THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about what action to take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares in Regus Group plc, please forward this document together with the accompanying proxy form as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Regus

REGUS GROUP PLC

Notice of Extraordinary General Meeting to be held on 7 December 2007

Approval of waivers by The Panel on Takeovers and Mergers under Rule 9 of the City Code on Takeovers and Mergers

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Your attention is drawn to the letter from the Chairman of Regus Group plc on pages 5 to 9 of this document, which contains a unanimous recommendation by the Independent Directors that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of Regus Group plc, to be held at City Point, 1 Ropemaker Street, London EC2Y 9HT at 10 a.m. on 7 December 2007, is set out at the end of this document. Shareholders will find attached a Proxy Form for use in connection with the Extraordinary General Meeting. Shareholders are requested to either complete the Proxy Form in accordance with the instructions printed on it and return it to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, or, in the case of CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service, to do so in accordance with the procedures set out on page 34 of this document. The appointment of proxy must be received by Regus Group plc no later than 10.00 a.m. on 5 December 2007. The return of a Proxy Form will not preclude a member from attending and voting at the Extraordinary General Meeting in person should they subsequently decide to do so.

Dresdner Kleinwort Limited, which is authorised and regulated by the Financial Services Authority, is acting for Regus Group plc and no-one else in connection with the contents of this document and, will not be responsible to anyone other than Regus Group plc for providing the protections afforded to clients of Dresdner Kleinwort Limited, or for providing advice in relation to the contents of this document or any matters referred to herein.

CONTENTS

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"**Act**"	means the Companies Act 2006;
"**AGM**" or "**Annual General Meeting**"	means the annual general meeting of the Company held on 24 May 2007;
"**CIP**"	means the Regus Co-Investment Plan;
"**City Code**"	means the City Code on Takeovers and Mergers;
"**Company**"	means Regus Group plc, a company incorporated in England with the registered number 04868977 and whose registered office is at 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS;
"**Directors**"	means the Executive Directors and the Non-Executive Directors of the Company;
"**Dresdner Kleinwort**"	means Dresdner Kleinwort Limited;
"**EGM**" or "**Extraordinary General Meeting**"	means the extraordinary general meeting of the Company to be held at 10 a.m. on 7 December 2007 at City Point, 1 Ropemaker Street, London EC2Y 9HT;
"**EGM Notice**"	means the notice of the Extraordinary General Meeting;
"**Executive Directors**"	means Mark Dixon, Rudy Lobo and Stephen Gleadle;
"**First Waiver**"	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the City Code requiring Mark Dixon or Maxon to make an offer for the issued share capital of the Company following Share Purchases by the Company;
"**First Waiver Resolution**"	means the first of the ordinary resolutions set out in the EGM Notice at the end of this document;
"**Independent Directors**"	means the Directors other than Mark Dixon;
"**Independent Shareholders**"	means the holders of Ordinary Shares, other than Maxon;
"**Latest Practicable Date**"	means 19 November 2007, being the latest practicable date prior to the publication of this document;
"**LTIP**"	means the Regus Group Long Term Incentive Plan which is an element of the CIP under which stand alone whole share awards can be made to Directors without reference to annual bonus, up to 100 per cent. of salary per annum under the CIP;
"**Maxon**"	means Maxon Investments B.V. S.à.r.l., a company incorporated in The Netherlands whose effective place of management is in the Grand Duchy of Luxembourg;
"**Non-Executive Directors**"	means John Matthews, Roger Orf, Stephen East and Martin Robinson;
"**Option Awards**"	means each of Mark Dixon's share option awards under the Share Option Plan and the CIP;
"**Ordinary Shares**"	means the ordinary shares of 5 pence each in the capital of the Company;
"**Panel**"	means The Panel on Takeovers and Mergers;
"**Resolutions**"	means the First Waiver Resolution and the Second Waiver Resolution;
"**Second Waiver**"	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the City Code requiring Mark

	Dixon or Maxon to make an offer for the issued share capital of the Company following exercise of any of the Option Awards;
"**Second Waiver Resolution**"	means the second of the ordinary resolutions set out in the EGM Notice at the end of this document;
"**Shareholders**"	means the holders of Ordinary Shares;
"**Share Option Plan**"	means the Regus Group Share Option Plan;
"**Share Purchase Authority**"	means the special resolution passed at the AGM granting the Company authority to purchase up to 98,479,152 Ordinary Shares in the market (representing approximately 10 per cent. of the Ordinary Shares in issue as at the date of the AGM), which is due to expire on the earlier of 24 August 2008 and the conclusion of the next annual general meeting of the Company;
"**Share Purchases**"	means the purchases of Ordinary Shares by the Company pursuant to the Share Purchase Authority; and
"**Waivers**"	means the First Waiver and the Second Waiver.

PART I
LETTER FROM THE CHAIRMAN OF REGUS GROUP PLC

Directors	**Registered Office**
Mark Dixon (Chief Executive Officer)	3000 Hillswood Drive
John Matthews (Chairman)	Chertsey
Stephen Gleadle (Chief Financial Officer)	Surrey
Rudy Lobo (Chief Operating Officer)	KT16 0RS
Roger Orf (Senior Independent Non-Executive Director)	
Stephen East (Non-Executive Director)	
Martin Robinson (Non-Executive Director)	

22 November 2007

Dear Shareholder

Notice of Extraordinary General Meeting

Approval of waivers by The Panel on Takeovers and Mergers under Rule 9 of the City Code on Takeovers and Mergers

I am pleased to give you information about the Extraordinary General Meeting of Regus Group plc to be held at City Point, 1 Ropemaker Street, London EC2Y 9HT at 10 a.m. on 7 December 2007. Formal notice of the EGM is set out in Appendix 1. Further details are set out in this letter.

The purpose of this letter is to provide you with details of the Resolutions to be proposed at the Extraordinary General Meeting and to explain why your Independent Directors consider the proposals to be in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of the Resolutions.

1. Background

Share Purchases

At the AGM held on 24 May 2007, the Shareholders approved a resolution giving authority for the Company to purchase in the market up to 98,479,152 Ordinary Shares, representing approximately 10 per cent. of the Ordinary Shares in issue as at that date. Between that date and the Latest Practicable Date, the Company has purchased 7,300,001 Ordinary Shares (equating to approximately 0.74 per cent. of the Company's issued share capital as at the point when the Share Purchases began) from Shareholders at a total cost of approximately £10.5 million.

Mark Dixon (the Chief Executive Officer of the Company) held 363,613,783 Ordinary Shares (representing approximately 37.16 per cent. of the Ordinary Shares) at the Latest Practicable Date through Maxon Investments B.V. S.à.r.l., a company in which Mr. Dixon indirectly holds 100 per cent. of the issued share capital, and has participated pro rata to his interests in Ordinary Shares in the Share Purchases between the date of the AGM and the Latest Practicable Date. However, if Mr. Dixon were not to participate pro rata to his interests in Ordinary Shares in any further Share Purchase, this would result in his interests in Ordinary Shares increasing beyond its current level. Such an increase would normally trigger an obligation on the part of Mr. Dixon to make a general offer for the remainder of the entire issued share capital of the Company under the City Code. The approval of the Independent Shareholders is therefore being sought, by means of the First Waiver Resolution to be taken on a poll at the EGM, for the First Waiver, which the Panel has granted (subject to such approval).

Option Awards

On 18 May 2004, the Shareholders approved the Share Option Plan. On 8 September 2004, Mr. Dixon was granted an Option Award under the Share Option Plan in respect of 1,708,108 Ordinary Shares and this Option Award became exercisable from 8 September 2007.

The Shareholders approved the CIP on 26 May 2005, pursuant to which the Company made an initial Option Award to Mr. Dixon on 3 November 2005. This Option Award was in respect of 337,398 Ordinary Shares and will be released on 3 November 2008, provided that Mr. Dixon remains in service with the

Company until that date and to the extent that the performance conditions attached to the Option Award have been satisfied.

On 21 March 2006, Mr. Dixon was granted a further Option Award under the CIP in respect of 967,365 Ordinary Shares. This Option Award will be released on 21 March 2009, provided that Mr. Dixon remains in service with the Company until that date and to the extent that the performance conditions attached to the Option Award have been satisfied.

On 21 March 2007, Mr. Dixon was granted a further Option Award under the CIP in respect of 896,980 Ordinary Shares. This Option Award will be released on 21 March 2010, provided that Mr. Dixon remains in service with the Company until that date and to the extent that the performance conditions attached to the Option Award have been satisfied.

Mr. Dixon has yet to exercise any of his Option Awards but, were he to do so at some point in the future, this could again result in his interests in Ordinary Shares increasing beyond its current level and thereby trigger a mandatory offer under Rule 9 of the City Code. The approval of the Independent Shareholders is therefore being sought, by means of the Second Waiver Resolution to be taken on a poll at the EGM, for the Second Waiver, which the Panel has granted (subject to such approval).

2. Reasons for the Waivers

Under Rule 9 of the City Code, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights but does not hold shares carrying more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired by any such person. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer.

Share Purchases

Under Rule 37 of the City Code, any increase in the percentage holding of a shareholder which results from a company purchasing its own shares will also be treated as an acquisition for the purposes of Rule 9 of the City Code.

