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REGUS GROUP PLC TO INTRODUCE A NEW HOLDING COMPANY AND APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS

Regus Group plc ("**Regus**"), the world's largest provider of outsourced workplaces, today announces a proposed scheme of arrangement under sections 895 to 899 of the Companies Act 2006 (the "**Scheme**") relating to the corporate structure and organisation of Regus.

If the Scheme is implemented, a new holding company of Regus and its subsidiary undertakings (the "**Regus Group**"), which will be incorporated in Jersey, have its head office in Luxembourg and be tax resident in Luxembourg, Regus plc ("**New Regus**"), will be put in place through the Scheme. Under the Scheme, all of the existing holders of Regus ordinary shares will have their shares cancelled in consideration for which they will receive ordinary shares in New Regus on a one-for-one basis. The respective holdings of shareholders in New Regus upon the Scheme becoming effective will therefore be the same as the respective holdings of shareholders in Regus immediately prior to the Scheme becoming effective.

New Regus will have its primary listing on the Official List of the UK Listing Authority ("**UKLA**") and its ordinary shares will be traded on the main market of the London Stock Exchange (the "**LSE**"). Upon the Scheme becoming effective, New Regus will be included in FTSE's UK Index Series. There will be no substantive changes to corporate governance and investor protection measures. In particular, upon implementation of the Scheme, the UK City Code on Takeovers and Mergers will apply to New Regus and New Regus intends to comply with the Combined Code to the same extent that Regus currently does.

The Regus Group has become, and will continue to develop as, a truly international business. The Regus Group is currently spread across a global footprint of over 900 locations, in 400 cities and 71 countries. As a result, for the 6 months ended 30 June 2008, more than 78 per cent. of the Regus Group's global revenue and 84 per cent. of the Regus Group's gross profit was generated outside the United Kingdom.

As a result of this, the directors of Regus (the "**Board**") believe that the future growth of the Regus Group would be assisted by:

- greater international diversity at board level, to reflect the growing breadth and diversity of the Regus Group's operations; and
- having an international holding company and a group structure that is designed better to facilitate the Regus Group's financial management and which will also help protect the Regus Group's taxation position given the ongoing uncertainty surrounding the UK tax treatment of international groups whose holding company is UK tax resident.

The Board believes that the most appropriate structure is for New Regus to have its head office in Luxembourg (which involves New Regus having its place of central management and tax residence in Luxembourg). Luxembourg has been chosen as it meets all necessary commercial criteria including providing both greater certainty and stability for the Regus Group's taxation position as the Regus Group continues to develop worldwide.

The Proposals also provide the opportunity to reduce the overall tax rate of the Regus Group.

Further, in order to achieve the objective of greater international diversity at board level and to ensure New Regus' place of central administration and tax residence is in Luxembourg, it will be necessary to make certain changes. These changes include the appointment of three new non-executive directors to the board of New Regus who are not currently serving as non-executive directors of Regus, namely Douglas Sutherland, Lance Browne and Ulrich Ogiermann (the "**New NEDs**"). Each of the New NEDs has relevant experience at international companies and will help to achieve greater international diversity at New Regus board level. In addition, Rudy Lobo, Stephen East and Roger Orf intend to resign from the Board with effect from the effective date of the Scheme and will not be appointed to the board of New Regus.

Brief biographical details of the New NEDs are set out below:

Lance Browne - Lance is currently Vice Chairman of Standard Chartered Bank (China) Limited. Previously Lance was Director of Business Development at Powergen International (HK). Lance is also the Chairman of China Goldmines plc, China Senior Advisor to the City of London and non-executive director of IMI plc.

Ulrich Ogiermann - Ulrich is currently President and Chief Executive of Cargolux. Ulrich previously held a senior position with Lufthansa.

Douglas Sutherland - Douglas was previously Chief Financial Officer of Skype during its acquisition by eBay in October 2005 and was also Chief Financial Officer at SecureWave during its acquisition by PatchLink in July 2007. Prior to this, Douglas enjoyed a career of over 20 years with Arthur Andersen (as a partner for over a decade).

Terms of the Scheme

Upon the Scheme becoming effective, New Regus will issue New Regus ordinary shares to holders of Regus ordinary shares on a one-for-one basis in consideration for the cancellation of all of the existing ordinary shares in Regus. The proposals do not involve any payment for the new ordinary shares in New Regus.

The effect of the Scheme will therefore be as follows:

- Regus will become a wholly-owned subsidiary of New Regus (New Regus will be listed on the Official List of the UKLA and traded on the LSE in Regus' place); and
- upon the Scheme becoming effective, each Regus ordinary shareholder will own the same number of ordinary shares in New Regus as the number they each owned in Regus immediately prior to the Scheme becoming effective.

