

**Regus plc (société anonyme)**

Annual accounts  
for the year ended 31, December 2010

(with the report of the Réviseur d'Entreprises agréé  
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**



KPMG Audit  
9, Allée Scheffer  
L-2520 Luxembourg

Téléphone +352 22 51 51 1  
Fax +352 22 51 71  
audit@kpmg.lu  
www.kpmg.lu

To the Shareholders of  
Regus plc (société anonyme)  
26, Boulevard Royal  
L-2449 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### *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 2010 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *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, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

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 for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 agréé, 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 agréé 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 2010, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

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

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

Luxembourg, 21 March 2011

KPMG Audit S.à r.l.  
Cabinet de révision agréé



Thierry Ravasio

**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**

**Directors' report and annual accounts**

**Contents**

Directors' report	3-4
Balance sheet	5-6
Profit and loss account	7-8
Notes to the accounts	9-17

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

**DIRECTORS' REPORT**

The Directors' present their report and the audited annual accounts for the year ended 31 December 2010.

**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 UK Companies Act 2006. The scheme became effective on 14 October 2008.

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.

**Business review**

During the year the Company was assigned or transferred certain assets by Regus Management Limited by way of an interim dividend paid to the Company. 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.

In December 2009, the then Chairman of the Company, Mr John Matthews and Senior Non-executive director Mr Martin Robinson announced their intention to retire from the Board of directors of the Company at the 2010 AGM. At this point Mr Douglas Sutherland, a then Non-executive director on the Board became Chairman. In November, 2010 Mr Ulrich Ogiermann announced his intention to step down from the board as of 31 December 2010.

The Board is proposing an 8% increase in the full year dividend to 2.6p per share (2009: 2.4p). Subject to the approval of shareholders at the 2011 AGM, this final dividend will be paid on Friday 27 May 2011 to shareholders on the register at the close of business on Tuesday 26 April 2011.

Since 2008, Regus shareholders have been able to elect to receive either Luxembourg-sourced dividends from Regus plc SA ("plc") or UK-sourced dividends from a UK-resident subsidiary of plc (the "IAS arrangements"). The IAS arrangements were put in place to allow shareholders to choose the dividend source which best suits their own tax position.

Following various changes in relevant tax law and practice, however, the tax implications of receiving a dividend from either plc or a UK subsidiary should now be the same for most shareholders. In order to enable the discontinuance of the IAS arrangements, which are no longer considered necessary, Regus has implemented a restructuring. As a result, all shareholders will be paid dividends directly from plc, commencing with the final dividend to be paid to shareholders on or around Friday, 27 May 2011. All such dividends should be payable by Regus plc without deduction of Luxembourg withholding tax, regardless of the residence of the recipient.

The Company has continued to act as the ultimate parent company of the Regus Group and has increased its investment holdings, during the year, in other group companies.

Regarding principal and uncertainties, key performance indicators, likely future development and fair review of performance, please refer to the Directors' Report in the consolidated annual accounts.

### **Acquisition of own shares**

In the year from 1 January to 31 December 2010, the Company re-purchased 9,385,000 of its own shares in the open market and held these shares 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 treasury shares were acquired for a total consideration of £7.4 million (nominal value £93,850) and represented 0.9% of the issued share capital of the Company, and are in addition to the 1,576,498 treasury shares held by the Company at the start of the financial year.

During the year to 31 December 2010, the Company utilised 1,890,592 of its treasury shares to satisfy the share option remunerations awarded to employees. This reduced the number of treasury shares held by the Company to 9,070,906 shares.

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 year**

The loss for the financial year ended 31, December 2010 was £19.1m (2009: profit £13.4m). This loss is largely a result of an impairment provision made due to the permanent diminution of the value of an investment held by the Company. The Company paid total dividends in the year of £8.7m (2009: £8.7m)

### **Directors**

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

#### Executive directors

Mark Dixon  
Stephen Gleadle

#### Non-executive directors

John Matthews (Chairman)	(resigned 18 May 2010)
Martin Robinson	(resigned 18 May 2010)
Douglas Sutherland	
Ulrich Ogiermann	(resigned 31 December 2010)
Lance Browne	
Alex Sulkowski	(appointed 1 June 2010)
Elmar Heggen	(appointed 1 June 2010)