Although a shareholder who is neither a director nor acting in concert with a director will not normally incur any such obligation to make an offer, Maxon (as the holder of the relevant Ordinary Shares and as a company indirectly owned by Mr. Dixon) is acting in concert with Mr. Dixon, who is a director of the Company, and any increase in its percentage interest in Ordinary Shares could therefore trigger a mandatory offer under Rule 9.

If Mr. Dixon does not participate pro rata to his interests in Ordinary Shares in any future Share Purchases pursuant to the Share Purchase Authority and/or he exercises any of the Option Awards, he will become interested in a greater percentage of Ordinary Shares representing between 30 and 50 per cent. of the Company's voting share capital and will therefore be subject to the provisions of Rule 9 of the City Code. As a result, your Board has consulted with the Panel which has agreed, subject to a poll vote of the Independent Shareholders, that it will waive any obligation that would otherwise arise under Rule 9 as a result of the Share Purchases or exercise of the Option Awards for Mr. Dixon to make a general offer for the Ordinary Shares which he does not already hold.

Option Awards

Note 10 on Rule 9 of the City Code provides that the exercise of share option awards will be considered to be an acquisition of an interest in shares. However, the Panel may grant a waiver from this obligation to have to make a mandatory offer in such circumstances provided, *inter alia*, that the waiver is approved by a vote of independent shareholders. Ordinarily, the Company should have sought such waiver at the time of the grant of the Option Awards. However, no such waiver was sought at the time as a result of an oversight by the Company.

Nevertheless, following representations from Dresdner Kleinwort to the Panel and discussions between the parties, the Panel has exceptionally agreed to grant the Second Waiver in order to waive the requirement for Mr. Dixon to make a mandatory offer to all Shareholders under Rule 9 of the City Code upon the exercise of any of the Option Awards, subject to the Second Waiver being approved by way of the Second Waiver Resolution. The Panel has agreed to the Second Waiver on the basis that the Independent Directors, who have been so advised by Dresdner Kleinwort, believe that it is in the best interests of Shareholders for the Independent Shareholders to approve the Second Waiver at this time.

Independent advice

Dresdner Kleinwort has provided advice to the Independent Directors in relation to the Waivers in accordance with the requirements of paragraph 4(a) of Appendix 1 to the City Code. As part of its advice to the Independent Directors in connection with the Second Waiver, Dresdner Kleinwort referred to the following factors which the Independent Directors have taken into account in making their recommendation in paragraph 7 of this Part I:

(A) Dresdner Kleinwort believes that Mr. Dixon's continued shareholding and the Share Option Plan and the CIP form an important part of the investment case for Shareholders, since they align management's interests with Shareholders' interests. If Mr. Dixon is compelled to sell the shares he receives on exercise of the Option Awards, the alignment of interests and the effectiveness of the management incentive may be reduced;

(B) given Mr. Dixon's position as Chief Executive Officer of the Company, Dresdner Kleinwort believes that Shareholders should welcome the long term participation by Mr. Dixon in the equity of the Company, including shares received under the Share Option Plan and the CIP; conversely, Dresdner Kleinwort believes that disposals of shares by Mr. Dixon could be perceived negatively by investors and potential investors;

(C) Shareholders approved the Share Option Plan and the CIP prior to the grant of the Option Awards and a number of major Shareholders have been consulted in advance of posting of this document;

(D) Dresdner Kleinwort believes that the maximum increase in Mr. Dixon's shareholding resulting from the receipt of shares on exercise of the Option Awards will not be material from a control perspective; and

(E) it was an oversight that no waiver was sought at the time of the grant of the Option Awards.

This advice was provided by Dresdner Kleinwort to the Independent Directors only and, in providing such advice, Dresdner Kleinwort has relied upon the Independent Directors' commercial assessments as well as, but not limited to, the confirmations of his future intentions that Mr. Dixon has provided to the Company as set out in paragraph 5 of this Part I.

3. Maximum potential holding

Pursuant to the City Code, it is necessary to provide an illustration of Mr. Dixon's maximum potential interests in Ordinary Shares based on certain assumptions.

Share Purchases

Assuming (i) full use by the Company of the Share Purchase Authority to make Share Purchases, (ii) no sales of Ordinary Shares by Mr. Dixon and (iii) no other person exercising any options or any other rights to subscribe for Ordinary Shares, Mr. Dixon's maximum potential interest in Ordinary Shares would be as set out in the following table:

Mark Dixon's current interest in Ordinary Shares	Number of Ordinary Shares in issue as at the Latest Practicable Date	Maximum potential number of Ordinary Shares in issue	Mark Dixon's maximum potential interest in Ordinary Shares
363,613,783/37.16%	978,396,822	886,312,372	363,613,783/41.03%

Option Awards

Assuming (i) full exercise by Mr. Dixon of all the Option Awards, (ii) full use by the Company of the Share Purchase Authority to make Share Purchases, (iii) no sales of interests in Ordinary Shares by Mr. Dixon in connection with any share purchases (under the Share Purchase Authority or otherwise) and (iv) no other person exercising any options or any other rights to subscribe for interests in Ordinary Shares, Mr. Dixon's maximum potential interest in Ordinary Shares would be as set out in the following table:

Mark Dixon's current interest in Ordinary Shares	Number of Ordinary Shares in issue as at the Latest Practicable Date	Maximum potential number of Ordinary Shares in issue	Mark Dixon's maximum potential interest in Ordinary Shares
363,613,783/37.16%	978,396,822	890,222,223	367,523,634/41.28%

4. Further information on the Resolutions

Share Purchases

The First Waiver relating to the Share Purchase Authority would apply, if the First Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in the percentage interest in Ordinary Shares held by Mr. Dixon resulting from market purchases by the Company of Ordinary Shares pursuant to the Share Purchase Authority. It would not apply in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Mr. Dixon). Following any Share Purchases in which Mr. Dixon does not participate pro rata to his interests in Ordinary Shares, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and any further increase in that interest in Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution) will be subject to the provisions of Rule 9.

The Share Purchase Authority will expire on the earlier of 24 August 2008 and the conclusion of the next annual general meeting of the Company. As the First Waiver relates only to increases in Mr. Dixon's percentage interest in Ordinary Shares arising from Share Purchases pursuant to the Share Purchase Authority, the First Waiver will expire at the same time as the Share Purchase Authority.

It has been the Company's regular practice to seek Shareholders' approval at each annual general meeting for the Company to be authorised to purchase its own shares. The Independent Directors envisage that Shareholder approval for a further purchase authority will be sought at the next annual general meeting of the Company. In such event, it is the Independent Directors' current intention to seek a further waiver by the Panel at that time of any obligation of Mr. Dixon under Rule 9 of the City Code to make a general offer to Shareholders of the Company to purchase their shares as a result of an increase in his percentage interest in Ordinary Shares arising from the purchase by the Company of its own shares pursuant to such further authority. Any further waiver granted by the Panel would again be conditional upon Independent Shareholders approval at that time.

If the Independent Shareholders do not approve the First Waiver Resolution, the Board will not make further use of the Share Purchase Authority unless arrangements can be put in place to ensure that Mr. Dixon's percentage interest in Ordinary Shares will not increase as a result of any future Share Purchases since, based on the issued share capital of the Company and Mr. Dixon's percentage interest in Ordinary Shares as at the Latest Practicable Date, any Share Purchases from Shareholders other than Mr. Dixon could result in Mr. Dixon having to make a mandatory offer to all Shareholders under Rule 9 of the City Code.

Option Awards

The Second Waiver Resolution relating to the Option Awards would apply, if the Second Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in Mr. Dixon's percentage interest in Ordinary Shares resulting from the exercise of any of his Option Awards. It would not apply in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Maxon). Following the exercise by Mr. Dixon of any Option Awards, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and any further increase in that interest in Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the Second Waiver Resolution) will be subject to the provisions of Rule 9.

The Second Waiver will expire in respect of each Option Award on the earlier of the date on which each Option Award is exercised or the date on which each Option Award expires.

As required by the City Code, voting on the Resolutions at the EGM will be by means of a poll of Independent Shareholders.

5. Mark Dixon's intentions

Mr. Dixon has confirmed to the Company that he is not proposing, following any increase in his percentage interest in Ordinary Shares as a result of Share Purchases or as a result of the exercise of his Option Awards, to seek any change in the composition of the Board or to the general nature or any other aspect of the Company's business.

Mr. Dixon has also confirmed that his intentions regarding the future of the Company's (and its subsidiaries') businesses, his intentions regarding the locations of the Company's (and its subsidiaries') places of business and his intentions regarding the continued employment of their employees and management, including any material change in conditions of employment, will not be altered as a result of the proposals set out in this document, nor will there be any redeployment of the fixed assets of the Company (or any of its subsidiaries) as a result of such proposals.

Mr. Dixon has not taken part in any decision of the Independent Directors relating to the proposals set out in this document, since it is his interest in Ordinary Shares which is the subject of the Waivers. Mr. Dixon has confirmed his intention to procure that Maxon shall not vote on the Resolutions. Additionally, Mr. Dixon has confirmed that, if the First Waiver is approved by the Independent Shareholders, he will not participate in Board decisions in relation to any further Share Purchases pursuant to the Share Purchase Authority.

6. Extraordinary General Meeting

Set out in Appendix 1 to this document is a notice convening the Extraordinary General Meeting of the Company to be held at 10 a.m. on 7 December 2007 at City Point, 1 Ropemaker Street, London EC2Y 9HT. At this meeting, two ordinary resolutions will be proposed for the approval of the Waivers.