Other proposals

Regus and New Regus also propose to implement the following proposals in connection with the Scheme:

- shortly after the Scheme becomes effective, the amounts standing to the credit of Regus' non-distributable profit and loss reserve will be re-characterised as a distributable reserve through a capitalisation of that reserve and a Court-approved reduction of capital (the "**Regus Capital Reduction**");
- shortly after the Scheme becomes effective, New Regus' share premium will be reduced pursuant to a Jersey Court process to create distributable reserves in New Regus to facilitate the payment of dividends and other distributions or for any other lawful purposes to which such reserves may be applied (the "**New Regus Capital Reduction**"); and
- New Regus will put in place new share option plans for the purpose of granting options and awards over New Regus ordinary shares to employees of the Regus Group after the Scheme has become effective and the interests of holders of options under the existing share option plans operated by Regus will be rolled-over in to New Regus ordinary shares.

Income access share arrangements (“IAS Arrangements”)

New Regus intends to put in place, after completion of the Scheme, IAS Arrangements. To the extent that they are operated, these arrangements will mean that New Regus ordinary shareholders will be able to choose either to receive dividends from New Regus (a company resident in Luxembourg) or from a UK company (i.e. Regus or another UK subsidiary of New Regus) under the IAS Arrangements.

Conditions to implementation of the proposals

The Scheme will require, amongst other things, the approval of Regus ordinary shareholders at a shareholder meeting to be convened at the direction of the High Court (the “**Court Meeting**”). The approval required at the Court Meeting is a majority in number of Regus ordinary shareholders representing not less than 75% in value of those shareholders who vote at the meeting (whether in person or by proxy). Certain matters in connection with the implementation of the Scheme will also require separate approval by way of a special resolution of Regus ordinary shareholders in general meeting (the “**General Meeting**”). The Scheme will also be conditional on the sanction of the High Court.

The implementation of the Regus Capital Reduction and the New Regus Capital Reduction will be subject to the passing of special resolutions at the General Meeting.

The Regus Capital Reduction and the New Regus Capital Reduction will be conditional upon, amongst other things, the Scheme becoming effective.

Further, the Regus Capital Reduction will require approval by the High Court and the New Regus Capital Reduction will require approval by the Jersey Court.

The resolutions proposed to be passed by Regus ordinary shareholders at the General Meeting in respect of the Scheme, the Regus Capital Reduction and the New Regus Capital Reduction will all be inter-conditional.

Documentation and process

A circular setting out full details of the proposals (including notices of the Court Meeting and the General Meeting) will be sent to Regus shareholders on or around 8 September 2008. A prospectus in relation to New Regus will also be published and both documents will be available on the Regus website (www.regus.com/investors). If approved, the Scheme is currently expected to become effective on or around 14 October 2008.

Expected timetable of principal events

3:00 p.m. on 22 September 2008	Latest time for receipt by registrars of blue form of proxy from Regus ordinary shareholders for the Court Meeting
3:15 p.m. on 22 September 2008	Latest time for receipt by registrars of white form of proxy from Regus ordinary shareholders for the General Meeting
6:00 p.m. on 23 September 2008	Voting record time for the Court Meeting and the General Meeting
3:00 p.m. on 24 September 2008	Court Meeting
3:15 p.m. on 24 September 2008	General Meeting
13 October 2008	Court Hearing of claim form to sanction the Scheme
13 October 2008	Last day of dealings in Regus ordinary shares
6:00 p.m. on 13 October 2008	Scheme record time
14 October 2008	Scheme effective date

8:00 a.m. on 14 October 2008	Delisting of Regus ordinary shares, admission and listing of New Regus ordinary shares, crediting of New Regus ordinary shares in uncertificated form to CREST accounts and commencement of dealings in New Regus ordinary shares on the London Stock Exchange's main market for listed securities
Shortly after the Scheme becomes effective	Court Hearing to approve the Regus Capital Reduction
Within 10 business days of the Scheme effective date	Dispatch of share certificates in respect of New Regus ordinary shares
23 October 2008	Jersey Court Hearing of claim form to confirm the New Regus Capital Reduction
24 October 2008	New Regus Capital Reduction becomes effective

All references to time in this document are to London time unless otherwise stated. The dates given are based on the directors' expectations and may be subject to change.

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For the avoidance of doubt, this announcement is not an offer of securities in the United States. New Regus ordinary shares to be issued in connection with the offer will not be, and are not required to be, registered with the US Securities and Exchange Commission under the US Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Section 3(a)(10) thereof.

Forward looking statements

This announcement contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Board. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Regus’ financial performance. Although the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. Investors are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Regus or New Regus or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the “Risk Factors” section of the prospectus to be published in respect of the New Regus shares.

Save as required by the FSA, the London Stock Exchange or applicable law, including, without limitation, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules, neither Regus nor New Regus undertakes any obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this announcement.

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