to shareholders of record on 1 May 2009 (other than to those who are paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company's memorandum and articles of association).

The Company declared a final dividend of 1.2 pence per share for the period ending 31 December 2008 which, subject to shareholders' approval at the Annual General Meeting to be held on 19 May 2009, is expected to be paid to shareholders on 29 May 2009.

In future periods, the Company will continue to act as the ultimate parent company of the Regus Group and will hold investments and loans with other group companies.

#### **Acquisition of own shares**

In the period from 14 October 2008 to 31 December 2008, the Company re-purchased 3,200,000 of its own shares in the open market and held these shares as treasury shares. In addition, the Company acquired 2,750,000 shares that were issued on the formation of the Company and also held these as treasury shares. These shares were acquired and held as treasury shares for the purposes of the share option plans operated for employees of subsidiaries of the Company and the Company's share buy-back programme. The 5,950,000 treasury shares were acquired for a total consideration of £1.4 million (nominal value £59,500) and represented 0.6% of the issued share capital of the Company.

The holders of ordinary shares of the Company are entitled to receive such dividends as are declared by the Company and are entitled to one vote per share at meetings of the Company. Treasury shares do not carry such rights until re-issued.

#### **Result for the period**

The profit for the financial period ended 31 December 2008 was £261.5m

#### **Directors**

The Directors of the Company who held office during the financial period were:

##### Executive directors

Mark Dixon  
Stephen Gleadle

##### Non-executive directors

John Matthews (Chairman)  
Martin Robinson  
Douglas Sutherland  
Ulrich Ogiermann  
Lance Browne

#### **Auditors**

Following registration of the Company with the Luxembourg Registre de Commerce et des Sociétés on 21, August 2008, the following Réviseur d'entreprises were appointed to audit the Company:

KPMG Audit S.à r.l.  
9, allée Scheffer  
L-2520 Luxembourg

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Balance Sheet

As at 31 December 2008

(expressed in million of GBP)

<b>ASSETS</b>	<b>Notes</b>	<b>2008</b>
<b>C. FIXED ASSETS</b>		
<b>III. Financial assets</b>	3	
1. Shares in affiliated undertakings		295.2
2. Loans to affiliated undertakings		552.2
<b>D. CURRENT ASSETS</b>		
<b>III. Transferable securities</b>		
2. Own shares		1.4
<i>(5,950,000 shares of GBP 0.01 per share)</i>		
<b>IV. Cash at bank and in hand</b>		0.2
<b>TOTAL ASSETS</b>		<u><u>849.0</u></u>

The accompanying notes form an integral part of the annual accounts.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Balance Sheet (continued)

As at 31 December 2008

(expressed in million of GBP)

<b>LIABILITIES</b>	<b>Notes</b>	<b>2008</b>
<b>A. CAPITAL AND RESERVES</b>	<b>4</b>	
I. Subscribed capital		9.5
II. Share premium account		53.7
IV. Reserves		
2. Reserve for own shares		1.4
4. Other reserves		518.6
VI. Profit or loss for the financial period		261.5
<b>B. PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>5</b>	
3. Other provisions		0.2
<b>C. CREDITORS</b>		
4. Trade creditors		
becoming due and payable within one year		0.1
6. Amounts owed to affiliated undertakings		
becoming due and payable within one year		3.4
becoming due and payable after more than one year		0.5
9. Other creditors		
becoming due and payable within one year		0.1
<b>TOTAL LIABILITIES</b>		<b>849.0</b>

The accompanying notes form an integral part of the annual accounts.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Profit and loss account

For the period from 8 August 2008 to 31 December 2008  
(expressed in million of GBP)

	Notes	2008
<b>A. CHARGES</b>		
2. b) Other external charges	6	2.5
5. Other operating charges	8	0.3
6. Value adjustments in respect of financial assets and of transferable securities held as current assets	3	388.2
13. Profit for the financial period	4	261.5
<b>TOTAL CHARGES</b>		<b>652.5</b>

The accompanying notes form an integral part of the annual accounts.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Profit and loss account (continued)

For the period from 8 August 2008 to 31 December 2008  
(expressed in million of GBP)

<b>B. INCOME</b>	<b>Notes</b>	<b>2008</b>
5. Income from participating interests		
a) Derived from affiliated undertakings	9	652.5
<b>TOTAL INCOME</b>		<b><u>652.5</u></b>

The accompanying notes form an integral part of the annual accounts.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Notes to the accounts

From 8 August 2008 to 31 December 2008

**1 General**

Regus plc (société anonyme) (the “**Company**”) is a public limited liability company originally incorporated as a private company on 8 August 2008, in Jersey, Channel Islands, under the name of Regus Limited. The Company subsequently changed its name and was then re-registered in Jersey, on 18 August 2008, as a public company. The Company transferred its place of central administration (head office) from Jersey to Luxembourg as of 21 August 2008 and was registered for the sole purpose of the transfer of its place of central administration (head office) to Luxembourg with the Luxembourg *Registre de Commerce et des Sociétés* as a *Société Anonyme*. The Company is established for an unlimited duration.