If you are not able to attend the EGM but would like to vote on the Resolutions, please fill in the Proxy Form sent to you with this notice and return it to our registrars as soon as possible. Alternatively, if you are a CREST member and wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service, please follow the instructions set out in Appendix 2 of this document.

Completion and return of the Proxy Form will not prevent you from attending and voting at the EGM should you so wish.

7. Recommendation by Independent Directors

The Independent Directors, who have been so advised by Dresdner Kleinwort, consider the Waivers to be in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, Dresdner Kleinwort has relied upon the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of each of the Resolutions at the EGM, as they intend to do in respect of their own beneficial shareholdings.

Mr. Dixon will not be voting his interest in 363,613,783 Ordinary Shares, representing approximately 37.16 per cent. of the Company's current issued share capital. In addition, Mark Dixon has not participated in the Board's consideration of the Waivers.

Yours faithfully

John Matthews
Chairman

PART II
ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1 The Directors accept responsibility for the information contained in this document, save that (a) Mark Dixon, who has not participated in the Board's consideration of the Waivers, takes no responsibility for the paragraph on page 9 entitled "Recommendation by Independent Directors" or for the Board's recommendation and (b) the only responsibility accepted by the Independent Directors in respect of the information in this document relating to Mark Dixon and/or to Maxon, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information). 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 for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 Mark Dixon accepts responsibility for the information contained in this document which relates to him and/or to Maxon. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS

2.1 The Directors of the Company and their functions are as follows:

Director	Function
Mark Dixon	Chief Executive Officer
John Matthews	Chairman
Stephen Gleadle	Chief Financial Officer
Rudy Lobo	Chief Operating Officer
Roger Orf	Senior Independent Non-Executive Director
Stephen East	Non-Executive Director
Martin Robinson	Non-Executive Director

2.2 Under the laws of the Grand Duchy of Luxembourg, Maxon does not require any directors. The sole manager of Maxon is Mrs. Yannick Poos.

3. INTERESTS AND DEALINGS

Directors of the Company

3.1 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them (within the meaning of section 346 of the Companies Act 1985) in Ordinary Shares (all of which are beneficial unless stated) required to be notified pursuant to section 324 or section 328 of the Companies Act 1985, or which are required to be entered in the register maintained under section 325 of the Companies Act 1985, were as set out below:

Director	Number of Ordinary Shares	Percentage of current issued Ordinary Shares
Mark Dixon(a)	363,613,783	37.16
Rudy Lobo	4,697,098	0.48
John Matthews	854,869	0.09
Roger Orf	747,750	0.08
Martin Robinson	121,568	0.01
Stephen Gleadle	121,500	0.01
Stephen East	28,914	0.003

(a) The interests of Mr. Dixon are held indirectly through Maxon Investments B.V. S.à.r.l., an entity in which Mr. Dixon holds 100 per cent. of the issued share capital.

3.2 As at the close of business on the Latest Practicable Date, the beneficial interest of the Directors in options granted under the Share Option Plan were as set out below:

Director	Grant date	Interest in options and awards over Ordinary Shares	Exercise price (pence)	Date from which exercisable	Expiry date
Mark Dixon	08/09/2004	1,708,108	64.75	08/09/2007	08/09/2014
Rudy Lobo	08/09/2004	778,378	64.75	08/09/2007	08/09/2014

3.3 As at the close of business on the Latest Practicable Date, details of awards over Ordinary Shares granted to the Directors under the CIP, all for nil consideration, were as set out below:

Director	Interest in options and awards over Ordinary Shares	Grant date	Exercise price (pence)	Exercise date	Expiry date
Mark Dixon					
CIP — Investment shares	193,473	21/03/2006	0.0000	21/03/2009	None
CIP — Matching shares	773,892	21/03/2006	0.0000	21/03/2009	None
CIP — Investment shares	179,396	21/03/2007	0.0000	21/03/2010	None
CIP — Matching shares	717,584	21/03/2007	0.0000	21/03/2010	None
	1,864,345				
Rudy Lobo					
CIP — Investment shares	101,981	21/03/2006	0.0000	21/03/2009	None
CIP — Matching shares	407,924	21/03/2006	0.0000	21/03/2009	None
CIP — Investment shares	96,197	21/03/2007	0.0000	21/03/2010	None
CIP — Matching shares	384,788	21/03/2007	0.0000	21/03/2010	None
	990,890				
Stephen Gleadle					
CIP — Investment shares	87,832	21/03/2007	0.0000	21/03/2010	None
CIP — Matching shares	351,328	21/03/2007	0.0000	21/03/2010	None
	439,160				

3.4 As at the close of business on the Latest Practicable Date, the beneficial interest of the Directors in awards over Ordinary Shares granted under the LTIP, all for nil consideration and with no expiry date, were as set out below:

Director	Interest in options and awards over Ordinary Shares
Mark Dixon	337,398
Stephen Gleadle	325,203
Rudy Lobo	186,992

3.5 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, Maxon, its directors, managers and their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any relevant Regus securities, save as disclosed in paragraph 3.1 above.

3.6 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, Maxon, its directors, managers and their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations) had any dealings (including borrowing or lending) for value in relevant Regus securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date, save that, between 18 and 21 June 2007 (inclusive), Maxon sold 2,715,503 Ordinary Shares to the Company pursuant to Share Purchases under the Share Purchase Authority.

3.7 As at the close of business on the Latest Practicable Date, none of the Company, the Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any relevant Maxon securities or had any dealings (including borrowing or lending) for value in relevant Maxon securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date, save that Mr. Dixon is indirectly beneficially interested in 40 shares in the issued ordinary share capital of Maxon (representing 100 per cent. of the issued share capital of Maxon).

3.8 As at the close of business on the Latest Practicable Date, none of the Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any relevant Regus securities, save as disclosed in paragraph 3.1 above.

Others

3.9 As at the close of business on the Latest Practicable Date:

(i) neither any subsidiary of the Company nor any pension fund or employee benefit trust of the Company had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relevant Regus securities; and

(ii) no associate of the Company (as such term is defined in paragraph 1 of the definition of "associate" in the City Code) nor any pension funds, employee benefit trusts or connected advisers (including any person controlling, controlled by or under the same control as them) of such associates is aware of having any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relevant Regus securities.

3.10 As at the close of business on the Latest Practicable Date, neither Dresdner Kleinwort nor any other connected adviser of the Company (including any person controlling, controlled by or under the same control as it) has any interests, rights to subscribe or short positions in relevant Regus securities.

3.11 In this paragraph 3, references to:

(i) "**relevant Regus securities**" are to Ordinary Shares and securities convertible into, rights to subscribe for, derivatives referable to and agreements to sell or any delivery obligations in respect of or rights to require another person to purchase or take delivery of Ordinary Shares; and

(ii) "**relevant Maxon securities**" are to ordinary shares of Maxon and securities convertible into, rights to subscribe for, derivatives referable to and agreements to sell or any delivery obligations in respect of or rights to require another person to purchase or take delivery of ordinary shares of Maxon.

4. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

Neither Mr. Dixon nor Maxon has entered into any agreement, arrangement or understanding (i) with any of the Independent Directors which has any connection with or dependence upon the proposals set out in this document or (ii) for the transfer of any Ordinary Shares acquired by Mr. Dixon. In addition, the Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in this document between Mr. Dixon or Maxon and any person interested or recently interested in Ordinary Shares, any other recent director of the Company or Dresdner Kleinwort (or any person who is, or is presumed to be, acting in concert with Dresdner Kleinwort).

5. DIRECTORS' SERVICE CONTRACTS

5.1 Details of the service contracts currently in place between the Company and the Executive Directors are set out below:

Executive Director	Date of contract	Term	Notice period
Mark Dixon	28/02/2005	—	12 months
Rudy Lobo	04/03/2005	—	12 months
Stephen Gleadle	19/10/2005	—	12 months

5.2 Details of the letters of appointment currently in place between the Company and the Non-Executive Directors are set out below:

Non-Executive Director	Date of letter	Term	Notice period
John Matthews	01/10/2006	3 years	6 months
Roger Orf	01/10/2006	3 years	6 months
Martin Robinson	01/10/2006	3 years	6 months
Stephen East	11/03/2005	3 years	6 months

5.3 The aggregate emoluments, excluding pensions, of the Directors for the year ended 31 December 2006, were as follows:

	Salary £	Fees £	Benefits £	Bonus £	Total £
Executive					
Mark Dixon(a)	471,800	—	113,800	235,900	821,500
Rudy Lobo(b)	253,000	—	12,700	126,500	392,200
Stephen Gleadle(c)	231,000	—	15,700	115,500	362,200
Non-Executive					
John Matthews	—	190,000	—	—	190,000
Roger Orf	—	38,500	—	—	38,500
Martin Robinson	—	38,500	—	—	38,500
Stephen East(b)	—	32,500	—	—	32,500
Total	955,800	299,500	142,200	477,900	1,875,400

(a) Mr. Dixon's salary is set in sterling but paid in US dollars. For 2006, the actual salary received was $833,601. From 1 January 2007, Mr. Dixon's salary was increased to £509,215.

(b) From 1 January 2007, Rudy Lobo's salary was increased to £273,500.

(c) From 1 January 2007, Stephen Gleadle's salary was increased to £250,000.

