

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to FSMA. This document has been prepared on the assumption that the Scheme has become effective in accordance with its current terms.**

The Directors, whose names appear on page 7 of the Listing Particulars dated 3 October 2003, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Applications have been made to the UK Listing Authority for the New Shares to be admitted to the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the London Stock Exchange's market for listed securities. If the Scheme proceeds as currently envisaged, it is expected that Admission will become effective, and that unconditional dealings will commence, on 1 December 2003.

A copy of this document, comprising supplementary listing particulars relating to Regus Group, prepared in accordance with the Listing Rules made under Section 74 of FSMA, has been delivered to the Registrar of Companies for registration in accordance with Section 83 of FSMA.

No New Shares have been marketed to, nor are available for purchase by, the public in the United Kingdom or elsewhere in connection with the introduction of the New Shares to the Official List or to trading on the London Stock Exchange's market for listed securities. This document does not constitute an offer or invitation for any person to subscribe for or purchase any securities in Regus Group.

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# Regus Group plc

(incorporated and registered in England and Wales under the Companies Act with registered number 04868977)

## **Supplementary Listing Particulars relating to the introduction to the Official List and trading on the London Stock Exchange of up to 700,691,630<sup>1</sup> New Shares of 5 pence each**

**Jointly Sponsored by N M Rothschild & Sons Limited and KBC Peel Hunt Ltd**

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This document has been prepared in connection with a scheme of arrangement pursuant to section 425 of the Companies Act to introduce a new holding company, Regus Group, to the Group and in connection with a plan of reorganisation pursuant to the US Bankruptcy Code which, if approved, will result in Regus, B.V. and RBCC emerging from Chapter 11.

N M Rothschild & Sons Limited and KBC Peel Hunt Ltd are acting as joint sponsors to Regus Group for the purposes of the Listing Rules and no-one else in connection with Regus Group's application for listing and will not be responsible to anyone other than Regus Group for providing the protections afforded to its clients or for providing advice in relation to the listing. Except in relation to the revised working capital statement (as to which see paragraph 6 of this document), N M Rothschild & Sons Limited is acting as sole sponsor in connection with Regus Group's application for listing.

KBC Peel Hunt Ltd is acting for Regus Group and no-one else in connection with the Rights Issue and will not be responsible to anyone other than Regus Group and Regus for providing the protections afforded to its clients or for providing advice in relation to the Rights Issue.

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<sup>1</sup> This includes New Shares that may be issued pursuant to the Plan in the event that the Rights Issue is not launched.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, or the solicitation of any offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

The New Shares will not be registered under the Securities Act, in the case of New Shares issued under the Scheme, in reliance on the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof, and in the case of New Shares issued under the Plan, in reliance on the exemption from the registration requirements of the Securities Act provided by Section 1145 thereof. Such securities have not been approved or disapproved by the SEC or any US state securities commission, nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

## EXPECTED TIMETABLE OF EVENTS

### PREVIOUSLY ANNOUNCED TIMETABLE

Previously announced last day of dealing in, and for registration of transfers of, Shares	14 November 2003
Previously announced date of Court Hearing of the petition to sanction the Scheme	14 November 2003
Previously announced Scheme Record Time	6.00 p.m. on 14 November 2003
Previously announced Effective Date of the Scheme	7.00 a.m. on 17 November 2003
Previously announced date for the delisting of Shares, New Shares admitted to the Official List, crediting of New Shares to CREST accounts and dealings in New Shares commencing on the London Stock Exchange	8.00 a.m. on 17 November 2003

### UPDATED PROPOSED TIMETABLE

Proposed new date for the Court Hearing of the petition to sanction the Scheme <sup>1</sup>	28 November 2003
Proposed new date for the last day of dealing in, and for registration of transfers of, Shares <sup>2</sup>	28 November 2003
Proposed new Scheme Record Time <sup>2</sup>	6.00 p.m. on 28 November 2003
<b>Proposed new Effective Date of the Scheme<sup>2</sup></b>	7.00 a.m. on 1 December 2003
Proposed new date for delisting of Shares, New Shares to be issued under the Scheme admitted to the Official List; crediting of New Shares to CREST accounts and dealings in New Shares issued pursuant to the Scheme commencing on the London Stock Exchange <sup>2</sup>	8.00 a.m. on 1 December 2003
<b>Record Date for the Rights Issue<sup>2</sup></b>	close of business on 1 December 2003
Despatch of Provisional Allotment Letters <sup>2</sup>	4 December 2003

<sup>1</sup> This date is indicative only and depends on the Court agreeing to reschedule the Court Hearing to 28 November 2003.