### **Auditors**

Following registration of the Company with the Luxembourg Registre de Commerce et des Sociétés on 21, August 2008, the following Réviseur d'entreprises agréé were appointed to audit the Company, and were re-appointed at the Company's 2010 AGM on 18 May 2010

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

**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**  
 Balance Sheet  
 As at 31 December 2010  
 (expressed in millions of GBP)

<b>ASSETS</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
<b>C. FIXED ASSETS</b>			
<b>III. Financial assets</b>	3		
1. Shares in affiliated undertakings		224.5	287.4
2. Loans to affiliated undertakings		578.9	563.1
<b>D. CURRENT ASSETS</b>			
<b>II. Debtors</b>			
2. Amounts owed by affiliated undertakings becoming due and payable within one year		20.8	3.9
<b>III. Transferable securities</b>			
2 Own shares (9,070,906 shares of GBP 0.01 per share/ (2009: 1,576,498 shares)		7.1	0.4
<b>IV. Cash at bank and in hand</b>		0.6	0.1
<b>E. PREPAYMENTS</b>		0.7	0.6
<b>TOTAL ASSETS</b>		<b>832.6</b>	<b>855.5</b>

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

Regus plc (société anonyme)

**ANNUAL ACCOUNTS 2010**

Balance Sheet (continued)

As at 31 December 2010

(expressed in millions of GBP)

<b>LIABILITIES</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
<b>A. CAPITAL AND RESERVES</b>	4		
I. Subscribed capital		9.5	9.5
II. Share premium account		53.7	53.7
IV. Reserves			
1. Legal reserve		0.9	0.9
2. Reserve for own shares		7.1	0.4
4. Other reserves		512.9	519.6
V. Profit or loss brought forward		259.7	255.2
Interim dividend of the year		(3.1)	(3.3)
VI. Profit or loss for the financial year		(19.1)	13.4
		821.6	849.4
<b>B. PROVISIONS FOR LIABILITIES AND CHARGES</b>	5		
3. Other provisions		0.3	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		10.7	5.8
		10.7	5.9
<b>TOTAL LIABILITIES</b>		832.6	855.5

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



**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**  
Profit and loss account  
For the year ended 31 December 2010  
(expressed in millions of GBP)

<b>A. CHARGES</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
2. b) Other external charges	6	2.5	2.2
3. Staff costs	7	0.1	0.1
4. b) Value adjustment in respect of current assets		0.2	-
5. Other operating charges	8	2.7	2.6
6. Value adjustments in respect of financial assets and of transferable securities held as current assets	3	81.7	22.6
13. Profit for the financial year	4	-	13.4
<b>TOTAL CHARGES</b>		<b>87.2</b>	<b>40.9</b>

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

**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**  
Profit and loss account  
For the year ended 31 December 2010  
(expresses in millions of GBP)

<b>B. INCOME</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
4. Other operating income		1.8	-
5. Income from participating interests a) derived from affiliated undertakings	9	52.1	40.9
6. Income from loans forming part of fixed assets a) derived from affiliated undertakings	10	14.0	-
7. Other interest receivable and similar income a) derived from affiliated undertakings		0.2	-
10. Loss for the financial year		19.1	-
<b>TOTAL INCOME</b>		<b>87.2</b>	<b>40.9</b>

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

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**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 financial year starts on 1, January and ends on 31, December each year with the exception of the first period which started on 8 August 2008 and ended on 31 December 2008.

The objects 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 accounts 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 year.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**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 2010**  
Notes to the accounts  
For the year ended 31 December 2010

**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 Prepayments and accrued income**

This asset item includes expenditure incurred during the financial year which relates to a subsequent financial year.

**2.9 Creditors**

Creditors are recorded at their nominal value.

**2.10 Accruals and deferred income**

This liability item includes income received during the financial year which relates to a subsequent financial year.