Benefits for the Executive Directors comprised a company car or allowance, fuel, private medical insurance and a living allowance of £98,993 for Mr. Dixon.

Maximum individual bonuses payable to the Executive Directors were capped at 125 per cent. of basic annual salary of which a maximum 50 per cent. could be taken as cash and 50 per cent. deferred to purchase shares in the Company. These shares are awarded under the CIP, with the opportunity to receive an additional award of shares after a three year period subject to certain conditions. For the year ended 31 December 2006, the total bonus payable was 100 per cent. of salary.

Mr. Robinson and Mr. Orf each receive £6,000 per annum for performing their roles as Chairman of the Remuneration Committee and the Audit Committee respectively. Non-Executive Directors receive no other material pay or benefits from the Company (with the exception of reimbursement of expenses incurred in respect of their duties as Directors).

5.4 None of the Executive Directors' service contracts are for a fixed term. Each service contract is to continue until terminated by the relevant Executive Director or the Company and incorporates a provision for termination or compensation payment in lieu of notice. An Executive Director's compensation payment in lieu of notice would comprise 12 months' salary at his then current base pay, with the Executive Director remaining eligible to receive bonuses. The compensation payment is payable where the requisite 12 months' notice is not given to the Executive Director. In the unlikely event that the contract is terminated for cause, such as gross misconduct, the Company may terminate the contract with immediate effect, in which case no compensation payment would be payable. The Executive Director's rights in respect of any options or awards granted to him under any employee share scheme of the Company will be determined in accordance with the rules of the relevant scheme. Pension entitlements are dealt with in accordance with the terms and conditions of the applicable pension scheme and do not form part of the contractual compensation payment. Each of the service contracts may be re-executed during the term of the Executive Director's appointment to take account of variations in terms and conditions as well as changes in best practice.

5.5 The letters of appointment provide that a new Non-Executive Director is appointed for a specified term, being an initial three year period. Subsequent re-appointment is subject to endorsement by the Board and the approval of Shareholders. Either the Non-Executive Director or the Company may terminate the appointment by giving the other party six months' notice.

5.6 There have been no new Directors' service contracts or letters or terms of appointment or amendments to existing Directors' service contracts or letters or terms of appointment within the period of six months prior to the date of this document.

6. INFORMATION ON MARK DIXON AND MAXON

6.1 Mark Dixon founded the Regus group in 1989 and has been Chief Executive for over 18 years. Prior to Regus, Mr. Dixon established businesses in the retail and wholesale food industries.

6.2 Maxon is a Dutch incorporated and Luxembourg based holding company, the principal activities of which consist of holding and financing group entities. Estorn Limited, a company incorporated in Cyprus in which Mr. Dixon holds 100 per cent. of the issued share capital, holds 100 per cent. of the issued share capital of Maxon.

6.3 For the three years ended 31 December 2006, 31 December 2005 and 31 December 2004, Maxon published the following audited profit and loss accounts (prepared in accordance with generally accepted accounting polices in Luxembourg (for the year ended 31 December 2006) and in accordance with generally accepted accounting polices in The Netherlands (for the years ended 31 December 2005 and 2004)) :

	Year ended 31 Dec 2006 €	Year ended 31 Dec 2005 €	Year ended 31 Dec 2004 €
Result on share	—	—	653,486
Interest income from shareholder	941,739	184,367	95,033
Interest income bank accounts	875,295	1,546,704	9
Interest expenses	—	—	98,256
Foreign exchange differences	(1,096,165)	914,056	(87,766)
Other financial results	—	—	4,509
Net financial income (expense)	720,869	2,645,127	763,528
Operating expenses	(251,622)	(211,435)	(212,717)
RESULT BEFORE TAXATION	469,247	2,433,692	550,810
Corporate income tax prior years	(140,806)	—	(1,001,575)
RESULT AFTER TAXATION	**328,441**	**2,433,692**	**(450,765)**

6.4 Maxon reported the following audited statement of assets and liabilities as at 31 December 2006 (prepared in accordance with generally accepted accounting polices in Luxembourg):

	As at 31 December 2006 €
ASSETS	
Fixed assets	
Financial assets	40,410,516
Current assets	
Debtors – becoming due and payable within one year	1,223,376
Cash at bank	3,475,882
Total Assets	**45,109,774**
LIABILITIES	
Capital and reserve	
Subscribed capital	18,000
Share premium account	153,786
Reserves	151
Profit brought forward	—
Profit for the financial year	338,441
Interim dividend	(402,290)
Provisions for liabilities and charges	155,063
Creditors – becoming due and payable within one year	44,846,623
TOTAL LIABILITIES	**45,109,774**

6.5 For the three years ended 31 December 2006, 31 December 2005 and 31 December 2004, Maxon reported the following earnings per share information:

	Earnings per share €
2004	—
2005	60,842.30
2006	8,461.03

6.6 For the three years ended 31 December 2006, 31 December 2005 and 31 December 2004, Maxon reported the following dividend per share information:

	Dividend (€)	Dividend per share (€)
2004	—	—
2005	—	—
2006	24,568,620.00(a)	614,215.50

(a) The amount absorbed by dividends for the year ended 31 December 2006 comprised an ordinary dividend of €24,166,330 and an interim dividend of €402,290.

6.7 Since 31 December 2006 (the date of the most recent published audited accounts of Maxon), Maxon has:

(i) sold 2,715,503 Ordinary Shares to the Company pursuant to Share Purchases;

(ii) received a dividend from the Company of €3,248,079.98;

(iii) declared and paid an interim dividend of €3,250,000 to Estorn Limited; and

(iv) recovered €712,158 of tax paid to the Dutch tax authorities in respect of previous years.

Other than as set out above, there have been no known material changes in the financial or trading position of Maxon subsequent to the date of its most recent published audited accounts.

7. FINANCIAL INFORMATION ON THE COMPANY

7.1 For the three years ended 31 December 2006, 31 December 2005 and 31 December 2004, the Company published the following audited consolidated profit and loss accounts (prepared in accordance with IFRSs as adopted by the European Union):

	Year ended 31 Dec 2006 £m	Year ended 31 Dec 2005 £m	Year ended 31 Dec 2004 £m
Revenue	**680.0**	**463.3**	**312.2**
Cost of sales before non-recurring costs	(495.9)	(346.2)	(258.2)
Non-recurring cost of sales	—	0.1	(6.6)
Cost of sales	(495.9)	(346.1)	(264.8)
Gross profit (centre contribution)	**184.1**	**117.2**	**47.4**
Administration expenses before non-recurring expenses	(101.9)	(64.9)	(44.2)
Non-recurring administration expenses	—	(5.0)	(2.0)
Administration expenses	(101.9)	(69.9)	(46.2)
Operating profit	**82.2**	**47.3**	**1.2**
Share of post-tax loss of joint ventures	(0.1)	(0.2)	(0.7)
Share of post-tax profit of associate	1.2	0.2	(3.0)
Profit before financing costs	**83.3**	**47.3**	**(2.5)**
Finance expense	(8.0)	(10.8)	(3.7)
Finance income	2.2	2.2	1.3
PROFIT BEFORE TAX FOR THE YEAR	**77.5**	**38.7**	**(4.9)**
Tax credit	4.8	6.1	2.6
PROFIT AFTER TAX FOR THE YEAR	**82.3**	**44.8**	**(2.3)**
Attributable to:			
Equity shareholders of the parent	82.3	44.5	(2.4)
Minority interests	—	0.3	0.1
	82.3	44.8	(2.3)
Earnings per Ordinary Share:			
Basic(p)	8.4	4.5	(0.3)
Diluted(p)	8.3	4.5	(0.3)

7.2 The Company reported the following audited consolidated statement of assets and liabilities as at 31 December 2006 (prepared in accordance with IFRSs as adopted by the European Union):

	As at 31 December 2006 £m
Non-current assets	
Goodwill	212.1
Other intangible assets	51.0
Property, plant and equipment	127.6
Deferred tax assets	35.4
Other long term receivables	20.7
Investments in joint ventures	0.9
	447.7
Current assets	
Trade and other receivables	148.2
Corporation tax receivable	2.9
Cash and cash equivalents	80.9
	232.0
TOTAL ASSETS	**679.7**
Current liabilities	
Trade and other payables	(124.3)
Customer deposits	(103.4)
Deferred income	(73.5)
Corporation tax payable	(25.5)
Obligations under finance leases	(2.5)
Bank and other loans	(8.2)
Provisions for liabilities and charges	(3.1)
	(340.5)
Net current liabilities	**(108.5)**
Total assets less current liabilities	**339.2**
Non-current liabilities	
Trade and other payables	(51.8)
Obligations under finance leases	(1.4)
Bank and other loans	(45.4)
Deferred tax liabilities	(1.7)
Provisions for liabilities and charges	(11.7)
Provision for deficit on joint ventures	(2.7)
Provision for deficit on associate	—
	(114.7)
TOTAL LIABILITIES	**(455.2)**
TOTAL ASSETS LESS LIABILITIES	**224.5**
Total equity	
Issued share capital	49.2
Share premium account	—
Foreign currency translation reserve	(17.5)
Revaluation reserve	10.0
Other reserves	(22.6)
Retained earnings	205.4
TOTAL EQUITY	**224.5**
TOTAL EQUITY AND LIABILITIES	**679.7**

7.3 The Company reported the following audited consolidated cash flow statement for the year ended 31 December 2006 (prepared in accordance with IFRSs as adopted by the European Union):