<sup>2</sup> These dates are indicative only and will depend on, amongst other things, the date upon which the Court sanctions the Scheme.

## UPDATED EXPECTED TIMETABLE OF EVENTS (continued)

Dealings in New Shares to be issued under the Rights Issue, nil paid, commence on the London Stock Exchange <sup>2</sup>	8.00 a.m. on 5 December 2003
Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters <sup>2</sup>	9.30 a.m. on 29 December 2003
<b>New expected effective date of the Plan</b>	<b>on or about 12 January 2004</b>

<sup>2</sup> These dates are indicative only and will depend on, amongst other things, the date upon which the Court sanctions the Scheme.

*General Notes:*

*(i) The dates set out in the updated expected timetable of events above and mentioned throughout this document may be adjusted by the Company with the agreement of the Underwriter, in which event details of the new dates will be notified to the UK Listing Authority and to the London Stock Exchange and, where appropriate, to Regus Shareholders.*

*(ii) References to times in this document are to London time unless otherwise stated.*

## 1. Introduction

This document comprises Supplementary Listing Particulars to the Listing Particulars issued by the Company dated 3 October 2003 (the “**Listing Particulars**”).

These Supplementary Listing Particulars are supplemental to, and should be read in conjunction with, the Listing Particulars and their purpose is to provide information about certain significant changes affecting matters contained in the Listing Particulars.

## 2. Definitions

Words and phrases defined in the Listing Particulars have the same meaning when used in this document except where otherwise stated or where the context otherwise requires.

In addition, the following terms shall have the following meanings:

“Company”	Regus Group
“Excluded Territories”	Australia, Ireland, Canada, France, New Zealand, South Africa and Switzerland
“Final Order”	the Confirmation Order shall become a “Final Order” for the purposes of this document in the event that no timely appeal has been taken or can be maintained against the Confirmation Order
“Nil Paid Rights”	rights to acquire New Shares, nil paid
“Overseas Shareholders”	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the United Kingdom
“Overseas Warrant Holders”	Qualifying Warrant Holders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the United Kingdom
“Plan Effective Date”	the date upon which the Plan becomes effective (expected to be on or about 12 January 2004)
“Provisional Allotment Letter”	the provisional allotment letter to be issued to Qualifying non-CREST Shareholders and Qualifying Warrant Holders (other than certain Overseas Shareholders and certain Overseas Warrant Holders)

“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding New Shares in certificated form
“Qualifying Shareholders”	Shareholders on the register of members of the Company at the Record Date
“Qualifying Warrant Holders”	persons holding Warrants on the Record Date
“Record Date”	the Effective Date (which is now expected to be the close of business on 1 December 2003)
“Rights Issue”	the offer by way of rights to Qualifying Shareholders and Qualifying Warrant Holders to subscribe for New Shares, on the terms and conditions set out in the Rights Issue prospectus issued by the Company dated 13 November 2003 and, in the case of Qualifying non-CREST Shareholders and Qualifying Warrant Holders only, the Provisional Allotment Letter
“Underwriter”	KBC Peel Hunt Ltd
“Underwriting Agreement”	the conditional underwriting agreement relating to the Rights Issue described in paragraph 9 of this document
“United States” or “US”	the United States, its territories and possessions, any State of the United States and the District of Columbia, and all other areas subject to its jurisdiction.

### **3. Background**

On 29 August 2003 Regus announced that:

- following the successful restructuring of its US operations, Regus had developed the Plan of Reorganisation in the United States which, subject to obtaining the necessary approvals of the Bankruptcy Court, the Creditors and the Regus Shareholders, would result in Regus and each of the other Debtors exiting Chapter 11 in the United States;
- the Plan of Reorganisation had been recommended by the Creditors Committee and Regus had initiated the process that was intended to lead to the Bankruptcy Court approving the Plan of Reorganisation;
- upon implementation of the Plan of Reorganisation, Creditors in respect of the bulk of claims made against Regus and the other Debtors under Chapter 11 would have the option of exchanging their claims for either (i) Shares, (ii) CULS, or (iii) a combination of Shares and CULS; and

- alongside the emergence of Regus and the other Debtors from Chapter 11 in the United States, Regus intended to implement a change to its corporate structure by putting in place a new holding company of the Group, Regus Group, by way of a Court-sanctioned scheme of arrangement under section 425 of the Companies Act.

The Listing Particulars were subsequently published on 3 October 2003.