The registered office of the Company is established at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands and its place of central administration (head office) is registered at 26 boulevard Royal, L-2449 Luxembourg.

The Company’s first financial period started on 8 August 2008 (date of incorporation) and ended on 31 December 2008

The main activities of the Company are to carry on business as a general commercial company and to carry on any trade or business whatsoever. To acquire any estate or interest in and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act as a holding company.

The Company’s ordinary shares are traded on the London Stock Exchange and it publishes its consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the EU. These consolidated financial statements are available at the registered office 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands as well as at the central administration (head office) at 26, boulevard Royal, L-2449 Luxembourg.

**2 Significant accounting policies**

**2.1 Basis of preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements, and generally accepted accounting principles. Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Board of Directors.

The main valuation rules applied by the Company are the following:

**2.2 Formation expenses**

The formation expenses of the Company are directly charged to the profit and loss account of the period.

**Regus plc (société anonyme)**

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Notes to the accounts (continued)

From 8 August 2008 to 31 December 2008

**2 Significant accounting policies (continued)**

**2.3 *Tangible assets***

Tangible assets are valued at purchase price including the expenses incidental thereto, and are amortised over their estimated useful economic lives. Where a tangible asset is identified as having suffered a durable depreciation in value, an additional write down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**2.4 *Financial assets***

Shares in affiliated undertakings are valued at purchase price including acquisition costs. Where any permanent diminution in value is identified, value adjustments are recorded in the profit and loss account. These value adjustments are not continued if the reasons which caused their initial recording cease to apply.

Loans to affiliated undertakings and other loans are valued at their nominal value. Loans which appear to be wholly or partially irrecoverable are subject to value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**2.5 *Debtors***

Current debtors are valued at their nominal value, but are subject to value adjustments where their value appears to be wholly or partially irrecoverable. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

**2.6 *Transferable securities***

Transferable securities are valued at the lower of cost or market value. If the market value falls below the acquisition cost, value adjustments are recorded. These value adjustments are not continued if the factors which caused their initial recording cease to apply.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Notes to the accounts (continued)  
From 8 August 2008 to 31 December 2008

**2 Significant accounting policies (continued)**

**2.7 *Foreign currency translation***

The Company maintains its accounting records in Sterling ("GBP") and its annual accounts are expressed in this currency.

Transactions expressed in currencies other than GBP are translated at the exchange rate effective at the time of the transaction.

Monetary assets and liabilities denominated in other currencies are translated at the exchange rate effective at the balance sheet date. Realised foreign currency gains and losses and negative exchange differences are recognised in the profit and loss account. Positive exchange differences are not recognised.

Cash at bank, cheques and cash in hand denominated in currencies other than GBP are translated at the exchange rates prevailing at the balance sheet date. Exchange gains and losses arising from the translations are recorded in the profit and loss account.

**2.8 *Creditors***

Creditors are recorded at their nominal value.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Notes to the accounts (continued)  
From 8 August 2008 to 31 December 2008

**3 Financial assets**

The financial assets of the Company are represented by:

In million of GBP	<u>Shares in affiliated undertakings</u>	<u>Loans to affiliated undertakings</u>	<u>Total</u>
<b>Acquisition costs</b>			
Opening balance	-	-	-
Additions	683.4	552.2	1,235.6
Closing balance	<b>683.4</b>	<b>552.2</b>	<b>1,235.6</b>
<b>Value adjustments</b>			
Opening balance	-	-	-
Value adjustments for the period	388.2	-	388.2
Closing balance	<b>388.2</b>	-	<b>388.2</b>
<b>Net book value</b>			
Opening balance	-	-	-
Closing balance	<b>295.2</b>	<b>552.2</b>	<b>847.4</b>

Undertakings in which the Company holds at least 50% of their share capital are as follows:

<u>Name of undertaking and registered office</u>	<u>Cost</u>	<u>Ownership %</u>	<u>Last balance sheet date</u>	<u>Currency of undertaking</u>	<u>Capital and reserves at last balance sheet date*</u>	<u>Profit or loss of the last financial year*</u>
	£				£'000	£'000
Regus Limited S.à r.l.	29,256,015	100	31/12/2008	GBP	21,726	9,066
Regus Management Limited	70,897,571	100	31/12/2008	GBP	24,150	276,083
Regus Group Limited	583,155,191	100	31/12/2008	GBP	201,086	339,641
3000, Hillswood Drive Hillswood Business Park Chertsey Surrey KT16 0RS United Kingdom						
Regus No.1 S.à r.l.	10,500	100	31/12/2008	GBP	4,288	4,277
Regus Middle East S.à r.l.	9,855	100	31/12/2008	EUR	10	(2)
Regus No.2 S.à r.l.	12,500	100	31/12/2008	GBP	13	-
26, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg						

\* the amounts disclosed are taken from unaudited financial statements

**Regus plc (société anonyme)**

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Notes to the accounts (continued)

From 8 August 2008 to 31 December 2008

**4 Capital and reserves**

**4.1 *Subscribed capital***

The Company was incorporated as a private company in Jersey on 8 August 2008 and its share capital of GBP 27,500, represented by 2,750,000 shares of GBP 0.01 per share, was owned by Lively Limited and Juris Limited.

Under a scheme of arrangement which became effective on 14 October 2008, the Company acquired the entire share capital of Regus Group Plc, formerly the ultimate holding company of the Regus Group, as consideration for the issue of new shares in the Company on the basis of one share in the Company for one share previously held in Regus Group plc.

Consequently, the Company became the ultimate holding company of the Regus Group.

The Company's ordinary shares were admitted to trading on the main market for listed securities of the London Stock Exchange on 14 October 2008.

The subscribed, issued and fully paid capital amounts to GBP 9,509,698.22 represented by 950,969,822 shares of GBP 0.01 per share.

The authorised share capital of the Company amounts to GBP 80,000,000. (8,000,000,000 shares of GBP 0.01 per share).

**4.2 *Share premium account***

The movements on the "Share premium account" item during the period are as follows:

In million of GBP	<u>Balance</u>
<b>Opening balance as at 8 August 2008</b>	-
<b>Movements in the period</b>	
Initial subscription	573.7
Transfer to distributable reserves*	(520.0)
<b>Closing balance as at 31 December 2008</b>	<u><b>53.7</b></u>

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**

Notes to the accounts (continued)

From 8 August 2008 to 31 December 2008

**4 Capital and reserves (continued)**

***Share premium account (continued)***

\*On 27 August 2008, Juris Limited and Lively Limited, being the only shareholders of the Company on that date, passed a special resolution at an extraordinary general meeting of the Company (the “**Reduction Resolution**”) approving the proposed reduction of the Company’s share premium account. The Company’s reduction of its share premium account was in order to create a reserve of profit, which would be available for distribution by the Company from time to time as dividends, or applied towards any other lawful purpose to which such a reserve may be applied.

**4.3 Legal reserve**

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

**4.4 Reserve for own shares**

The Company purchased its own shares to be held as treasury shares, during the period, for an amount of GBP 1,325,912 included in the assets shown in the balance sheet.

In accordance with Luxembourg Company law, a non-distributable reserve, of the same amount as the total value of these treasury shares, was created by the Board upon acquisition of the shares, which is, and will remain unavailable for as long as these shares are held.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2008**  
Notes to the accounts (continued)  
From 8 August 2008 to 31 December 2008

**5 Provisions for liabilities and charges**

The Company has made provisions for its liabilities for ongoing professional fees, based on estimates of work carried out since incorporation.

**6 Other external charges**

Other external charges are broken down as follows:

In million of GBP	<b>2008</b>
Management fees	2.3
Legal and professional fees	0.2
<b>Total other external charges</b>	<b>2.5</b>

**7 Staff costs**

Staff costs for the financial period are broken down as follows:

In GBP	<b>2008</b>
Wages and salaries	21,959
Social security costs accruing by reference to wages and salaries	2,735
<b>Total staff costs</b>	<b>24,694</b>

The average number of employees for the period was one.

**8 Other operating charges**

Other operating charges are broken down as follows:

In million of GBP	<b>2008</b>
Directors fees	0.1
Share registration costs	0.1
Other business costs	0.1
<b>Total other operating charges</b>	<b>0.3</b>

**9 Income derived from affiliated undertakings**

The income for the period consists of dividends in specie received from Regus Group Ltd in the form of a transfer of assets.