	Year ended 31 December 2006 £m
Profit before tax for the year	**77.5**
Adjustments for:	
Net finance costs	5.8
Net share of profit on joint ventures and associate	(1.1)
Depreciation charge	31.8
Loss on disposal of fixed assets	0.4
Amortisation of intangible assets	6.0
Decrease in provisions	(0.6)
Operating cash flows before movements in working capital	**119.8**
Increase in trade and other receivables	(31.3)
Increase in trade and other payables	42.5
Other non-cash movements — share based payments	1.8
Cash generated from operations	**132.8**
Interest paid on finance leases	(0.5)
Interest paid on credit facilities	(5.2)
Tax paid	(6.6)
Net cash inflow from operating activities	**120.5**
Investing activities	
Purchase of subsidiary undertakings (net of cash acquired)	(88.5)
Purchase of interest in joint ventures	—
Sale of tangible fixed assets	0.3
Purchase of tangible fixed assets	(46.3)
Purchase of intangible assets	(0.4)
Interest received	2.2
Net cash outflow from investing activities	**(132.7)**
Financing activities	
Net proceeds from issue of loans	62.7
Repayment of loans	(33.5)
Repayment of capital elements of finance leases	(5.0)
Facility arrangement fees	(1.2)
Net cash inflow/(outflow) from financing activities	**23.0**
Net increase/(decrease) in cash and cash equivalents	10.8
Cash and cash equivalents at beginning of year	74.1
Effect of exchange rate fluctuations on cash held	(4.0)
Cash and cash equivalents at end of year	**80.9**

7.4 For the three years ended 31 December 2006, 31 December 2005 and 31 December 2004, the Company reported the following dividend per share information:

	Dividend £	Dividend per share £
2004	—	—
2005	—	—
2006	5,900,000	0.006

7.5 This paragraph 7.5 contains an extract from the Company's unaudited interim report for the six months ended 30 June 2007, published on 3 September 2007:

"Chairman's statement

The strong first half results for 2007 reflect a consistent focus on our core strategic goals, with ongoing improvements in our like for like business (defined as the financial performance from centres owned and operated at 1 January 2006 — a six month comparative), coupled with continued new centre openings and acquisitive growth. Our business model has delivered significantly improved profits and strong operating cash flows, and there remain continued opportunities for expansion in our product and service offerings globally.

Financial performance

Group revenue increased by 36.0% to £411.5 million and, on a like for like basis, the growth was 5.6%. Operating profit grew by 70.9% to £56.4 million and basic earnings per share increased by 1.2p to 4.5p. Average occupancy increased to 82.8% from 80.5% in June 2006 and REVPAW increased 2.5% from £6,279 to £6,436. Net cash was £46.1 million at 30 June 2007.

Sustaining growth

We continue to implement our disciplined expansion strategy through a mix of acquisitions and organic growth. In the six months to 30 June 2007, our workstation capacity has increased by 10.3% to 132,448 workstations.

Dividend

In March 2007, the Board initiated a progressive annual dividend policy. The first payment under this policy, of 0.6p per share, was paid in June 2007 following shareholder approval in May. In line with this policy of single annual dividends, the Board is not proposing the payment of an interim dividend.

Corporate Responsibility

We continue to develop our commitment to Corporate Responsibility and firmly believe in identifying and addressing the concerns of all our stakeholders on an ongoing basis. We aim to be a socially responsible organisation and, throughout the first half of 2007, have continued to support different projects, be it through developing, for example, our environmental policies and processes, our charitable support or our ongoing commitments to our employees.

Stakeholders

Critical to our ongoing achievement against our goals is the continuing goodwill and commitment we receive from our landlords, suppliers, customers and investors. Our 4,700 team members are integral in driving our success to date and a special thanks goes out to all of them.

Outlook

The key drivers of our business remain positive and with targeted investment in people, infrastructure and marketing, we remain well placed to sustain future growth and improve our strong financial position. We are confident of continued progress into the second half of the year led by our experienced management team.

Chief Executive's review

I am delighted that this is the sixth consecutive announcement showing strong and improved financial results. We have delivered strong, disciplined growth and improved performance in all of our key business metrics including revenues, profit and earnings per share. Our performance continues to demonstrate the benefits of our longer term approach to the development of the business. We continue to improve financial performance through growing our network of business centres and developing new products and services to meet the evolving needs of our clients.

Operational review

On a regional basis, revenues and centre contribution can be analysed as follows:

	Revenue		Contribution		Margin		Mature occupancy	
	2007 £m	2006 £m	2007 £m	2006 £m	2007	2006	2007	2006
Americas	162.0	150.2	48.8	40.6	30%	27%	87%	86%
EMEA	114.5	93.8	38.6	27.6	34%	29%	86%	77%
Asia Pacific	34.9	23.5	12.2	7.1	35%	30%	82%	74%
UK	100.1	34.3	17.9	5.6	18%	16%	83%	72%
Other		0.8		0.8				
	411.5	**302.6**	**117.5**	**81.7**	**29%**	**27%**	**86%**	**82%**

Overall

The Group has continued to pursue its strategy of controlled growth — expanding into new markets and strengthening our position in existing markets — through a combination of opening new centres and acquiring existing businesses. Actual workstations grew 10% in the first six months of 2007 and were 33% higher than the same period in 2006 — we now have 132,448 workstations worldwide. We have seen the number of locations we operate in increase by 61, including franchises, joint ventures and managed offices. New locations include Winnipeg in Canada, Lille in France, Turin in Italy, Kolkata in India and we opened our first centres in Bulgaria, Qatar, Jordan and Kenya. The largest Regus centre, the Regus Silver Centre in Shanghai, with over 1,400 workstations, opened for business in January.

Americas

Our business in the Americas comprises Canada, USA and South America, encompassing 454 centres across 13 countries. Our main business in the USA operates 376 centres. During the half year, we have continued to experience improvement in our business performance through a measured approach to both organic growth and acquisitions. During the first half, we added 26 centres which increased the average number of workstations from 50,773 in 2006 to 58,594 in 2007. Acquisitions accounted for 12 of these new centres, with the balance coming from the opening of 14 fully owned centres. At actual exchange rates, the region delivered revenues of £162.0 million — up 7.9% on 2006. At constant exchange rates, this would have been 19.1%. Mature occupancy increased 1% to 87%.

Looking ahead, we will continue our aim to maximise yield in our existing centres and, given the uncertain economic climate, to grow our portfolio cautiously in existing and new key cities on a regionally diverse basis.

EMEA

Our business in EMEA encompasses 200 centres across 41 countries. During the half year we opened 14 new centres, which increased the average number of workstations from 26,929 in 2006 to 28,598 in 2007. Acquisitions accounted for three of these new centres, with the balance of 11 coming from organic growth — seven fully owned centres, two joint ventures, one managed centre and one franchise operation. We opened centres in new markets including Bulgaria, Qatar, Kenya and Jordan, with a continued focus on low-risk transactions in potentially volatile markets. The region delivered a strong performance, with revenues of £114.5 million — up 22.1% on 2006 — and achieved an average mature occupancy of 86% (2006: 77%).

Looking ahead we will continue to seek to improve occupancy and margin in our existing centres and expand our network into new markets.

Asia Pacific

Our business in Asia Pacific operates in 81 centres across 12 countries. During the half year we opened 14 new centres, which increased the number of workstations from 8,194 in 2006 to 13,157 in 2007. Acquisitions accounted for two of these new centres, with the balance of 12 coming from the opening of 10 fully owned centres and two managed centres. With the 14 new locations, we added three new markets — Kolkata, Hyderabad and Brisbane — to the network. Of particular note in the half year was the opening of the Silver Centre in Shanghai — at 140,000 sq ft our largest centre to date — offering a full business centre and 25,000 sq ft of state of the art conference centre, alongside our standard full suite of services. The region delivered revenues of £34.9 million — up 48.5% on 2006 and achieved an average mature occupancy of 82% (2006: 74%).

Looking ahead, we will continue to consolidate and grow our position as the largest provider of serviced offices across all Asia Pacific markets. To achieve this objective we plan to continue our focused, aggressive growth plan while continuing to improve the efficiency of our current portfolio of centres. Core to these improvements are continued developments in our internal infrastructure to enhance the efficiency of our enquiry handling and sales process.

UK

Our business in the UK encompasses 107 centres, an increase of one during the first half. The number of workstations increased from 26,921 in June 2006 to 27,721 in June 2007, principally reflecting the acquisition of the eight Longford business centres in 2006.

The UK was wholly consolidated from 19 April 2006 when we acquired the remaining 58% interest in Regus UK. Hence the reported revenue in 2006 of £34.3 million is for a period of approximately two and a half months compared to the 2007 revenue of £100.1 million which is for a period of six months.

We continue to feel that there is further strong potential for improvement and development of our business in the UK and looking ahead we will continue to focus on improving the margin of the business and add new centres as opportunities arise.

Strategy

We remain highly focused on our core strategy of measured growth, and in this respect, there is no change to our direction. Our excellent first half has demonstrated that by maximising the profitability of our existing network alongside the growing of our global network, through organic and acquisitive activity, we are well placed for further progress. We remain committed to our drive for continued improvement in our brand and product portfolio, systems, technology and people and it is critical that we maintain this given the increased demands and expectations of our customers throughout the world.