**2.11 Value adjustments**

Value adjustments are deducted directly from the related asset.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**3 Financial assets**

The financial assets of the Company are represented by:

In millions of GBP	<u>Shares in affiliated undertakings</u>	<u>Loans to affiliated undertakings</u>	<u>Total</u>
<b>Acquisition costs</b>			
Opening balance	698.1	563.1	1,261.2
Additions	18.8	15.8	34.6
Closing balance	<u>716.9</u>	<u>578.9</u>	<u>1,295.8</u>
<b>Value adjustments</b>			
Opening balance	410.7	-	410.7
Value adjustments for the year	81.7	-	81.7
Closing balance	<u>492.4</u>	<u>-</u>	<u>492.4</u>
<b>Net book value</b>			
Opening balance	287.4	563.1	850.5
Closing balance	<u>224.5</u>	<u>578.9</u>	<u>803.4</u>

Undertakings in which the Company holds at least 20% of their share capitals are listed as follows

<u>Name of undertaking</u>	<u>Carrying amount GBP</u>	<u>Ownership %</u>	<u>Currency of undertaking</u>
Office Metro Limited S.à r.l. (formerly Regus Limited S.à r.l.)	4,734,818	100	GBP
Regus Management Limited S.à r.l.*	-	100	GBP
Regus Group Limited	195,001,605	100	GBP
Regus No.1 S.à r.l.	12,500	100	GBP
Regus Middle East S.à r.l.	-	100	EUR
Regus No.2 S.à r.l.	12,500	100	GBP
Regus Businessworld (Luxembourg) S.à r.l.	12,500	100	GBP
RBC Estonia OU	-	100	EEK
Business Centres Management Estonia OU	-	100	EEK
Regus Egypt LLC	1,062	99	EGP
Regus Business Centre Italia Srl	13,204,626	100	EUR
Regus Service Centre Philippines BV	-	100	EUR
Regus Asia Pacific Management Limited	796	100	HKD
Regus IAS Limited	1	100	GBP
Regus (Nottingham Citygate) Limited	1	100	GBP

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**3 Financial assets (continued)**

<u>Name of undertaking</u>	<u>Carrying amount</u> <u>GBP</u>	<u>Ownership %</u>	<u>Currency of</u> <u>undertaking</u>
Regus (Orchard Lea) Limited	1	100	GBP
Regus (Thames Court) Limited	1	100	GBP
Regus (London 1 Broadgate) Limited	1	100	GBP
Regus Management (UK) Limited	1,300,000	100	GBP
Danebury Capital Limited	1	100	GBP
Vienna Twin Towers Centre Limited	75	100	GBP
Vienna Office Park Airport Centre Limited	75	100	GBP
UAB Regus Management Lithuania	-	100	LTL
UAB Regus Business Centres Vilnius	-	100	LTL
Rickmansworth Property Holding (Luxembourg) S.à r.l.	12,500	100	GBP
Rickmansworth Centre Holdings Limited	1,099,780	100	GBP
Regus Singapore Asia Square PTE Limited	-	100	SGD
Regus Service Management Limited	856	100	HKD
Regus Service Centre Limited	829	100	HKD
Regus No.4 S.à r.l.	12,500	100	GBP
Regus No.3 S.à r.l.	12,500	100	GBP
Regus Luxembourg SA	1,984,068	100	EUR
Regus Global Management Centre SA	60,145	100	CHF
Regus Conference Centre Limited	642	100	HKD
Regus Centre Services Limited	40,197	100	HKD
Regus Cairo LLC	-	99	EGP
Regus Business Services Limited	856	100	HKD
Regus Business Management Limited	41,470	100	HKD
Regus Business Centre IV, SA de CV	-	95	MXN
Regus (Vietnam) Assets Management Company Limited	31,162	100	USD
Regus (Hertfordshire) Limited	1	100	GBP
HQ Global Limited	1	100	GBP
Regus Management de Argentina SA	-	28	USD
Regus Management de Chile Limitada	274,955	100	CLP
Regus Business Service Co.Limited	4,840	80	CNY
Regus Denmark Holding A/S	46,066	100	DKK
Regus South Harbour ApS	-	100	DKK
Europa Business Centre Limited	-	100	EUR
Regus Business Centre Srl	424,624	100	EUR
Regus Macau Business Centre Co Ltd	-	40	HKD

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**3 Financial assets (continued)**

<u>Name of undertaking</u>	<u>Carrying amount</u> <u>GBP</u>	<u>Ownership %</u>	<u>Currency of</u> <u>undertaking</u>
Regus Business Centre, SA de CV	3,101,938	99.2	MXN
Regus Mexico, S de RL de CV	1,476,827	50	MXN
Regus Services, SA de CV	-	90	MXN
Regus Maroc Sarl	967,511	99.16	MAD
Regus FZCO	-	20	AED
Regus International Services SA	546,119	100	USD
Regus Business Centre DOO	431	100	RSD
Avenue Business Centre DOO	431	100	RSD
Regus Business Centre de Puerto Rico Inc	623	100	USD
Regus Business Centres Riga SIA	2,504	100	LVL
Regus Management Latvia SIA	2,504	100	LVL

The Company has applied the exemption authorised under article 67 paragraph (3a) and omitted disclosure of the amounts of capital and reserves and profits and losses for the last financial year for undertakings already included in its consolidated accounts.