On 3 October 2003 Regus posted to all holders of shares in Regus:

- a copy of the Scheme Circular;
- a copy of the Disclosure Statement (together with attachments, one of which was the Plan of Reorganisation (in its original version));
- proxy forms in respect of the Court Meeting and the Scheme EGM; and
- ballot forms in relation to the Plan.

On 27 October 2003, Regus announced that all resolutions put to Regus Shareholders at the Court Meeting and the EGM on 27 October 2003 (at which meetings the Regus Shareholders considered and voted on the Scheme and various matters relating to the implementation of the Scheme and the Plan) had been approved, and accordingly, subject to the Court's sanctioning of the Scheme, the Scheme would become effective.

On 29 October 2003, with the consent of the Creditors Committee, the Bankruptcy Court approved a modification to the Plan to allow the Debtors to settle the claims of general unsecured Creditors in cash on the Plan Effective Date (which date is now expected to be 12 January 2004). If the Group can settle the allowed claims of general unsecured Creditors in cash, the Group will not need to issue any Shares and/or CULS to Creditors upon implementation of the Plan. Under the Plan as modified, in the event that the Debtors elect to settle the claims of general unsecured Creditors in cash, then the Debtors will be obliged to redeem in full certain loan stock issued to Equity Office Properties at the same time as they settle those claims in cash.

On 13 November 2003, Regus announced that:

- on 12 November 2003 the Bankruptcy Court approved/confirmed the Plan as modified. Pursuant to the Plan as modified, Regus and the other Debtors have the option of settling the allowed claims of general unsecured Creditors in cash on the Plan Effective Date (which is now expected to be 12 January 2004) rather than by way of the issue of either (i) Shares, (ii) CULS, or (iii) a combination of Shares and CULS;
- subject to (amongst other things) the Scheme becoming effective by 1 December 2003 (or such later date as the Company and the Underwriter may agree) and the Confirmation Order becoming a Final Order by 4 December 2003 (or such later date as the Company and the Underwriter may agree), Regus Group will launch the Rights Issue with a view to raising up to approximately £51.8 million net of expenses, which, it is intended, will be used by the Group (i)



in settling in full the allowed claims of general unsecured Creditors in cash on the Plan Effective Date and at the same time redeeming certain loan stock issued to Equity Office Properties and (ii) in providing additional working capital for the Group;

- the Rights Issue had been fully underwritten by KBC Peel Hunt Ltd;
- although it was originally proposed that application would be made to the Court for the sanctioning of the Scheme on 14 November 2003, it had been decided, in light of the announcement of the Rights Issue on 13 November 2003, that application would be made to the Court to postpone the Court Hearing to 28 November 2003 to give Regus Shareholders an opportunity to appear at the postponed Court Hearing (which is expected to be held on 28 November 2003) and to make representations to the Court if they wished to do so.

Regus Group also published a Rights Issue prospectus in respect of the Rights Issue on 13 November 2003.

There have therefore been two principal changes to the timetable previously contemplated by the Listing Particulars. The first is that, as is explained above in this paragraph 3, it is proposed that the Court Hearing be postponed to 28 November 2003. The second is that the Plan Effective Date is now expected to be 12 January 2004.

#### **4. Modifications to the Plan**

Since the publication of the Listing Particulars, there have been two substantive modifications to the terms of the Plan which were set out in the Listing Particulars.

As is mentioned in paragraph 3 of these Supplementary Listing Particulars, those two substantive changes are that:

- pursuant to the Plan as modified, Regus and the other Debtors have the option of settling the allowed claims of general unsecured Creditors in cash on the Plan Effective Date (rather than in Shares and/or CULS) (provided that they redeem certain loan stock issued to Equity Office Properties at the same time); and
- the Plan Effective Date is now expected to be 12 January, 2004.

Therefore, subject to the Rights Issue being launched and sufficient funds being raised under the Rights Issue, the Group intends to settle the allowed claims of general unsecured Creditors in cash on the Plan Effective Date and accordingly no Shares or CULS are expected to be issued upon implementation of the Plan. Accordingly, in that event no dilution of the interests of Regus Group Shareholders in Regus Group will take place directly as a result of the implementation of the Plan.

In the event that the Rights Issue is not launched, Regus, B.V. and RBCC intend to settle the claims of general unsecured Creditors in Shares and/or CULS on 12 December 2003, as set out in the original version of the Plan, in which event the disclosures in the Listing Particulars in respect of Shares to be issued under the Plan will continue to apply.

## 5. The Rights Issue

### 5.1 Terms of the Rights Issue

Regus Group is proposing to raise up to approximately £51.8 million net of expenses, by the issue of up to 195,873,430 New Shares at a price of 28 pence per New Share.