Product and brand development

The evolving nature of the global workplace has resulted in increased demands for improvements in our existing product and service offerings and has provided opportunities for us to broaden our portfolio and differentiate ourselves from our competitors. New products and services will only be launched following extensive testing and customer trials, which ensures that we are providing new — but long term — solutions to what our customers need. Our new Business Lounge concept responds directly to the needs of increasingly mobile commercial users for high quality, accessible and flexible space which can be used either for business purposes or simply to relax in. Initial roll-out will be in the UK and then the US shortly thereafter.

Systems and technology

Ongoing investment in systems and technology — with an aim to achieve a “best in class”, low cost, efficient operating model — is an important part of our forward-looking direction. During the first half, we have seen the commencement of operational use of our own, internally developed, inventory, reservation and billing system throughout our worldwide network. At the same time, we have continued to invest heavily in our e-commerce tools, which we expect to allow us to deliver substantial benefits to our current and future customers, as well as driving reductions in operating costs. We recognise the need for a flexible, adaptable technology platform to give us the operational nimbleness required to continue to grow. In short, we cannot stand still.

People

We recognise that core to our brand and the continued provision of a high quality service are our people. We now have over 4,700 team members who work for the Regus network and, through continuous training and development initiatives for our customer-facing staff, we are well placed to meet customer expectations as well as providing personal and professional growth for our people. The revamping of our training programs for all field employees, through a combination of formal class-based training and multimedia online certification, has already yielded beneficial results to customers, to staff and to Regus. Recent additions to our management team globally have also demonstrated the continued need to recruit high quality individuals who are recognised as best in class functional experts.

The future

We will continue to seek profitable opportunities to grow our business either in our core mature centres by improving margins or by the opening of new centres. New product developments will continue to provide additional value to our customers and opportunities for enhanced profitability for the Group. Our results for the first half of 2007 reflect the ongoing success of our strategy and I remain confident, given the current order book and continuing high level of enquiries, that the Group will continue to deliver on this through the remainder of the year.

Financial Review

Our strong half year trading results reflect robust like for like growth and the additional contribution from acquisitions and 2006 new centre openings. These results have been achieved whilst also investing in people, facilities, technology and marketing to secure future growth.

Our key operational drivers indicate that we are continuing in the right direction. We have seen improvements in the weighted average number of workstations which have increased by 32.6% to 127,858. At the same time average occupancy has also increased from 80.5% to 82.8%. While average revenue per occupied workstation (REVPOW) has remained flat (£7,780 in 2006 compared to £7,772 in 2007) due to the impact of exchange rates. At constant exchange rates it would have been an increase of 6.8%. Overall, despite the exchange effect, our key indicator REVPAW has increased 2.5% from £6,279 to £6,436.

These factors have delivered a £23.4 million increase in operating profit, rising from £33.0 million in H1, 2006 to £56.4 million in H1, 2007.

Revenue and gross profit (centre contribution)

Revenue for the Group rose 36.0% to £411.5 million (H1, 2006: £302.6 million) and gross profit (centre contribution) increased 43.8% to £117.5 million (H1, 2006: £81.7 million).

This movement can be analysed as follows:

	Revenue £m	Gross profit £m	% of revenue
30 June 2006	**302.6**	**81.7**	**27.0%**
Impact of exchange rates	(18.9)	(5.3)	
30 June 2006 at constant exchange rates	**283.7**	**76.4**	**26.9%**
Growth in mature business	33.4	25.2	
Centres added in 2006	86.5	18.9	
Centres added in 2007	8.1	(3.1)	
Centres closed	(0.2)	0.1	
30 June 2007	**411.5**	**117.5**	**28.6%**

Sterling strengthened in value between the first half of 2006 and the first half of 2007 which reduced our revenue by £18.9 million and contribution by £5.3 million. This was then more than offset by improvements in the underlying business.

Our mature or like for like business increased its revenues by £33.4 million and contribution by £25.2 million driven by improvements in occupancy and price.

Centres added in 2006 contributed a further £86.5 million of revenue and £18.9 million of contribution heavily driven by the impact of the UK acquisition and its continued growth. The Group purchased the remaining 58% interest in Regus UK and acquired full control of the financial and operating policies of the UK business on 19 April 2006.

The overall increase arising from 2006 centres can be analysed:

	Revenue £m	Gross profit £m
Improvement arising from UK	62.7	13.2
Improvements elsewhere in Group	23.8	5.7
Overall improvement from 2006 centres	**86.5**	**18.9**

New centres added in 2007, both organic and by acquisition, contributed a further £8.1 million of revenue but reduced contribution by £3.1 million due to the normal start up losses incurred in establishing new centres.

Taking all this together contribution margins improved from 27.0% to 28.6%.

Administrative expenses

In the second half of 2005 and the first half of 2006, investments were made within administrative expenses to:

> support the growing scale of the business
> secure workstation growth in a controlled and efficient manner
> drive occupancy primarily in new centres.

Consequently administrative expenses as a proportion of revenue peaked in the first half of 2006 at 16.1%. As growth has subsequently taken place, administrative costs have fallen to 14.9% in the first half of 2007.

Operating Profit

Operating profit was £56.4 million (H1, 2006: £33.0 million), representing a margin of 13.7% (H1, 2006: 10.9%).

Share of profit in joint ventures and associates

In the six months ended 30 June 2007, the share of joint venture profits attributable to Regus decreased to £nil (H1, 2006: £0.3 million profit) although improved from the second half of 2006 (£0.4 million loss) reflecting the reduction in losses from new joint ventures started in the second half of 2006.

During the period 1 January 2006 to 19 April 2006, the UK business was equity accounted as an associate. Following the acquisition of the UK business on 19 April 2006, the business became fully consolidated as a subsidiary.

Financing costs

Financing costs can be summarised as follows:

	June 2007 £m	June 2006 £m
Interest payable on bank loans and overdrafts	(2.3)	(2.4)
Interest receivable	1.1	0.6
Finance lease interest	(0.1)	(0.3)
Amortisation of deferred financing fees	(0.3)	(0.1)
UK acquisition related — non cash item	(1.2)	(0.6)
Total financing costs	**(2.8)**	**(2.8)**

The broadly unchanged interest payable reflects the reduction in the Group's average debt over the half year, partially offset by the impact of rising interest rates in the Group's primary markets. The average Libor rate for the first half of 2006 was 4.6% compared to 5.5% for 2007.

The substantial increase in interest receivable reflects a continued increase in average free cash balances of £22.3 million to £69.3 million (£47.0 million in H1, 2006) and the positive impact from rising global interest rates. The movement in the cash balance has been explained in the cash flow section below.

Underlying finance lease costs have fallen in line with the reduction in finance leases. The amortisation of deferred financing fees relates to loan arrangement costs incurred for the new credit facilities entered into during 2006 to fund the UK acquisition and reflect a full six months of amortisation in 2007 compared to a partial period in 2006. The unwinding of discounted fair value adjustments on the Regus UK acquisition resulted in a non cash net financing charge of £1.2 million in the period to 30 June 2007, an increase compared to 2006 reflecting the timing of the UK acquisition in 2006.

Taxation

The continued improvements in the Group results have meant that there are fewer unrecognised losses available to be offset in the income statement against rising current tax charges. Consequently, the Group has recognised a £9.1 million tax charge for the period (representing an accounting tax rate of 17% of profit before tax) compared to a credit of £1.1 million in the comparative period. The current tax charge for the period was £8.8 million (2006: £3.7 million charge), an increase from 12% to 16% of profit before tax. Deferred tax became a £0.3 million charge in the period (2006: £4.8 million credit) which includes the adverse impact of the reduction in the UK corporation tax rate on the deferred tax asset. On a cash tax basis the Group paid £6.1 million in tax. Cash tax represents approximately 11.4% of profit before tax compared to 10.6% in the same period in 2006.

Earnings per share

Earnings per share for the half year increased 36.4% from 3.3p to 4.5p. The average number of shares in issue during the first half reflected the re-purchase of Regus shares in mid-June 2007 for the purposes of employee share plans and reduced slightly to 984,382,474 (H1, 2006: 984,792,040).

Cash flow

Strong operating cash flow remains a prime feature and continued objective of the Group. Driven by the improvement in operating profit and an improved working capital performance, operating cash flow increased by £28.5 million to £85.1 million (H1, 2006: £56.6 million). The Group's cash flow statement has been summarised below.

	June 2007 £m	June 2006 £m
Cash generated from operations	**85.1**	**56.6**
Tax and net interest paid	(7.3)	(4.9)
Maintenance capex	(11.1)	(9.7)
Free cash flow	**66.7**	**42.0**
New centre openings	(21.5)	(5.8)
UK acquisition	—	(61.4)
Other acquisitions and joint venture investments	(5.0)	(14.6)
Loan repayment, share buy back and dividend	(31.6)	42.5
Change in cash	**8.6**	**2.7**

	June 2007 £m	June 2006 £m
Opening cash	**80.9**	**74.1**
Change in cash	8.6	2.7
Effect of exchange rates on cash held	(0.6)	(1.0)
Closing cash	**88.9**	**75.8**

The strong cash performance has enabled the Group to invest in growth. Specifically, during the first six months, 38 new centres were opened at a cost of £21.5 million. A further 22 business centres plus two joint ventures were acquired for a net cash consideration of £5.0 million.