\*The original investment cost of Regus Management Limited has been subject to a value adjustment during the year of GBP 70,897,571 due to a permanent diminution in its carrying amount.

Loans to affiliated undertakings comprises a 0% interest coupon note raised between the Company and Regus No.1 (Société à responsabilité limitée) due to mature on its 75<sup>th</sup> anniversary.

**4 Capital and reserves**

**4.1 Subscribed capital**

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).



**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**  
Notes to the accounts  
For the year ended 31 December 2010

**4 Capital and reserves (continued)**

**4.2 Movement on reserves and profit and loss items**

In millions of GBP	<u>Reserve for own shares</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Profit brought forward</u>	<u>Interim dividend paid</u>	<u>Profit &amp; loss for the financial year</u>	<u>Total</u>
Balance as at 1, January 2010	0.4	0.9	519.6	255.2	(3.3)	13.4	786.2
Allocation of interim dividend paid				(3.3)	3.3		-
Allocation of prior year profit				13.4		(13.4)	-
Dividend payments				(5.6)	(3.1)		(8.7)
Profit for the year						(19.1)	(19.1)
Allocation to reserve for own shares	6.7		(6.7)				-
<b>Closing balance as at 31, December 2010</b>	<b>7.1</b>	<b>0.9</b>	<b>512.9</b>	<b>259.7</b>	<b>(3.1)</b>	<b>(19.1)</b>	<b>758.4</b>

**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**

During the year the Company carried out a number of share buybacks increasing its treasury shares held by 9,385,000 shares. The Company utilised 1,890,592 of the treasury shares held as assets to satisfy the share option remuneration awarded to employees. This reduced the number of own shares held to 9,070,906 shares.

In accordance with Luxembourg Company law, a non-distributable reserve, equal to the total value of these treasury shares, is maintained on the balance sheet and will remain unavailable for as long as these shares are held.

**Regus plc (société anonyme)**

**ANNUAL ACCOUNTS 2010**

Notes to the accounts

For the year ended 31 December 2010

**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 millions of GBP	Year 2010	Year 2009
Management fees	2.0	1.6
Legal and professional fees	0.5	0.6
<b>Total other external charges</b>	<b>2.5</b>	<b>2.2</b>

**7 Staff costs**

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

In GBP	Year 2010	Year 2009
Wages and salaries	77,575	89,073
Social security costs accruing by reference to wages and salaries	7,666	12,157
<b>Total staff costs</b>	<b>85,241</b>	<b>101,230</b>

The average number of employees for the year was one. (2009:one)

**8 Other operating charges**

Other operating charges are broken down as follows:

In millions of GBP	Year 2010	Year 2009
Directors fees	0.5	0.5
Share registration costs	0.1	0.1
Result on own shares	1.6	1.4
Realised and unrealised losses on foreign exchange	-	0.2
Shareholder and investor relations	0.1	0.2
Other business charges	0.4	0.2
<b>Total other operating charges</b>	<b>2.7</b>	<b>2.6</b>

**Regus plc (société anonyme)**  
**ANNUAL ACCOUNTS 2010**  
Notes to the accounts  
For the year ended 31 December 2010

**9 Income derived from affiliated undertakings**

The income for the year consists of the following.

In millions of GBP	<b>Year</b>	<b>Year</b>
	<b>2010</b>	<b>2009</b>
Dividends received from affiliated undertakings	52.1	40.4
Profit on disposal of shares in affiliated undertakings	-	0.5
<b>Total income derived from affiliated undertakings</b>	<b>52.1</b>	<b>40.9</b>

**10. Income from loans forming part of the fixed assets**

The income for the year relates to interest received on the Profit Participating Bond issued to Regus No.2 Société à responsabilité limitée.