The Company has arranged for the Rights Issue to be fully underwritten by KBC Peel Hunt Ltd in order to provide certainty as to the amount of capital to be raised.

The issue is being made by way of a Rights Issue to Qualifying Shareholders and Qualifying Warrant Holders (other than certain Overseas Shareholders and certain Overseas Warrant Holders) on the basis of 1 New Share for every 3 New Shares held at the close of business on the Record Date. The Record Date will be the date upon which the Scheme becomes effective (which is now expected to be the close of business on 1 December 2003).

The Issue Price of 28 pence per New Share represents an 18.5 per cent. discount to the closing middle market price of 34.375 pence per Share on 12 November 2003, the last business day before the announcement of the Rights Issue.

Certain of the Regus Shareholders (including Maxon Investments) have undertaken to the Underwriter and the Company not to take up rights to subscribe for New Shares pursuant to the Rights Issue. As at the date of this document, the Underwriter has placed all of the New Shares the subject of these undertakings (which amounts to in aggregate 153,949,164 New Shares) on a conditional firm basis with certain institutional investors.

The Rights Issue is conditional upon:

- (i) the Scheme becoming effective by 8:00 a.m. on 1 December 2003 (or such later time and/or date as the Company and the Underwriter may agree);
- (ii) the Confirmation Order becoming a Final Order by 5:00 p.m. on 4 December 2003 (or such later time and/or date as the Company and the Underwriter may agree);
- (iii) Admission of the nil paid New Shares offered pursuant to the Rights Issue; and
- (iv) the Underwriting Agreement having become otherwise unconditional in all respects and not having terminated in accordance with its terms by not later than 8.00 a.m. on 5 December 2003 (or such later time and/or date as the Underwriter and Regus Group may agree (being not later than 12 January 2004)).

Subject to the satisfaction of those conditions, it is expected that:

- Provisional Allotment Letters in respect of the New Shares will be despatched on 4 December 2003 to Qualifying non-CREST Shareholders and Qualifying Warrant Holders (other than such

Qualifying Shareholders or Qualifying Warrant Holders with registered addresses in the United States or the Excluded Territories) at their own risk; and

- the stock accounts of Qualifying CREST Shareholders will be credited with entitlements to Nil Paid Rights with effect from 8.00 a.m. on 5 December 2003.

## **5.2 Reasons for the Rights Issue**

The Company is proposing to effect the Rights Issue for four principal reasons.

### *Settlement of allowed claims of general unsecured Creditors in cash*

The first reason is to enable the Group to settle, upon the implementation of the Plan, allowed claims of general unsecured Creditors in cash. If the Group can settle such allowed claims in cash, the Group will not need to issue any Shares and/or CULS to Creditors upon implementation of the Plan.

### *Strengthen the Company's balance sheet*

The second reason is to provide additional working capital for the Group and to strengthen the Company's balance sheet. For further information, see paragraph 6 of these Supplementary Listing Particulars.

### *Increase in number of New Shares in public hands*

The third reason is that the percentage of New Shares in public hands is expected to increase so as to ensure compliance with the Listing Rules as a result of effecting the Rights Issue and the placing arrangements described above. For further information, see paragraph 7 of these Supplementary Listing Particulars.

### *Encourage institutional investment in the Company*

The fourth reason is to encourage institutional investment in the Company. The placees procured by the Underwriter on a firm conditional basis are institutional investors (see paragraph 9 of this document for a description of these placing arrangements).

## **6. Working Capital Statement**

The Listing Particulars provided that, in the opinion of the Directors, the Group did not have sufficient working capital for its present requirements, that is for the next twelve months from the date of those Listing Particulars.

The Directors are now of the opinion that, taking into account the net proceeds of the Rights Issue, the Group has sufficient working capital for its present requirements, that is for the next twelve months from 13 November 2003. KBC Peel Hunt Ltd, which is acting as sole sponsor in relation to the Rights Issue, has provided confirmation to the UKLA pursuant to Listing Rule 2.18 in respect of

this statement. N M Rothschild & Sons Limited, which is otherwise acting as sole sponsor for the purposes of Regus Group's application for listing, has not taken any part in such statement.

In the event that the Rights Issue is not launched, then the working capital statement in the Listing Particulars will continue to apply.

## **7. Shares in Public Hands**

The Listing Particulars stated that:

- upon the Scheme becoming effective, Regus Group would not have 25 per cent. of its shares in the hands of the public; and
- combined with the shares already held in public hands upon the Scheme becoming effective, the issue of Shares to Creditors upon implementation of the Plan or upon conversion of the CULS (to the extent that Creditors elected to receive CULS instead of Shares in settlement of their claims) would help to restore the required percentage.