To highlight, during the half year, the Group has

- repaid to our investors £16.4 million through both our share-buyback and dividend activity
- reduced our debt by £15.2 million
- invested £26.5 million in growing our business through adding new centres

and still ended the half year with an increased cash position. This can be can be analysed as follows:

	June 2007 £m	June 2006 £m
Cash and cash equivalents	88.9	75.8
Debt	(41.7)	(71.4)
Finance leases	(1.7)	(6.4)
Unamortised financing fees	0.6	1.7
Financial assets/(net debt)	46.1	(0.3)

Consolidated profit and loss accounts for the six months ended 30 June 2007 (prepared in accordance with IFRSs as adopted by the European Union):

	Six months ended 30 June 2007 (unaudited) £m
Revenue	**411.5**
Cost of sales	(294.0)
Gross profit (centre contribution)	**117.5**
Administrative expenses	(61.1)
Operating profit	**56.4**
Share of post-tax profit/(loss) of joint ventures	—
Share of post-tax profit of associate	—
Profit before financing costs	**56.4**
Financial expense	(4.2)
Financial income	1.4
PROFIT BEFORE TAX FOR THE PERIOD	**53.6**
Tax (charge)/credit	(9.1)
PROFIT AFTER TAX FOR THE PERIOD	**44.5**
Attributable to:	
Equity shareholders of the parent	44.5
	44.5
Earnings per Ordinary Share:	
Basic(p)	4.5
Diluted(p)	4.5

Consolidated statement of assets and liabilities as at 30 June 2007 (prepared in accordance with IFRSs as adopted by the European Union):

	As at 30 June 2007 (unaudited) £m
Non-current assets	
Goodwill	214.6
Other intangible assets	47.8
Property, plant and equipment	143.8
Deferred tax assets	36.2
Other long term receivables	21.6
Investments in joint ventures	1.1
	465.1
Current assets	
Trade and other receivables	160.2
Corporation tax receivable	2.9
Cash and cash equivalents	88.9
	252.0
TOTAL ASSETS	**717.1**
Current liabilities	
Trade and other payables	(118.2)
Customer deposits	(114.2)
Deferred income	(82.5)
Corporation tax payable	(28.1)
Obligations under finance leases	(0.7)
Bank and other loans	(5.6)
Provisions for liabilities and charges	(3.7)
	(353.0)
Net current liabilities	**(101.0)**
Total assets less current liabilities	**364.1**
Non-current liabilities	
Other payables	(63.7)
Obligations under finance leases	(1.0)
Bank and other loans	(35.5)
Deferred tax liability	(1.3)
Provisions for liabilities and charges	(7.8)
Provision for deficit on joint ventures	(2.7)
	(112.0)
TOTAL LIABILITIES	**(465.0)**
TOTAL ASSETS LESS LIABILITIES	**252.1**
Total equity	
Issued share capital	49.2
Treasury shares	(10.5)
Foreign currency translation reserve	(21.8)
Revaluation reserve	10.0
Other reserves	(22.6)
Retained earnings	247.8
TOTAL EQUITY	**252.1**
TOTAL EQUITY AND LIABILITIES	**717.1**

Consolidated cash flow statement for the six months ended 30 June 2007 (prepared in accordance with IFRSs as adopted by the European Union):

	Six months ended 30 June 2007 (unaudited) £m
Profit before tax for the year	**53.6**
Adjustments for:	
Net finance costs	2.8
Net share of profit on joint ventures and associate	—
Depreciation charge	17.8
(Profit)/loss on disposal of fixed assets	—
Amortisation of intangible assets	3.2
Decrease in provisions	(3.3)
Operating cash flows before movements in working capital	**74.1**
Increase in trade and other receivables	(18.0)
Increase in trade and other payables	26.8
Other non-cash movements — share based payments	2.2
Cash generated from operations	**85.1**
Interest paid on finance leases	(0.1)
Interest paid on credit facilities	(2.2)
Tax paid	(6.1)
Net cash inflow from operating activities	**76.7**
Investing activities	
Purchase of subsidiary undertakings (net of cash acquired)	(5.0)
Purchase of interest in joint ventures	(0.1)
Sale of tangible fixed assets	0.1
Purchase of tangible fixed assets	(32.3)
Purchase of intangible assets	(0.3)
Interest received	1.1
Net cash outflow from investing activities	**(36.5)**
Financing activities	
Net proceeds from issue of loans	1.3
Repayment of loans	(14.4)
Repayment of capital elements of finance leases	(2.1)
Facility arrangement fees	—
Purchase of treasury shares	(10.5)
Payment of ordinary dividend	(5.9)
Cash (outflow)/inflow from financing activities	**(31.6)**
Net increase in cash and cash equivalents	8.6
Cash and cash equivalents at beginning of period	80.9
Effect of exchange rate fluctuations on cash held	(0.6)
Cash and cash equivalents at end of year	**88.9**

Consolidated statement of changes in equity (restated) as at 30 June 2007 (prepared in accordance with IFRSs as adopted by the European Union):

	Attributable to equity holders of the parent(a)							
	Share capital £m	**Treasury shares £m**	**Share premium account £m**	**Foreign currency translation reserve £m**	**Revaluation reserve £m**	**Other £m**	**Retained earnings £m**	**Total equity £m**
Balance at 1 January 2006	**49.2**	—	**153.5**	**5.0**	—	**(22.6)**	**(32.3)**	**152.8**
Profit attributable to equity holders	—	—	—	—	—	—	32.8	32.8
Currency translation differences	—	—	—	(7.9)	—	—	—	(7.9)
Acquisitions	—	—	—	—	10.0	—	—	10.0
Total recognised income and expense for the period	—	—	—	(7.9)	10.0	—	32.8	34.9
Share based payments	—	—	—	—	—	—	0.7	0.7
Scheme of Arrangement(b)	—	—	(153.5)	—	—	—	153.5	—
Balance at 30 June 2006	**49.2**	—	—	**(2.9)**	**10.0**	**(22.6)**	**154.7**	**188.4**
Balance at 1 January 2007	**49.2**	—	—	**(17.5)**	**10.0**	**(22.6)**	**205.4**	**224.5**
Profit attributable to equity holders	—	—	—	—	—	—	44.5	44.5
Currency translation differences	—	—	—	(4.3)	—	—	—	(4.3)
Deferred tax effect of share options	—	—	—	—	—	—	1.6	1.6
Total recognised income and expense for the period	—	—	—	(4.3)	—	—	46.1	41.8
Share based payments	—	—	—	—	—	—	2.2	2.2
Ordinary dividend paid	—	—	—	—	—	—	(5.9)	(5.9)
Purchase of treasury shares	—	(10.5)	—	—	—	—	—	(10.5)
Balance at 30 June 2007	**49.2**	**(10.5)**	—	**(21.8)**	**10.0**	**(22.6)**	**247.8**	**252.1**

(a) Total reserves attributable to equity holders of the parent:

> Share capital and share premium represents the net proceeds (both the nominal value and any premium paid) on the issue of the Company's equity share capital.

> Treasury shares represent 7,300,000 ordinary shares of the Group that were acquired for the purposes of the Group's employee share option plans.

> The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures.

> The revaluation reserve arose on the restatement of the assets and liabilities of the UK associate from historic cost to fair value at the time of the acquisition of the outstanding 58% interest.

> Other reserves include £29.2 million arising from the Scheme of Arrangement undertaken in 2003, partly offset by £6.5 million relating to merger reserves and £0.1 million to the redemption of preference shares.

(b) On 28 June 2006 the Group executed a court order granting the cancellation of the share premium account under a Scheme of Arrangement. The effect of this was to increase by the same amount the distributable reserves for the Group. The cancellation was undertaken in the books of Regus Group plc where the share premium was held. Details of the Scheme of Arrangement were contained within the notice of the Annual General Meeting dated 3 April 2006.

2 Segmental analysis – management basis

	Americas 2007	EMEA 2007	Asia Pacific 2007	UK 2007	Other 2007	Total 2007
Mature						
Workstations	50,376	26,283	6,753	—	—	83,412
Occupancy (%)	86.8	86.2	82.3	—	—	86.2
Revenue (£m)	147.0	107.9	23.2	—	—	278.1
Contribution (£m)	48.6	38.4	9.5	—	—	96.5
2006 Expansions						
Workstations	6,533	1,301	4,595	26,398	—	38,827
Occupancy (%)	74.4	79.1	74.2	82.8	—	80.2
Revenue (£m)	12.9	4.1	11.0	97.0	—	125.0
Contribution (£m)	0.7	1.1	3.4	18.8	—	24.0
2007 Expansions						
Workstations	1,685	880	1,809	1,111	—	5,485
Occupancy (%)	63.4	52.2	19.5	67.7	—	48.0
Revenue (£m)	2.1	2.2	0.7	3.1	—	8.1
Contribution (£m)	(0.5)	(1.0)	(0.7)	(0.9)	—	(3.1)
2007 Closures						
Workstations	—	134	—	—	—	134
Occupancy (%)	—	95.0	—	—	—	95.0
Revenue (£m)	—	0.3	—	—	—	0.3
Contribution (£m)	—	0.1	—	—	—	0.1
Totals Workstations	**58,594**	**28,598**	**13,157**	**27,509**	—	**127,858**
Occupancy (%)	**84.7**	**84.9**	**70.8**	**82.2**	—	**82.8**
Revenue (£m)	**162.0**	**114.5**	**34.9**	**100.1**	—	**411.5**
Contribution (£m)	**48.8**	**38.6**	**12.2**	**17.9**	—	**117.5**
Operating profit (£m)	**27.6**	**27.3**	**7.4**	**6.8**	**(12.7)**	**56.4**
REVPAW (£)	**5,531**	**8,009**	**5,295**	**7,277**	—	**6,436**

2 Segmental analysis – management basis continued

	Americas 2006	EMEA 2006	Asia Pacific 2006	UK 2006	Other 2006	Total 2006
Mature						
Workstations	49,748	26,578	6,474	—	—	82,800
Occupancy (%)	86.0	76.9	74.4	—	—	82.2
Revenue (£m)	148.6	93.1	20.8	—	0.8	263.3
Contribution (£m)	40.9	27.6	7.3	—	0.8	76.6
2006 Expansions						
Workstations	913	149	1,720	10,506	—	13,288
Occupancy (%)	75.9	50.2	50.9	72.3	—	69.6
Revenue (£m)	1.4	0.4	2.7	34.3	—	38.8
Contribution (£m)	(0.2)	(0.1)	(0.2)	5.6	—	5.1
2007 Expansions						
Workstations	112	—	—	—	—	112
Occupancy (%)	92.4	—	—	—	—	92.4
Revenue (£m)	0.2	—	—	—	—	0.2
Contribution (£m)	(0.1)	—	—	—	—	(0.1)
2007 Closures						
Workstations	—	202	—	—	—	202
Occupancy (%)	—	96.4	—	—	—	96.4
Revenue (£m)	—	0.3	—	—	—	0.3
Contribution (£m)	—	0.1	—	—	—	0.1
Totals Workstations	**50,773**	**26,929**	**8,194**	**10,506**	—	**96,402**
Occupancy (%)	**85.9**	**76.9**	**69.5**	**72.3**	—	**80.5**
Revenue (£m)	**150.2**	**93.8**	**23.5**	**34.3**	**0.8**	**302.6**
Contribution (£m)	**40.6**	**27.6**	**7.1**	**5.6**	**0.8**	**81.7**
Operating profit (£m)	**21.0**	**14.4**	**3.6**	**1.8**	**(7.8)**	**33.0**
REVPAW (£)	**5,915**	**6,963**	**5,730**	**6,526**	—	**6,279**

> The mature business is defined as those centres owned and operated at least 12 months prior to 1 January 2006 and therefore have a full six month comparative.

> Expansions include new centres opened and acquired businesses.

> A 2007 closure is defined as a centre closed during the period 1 January 2007 — 30 June 2007 which was previously categorised as either a mature or 2006 expansion in the comparative information. A 2006 closure is defined as a centre closed during the period 1 January 2006 — 31 December 2006.

> Workstation numbers are calculated as the weighted average for the period.

> EMEA represents Europe (excluding UK), Middle East and Africa.”

7.6 Other than as set out in paragraph 7.5 above, there have been no known material changes in the financial or trading position of the Company subsequent to the date of its most recent published audited accounts.

8. MATERIAL CONTRACTS

8.1 During the period beginning two years preceding the date of this document and ending on the Latest Practicable Date, the Company and its subsidiaries have not entered into any material contracts otherwise than in the ordinary course of business, save for the following:

(i) on 19 April 2006, the Company entered into a five year £100 million revolving credit and letter of credit facility and a £50 million acquisition term loan facility supplied by mandated lead arrangers The Royal Bank of Scotland plc and Lloyds TSB Bank plc and arranger National Australia Bank in order to replace the Company's then existing acquisition finance put in place in August 2004 and in connection with the financing of the acquisition of Regus Holdings (UK) Limited (as described at sub-paragraph (ii) below); and

(ii) on 19 April 2006, Regus Centres UK Limited (a wholly-owned subsidiary of the Company) entered into a share purchase agreement with Rex 2002 Limited (a company controlled by funds managed by Alchemy Partners) in order to acquire the remaining 58 per cent. of the issued share capital of Regus Holdings (UK) Limited that it did not already own for a cash consideration of £88 million, payment of which was guaranteed by the Company.

8.2 During the period of two years preceding the date of this document and ending on the Latest Practicable Date, and so far as the Directors are aware having reviewed publicly available sources of information, Maxon has not entered into any material contracts otherwise than in the ordinary course of business.

9. MIDDLE MARKET QUOTATIONS

The following are middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange p.l.c., for the first business day of each of the six months set out below and for the Latest Practicable Date:

Date	Price per Ordinary Share (pence)
1 June 2007	151.25
2 July 2007	135.50
1 August 2007	131.50
3 September 2007	133.50
1 October 2007	123.00
1 November 2007	106.75
19 November 2007	86.00

10. CONSENT

Dresdner Kleinwort has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following items will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY from the date of this document up to the time of the EGM and for the duration of the meeting:

(i) the memorandum and articles of association of the Company and the constitutional documents of Maxon;

(ii) the audited consolidated financial statements of the Company and the audited financial statements of Maxon for the two accounting periods ended 31 December 2005 and 31 December 2006;

(iii) the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors described at paragraph 5 of this Part II;

(iv) each of the material contracts described at paragraph 8.1 of this Part II; and

(v) the consent letter of Dresdner Kleinwort.

22 November 2007

Appendix 1
Notice of Extraordinary General Meeting

Regus Group plc
(Registered in England with number 4868977)

Notice is hereby given that the Extraordinary General Meeting of Regus Group plc (the "**Company**") will be held at City Point, 1 Ropemaker Street, London EC2Y 9HT on 7 December 2007 at 10 a.m. to consider and, if thought fit, pass on a poll the following resolutions which are proposed as ordinary resolutions:

1. that the waiver granted by The Panel on Takeovers and Mergers (the "**Panel**") of the obligation which may otherwise arise, pursuant to Rule 9 of the City Code on Takeovers and Mergers ("**Rule 9**"), for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the shareholders of the Company for all the shares in the Company held by them as a result of any market purchases of its shares by the Company pursuant to the authority granted by the shareholders at the annual general meeting of the Company held on 24 May 2007 (pursuant to which Mr. Dixon's percentage interest in the Company's shares could potentially increase from approximately 37.16 per cent. as at the date of this document to a maximum of approximately 41.03 per cent.) be and is hereby approved; and

2. that the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9, for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the shareholders of the Company for all the shares in the Company held by them as a result of the exercise by Mr. Dixon of any of his existing share option awards under the Regus Group Share Option Plan, the Regus Co-Investment Plan and the Regus Group Long Term Incentive Plan (pursuant to which Mr. Dixon's interest in the shares of the Company could potentially increase from 363,613,783 such shares (representing approximately 37.16 per cent. of such shares in issue as at the date of this document) to a maximum of 367,523,634 such shares (representing approximately 41.28 per cent. of such shares in issue as at the date of this document)) be and is hereby approved.

   Mr. Dixon will not be voting, in respect of either resolution, his interest in 363,613,783 shares in the Company, representing approximately 37.16 per cent. of the Company's current issued share capital.

By order of the Board

Tim Regan
Regus Group plc
Company Secretary
22 November 2007

Registered Office
3000 Hillswood Drive
Chertsey
Surrey
KT16 0RS

Appendix 2
Notes

Appointment of Proxies

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak, and vote at a general meeting of the Company. A proxy need not be a member of the Company. Each Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. No Shareholder may appoint more than one proxy to exercise rights attached to any one share.

In order to be valid, an appointment of proxy must be returned by one of the following methods:

(A) in hard copy form by post, by courier or by hand to the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL; or

(B) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

in each case so that it is received by the Company no later than 10.00 a.m. on 5 December 2007.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Shareholders

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the Extraordinary General Meeting is 6.00 p.m. on Wednesday 5 December 2007. Entries in the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting. Such a Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Shareholder of the Company. A prepaid proxy card is enclosed and, to be valid, it must be completed according to the instructions printed on it and sent to the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, to arrive no later than 10.00 a.m. on 5 December 2007.

Shareholders who return completed proxy voting forms may still attend the meeting instead of their proxies and vote in person if they wish. In the event of a poll in which the Shareholder votes in person, his/her proxy votes lodged with the Company will be excluded.

EGM Timetable

9 a.m.

Doors open to Shareholder registration desk and reception area.

9.15 a.m.

Auditorium opens.

10 a.m.

The Extraordinary General Meeting begins.

Shareholders will be asked to vote on each of the resolutions set out in this Notice of Extraordinary General Meeting. Shareholders will have an opportunity to ask questions at the meeting.

Who may attend?

Only Shareholders and their proxies are entitled to attend the meeting. Non-Shareholders will be admitted, as non-participating observers, at the discretion of the Company.

Admission

You will be asked to register at the Shareholder reception desk. If you have been appointed as a Shareholder proxy, you should make this fact known to the Shareholder reception desk.

Security

Shareholders are reminded that briefcases, cameras, laptop computers, tape-recorders, etc. are not allowed in the meeting room. We also ask that mobile phones be switched off during the meeting.

About the meeting

At the meeting you will be asked to vote on the resolutions which are set out in this Notice of Extraordinary General Meeting. Explanatory notes are also provided. You may therefore find it helpful to bring this document with you. However, you do not need to bring any other documents. During the meeting the Chairman will give shareholders the opportunity to ask questions.

Smoking

Smoking is not permitted in the building.