In the event that the Rights Issue is launched, it is expected that the Group will not need to issue any Shares and/or CULS to Creditors upon implementation of the Plan.

However, as is discussed above, certain Regus Shareholders (including Maxon Investments) have undertaken to the Underwriter and the Company not to take up rights to subscribe for New Shares pursuant to the Rights Issue. As at the date of this document, the Underwriter has placed all of the New Shares the subject of these undertakings (which amounts to in aggregate 153,949,164 New Shares) on a conditional firm basis with certain institutional investors. The proposed placement of these New Shares is expected to increase the number of New Shares in public hands so as to comply with the Listing Rules.

In the event that the Rights Issue is not launched or insufficient funds are raised pursuant to the Rights Issue to allow the Group to settle claims of general unsecured Creditors in cash, then the position set out in paragraph 4 of Part VII (entitled "Shares in Public Hands") of the Listing Particulars is expected to continue to apply.

In any event, if Regus Group does not succeed in achieving compliance with the Listing Rules within a reasonable period of time, the continuing breach of the 25 per cent. rule will lead to a requirement for Regus Group to delist the New Shares from the Official List.

## **8. Offer Period**

On 7 January 2003 Indigo Capital LLC announced that it was interested in exploring a wide range of strategic, commercial and financing alternatives with the Regus Board, one of which may include a recommended take-over. As a result of this announcement an offer period began in relation to Regus for the purposes of the City Code on Takeovers and Mergers.

Regus has now received confirmation from the Board of Indigo that it no longer has any intention of making an offer for Regus or Regus Group and all discussions have been terminated. As such, the offer period in relation to Regus has now ended.

## **9. Material Contracts**

Pursuant to the Underwriting Agreement dated 13 November 2003 between the Company and the Underwriter, the Underwriter has agreed to procure subscribers for, failing which itself to subscribe, all of the New Shares not taken up under the Rights Issue. In consideration of such services under the Underwriting Agreement, the Underwriter will be paid a commission of approximately 2.75% of the product of the Issue Price (28 pence) and the maximum number of Rights Issue New Shares. The Underwriter has also entered into certain sub-underwriting arrangements in respect of the Rights Issue. Out of the commissions payable by the Company to the Underwriter, the Underwriter will pay any sub-underwriting commissions.

The Underwriting Agreement, which contains certain warranties and indemnities by the Company in favour of the Underwriter that are usual for an agreement of this type, is conditional upon, inter alia:

- (i) the Scheme becoming effective by 8.00 a.m. on 1 December 2003 (or such later time and/or date as the Company and the Underwriter may agree);
- (ii) the Confirmation Order becoming a Final Order by 5.00 p.m. on 4 December 2003 (or such later time and/or date as the Company and the Underwriter may agree); and
- (iii) Admission of the nil paid New Shares offered pursuant to the Rights Issue;

The Underwriter may terminate the Underwriting Agreement up to the time of Admission of the New Shares offered pursuant to the Rights Issue if (amongst other things):

- (i) there has been a breach by the Company of the provisions of the Underwriting Agreement which is material in the context of the Rights Issue;
- (ii) there is a disruption in commercial settlement activities or an outbreak of war or hostilities that is material in the context of the Rights Issue; or
- (iii) the information in the Rights Issue prospectus dated 13 November 2003 was untrue, inaccurate or misleading or omitted any information, which in either case is material in the context of the Rights Issue.

In addition, certain Regus Shareholders (including Maxon Investments) have undertaken to the Underwriter and the Company not to take up rights pursuant to the Rights Issue. The Underwriter has agreed with the Company in the Underwriting Agreement that it will procure places at the Rights Issue issue price for the New Shares the subject of these undertakings and has, as at the date of this document, placed all of the New Shares the subject of such undertakings (which amounts to in aggregate 153,949,164 New Shares) on a conditional firm basis with certain institutional investors.

**10. Other**

- 10.1 N M Rothschild & Sons Limited has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 10.2 KBC Peel Hunt Ltd has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 10.3 Save as disclosed in this document, there has been no significant change and no significant new matter has arisen since 3 October 2003, being the date of publication of the Listing Particulars.

**11. Additional Documents Available for Inspection**

Copies of the following additional documents will be available for inspection at the registered office of Regus Group and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (public holidays excepted) from the date of this document up to and including 31 December 2003:

- (A) the Listing Particulars dated 3 October 2003;
- (B) the written consents referred to above;
- (C) the material contract referred to above; and
- (D) the Rights Issue prospectus issued by the Company dated 13 November 2003.