

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred your registered holding of Ordinary Shares in Regus plc (*société anonyme*), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



**Regus plc (société anonyme)**  
(the "Company")

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159)

**NOTICE OF ANNUAL GENERAL MEETING**

---

Notice of the annual general meeting of the Company to be held at 11.00 a.m. (Luxembourg time) on 18 May 2010 at 26 Boulevard Royal, Luxembourg, L-2449 is set out in Part II of this circular.

Whether or not you propose to attend the annual general meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received not less than 48 hours before the time of the holding of the AGM.

## CONTENTS

DEFINITIONS .....	3
PART I LETTER FROM THE CHAIRMAN .....	6
PART II NOTICE OF ANNUAL GENERAL MEETING 2010 .....	9
PART III EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING .....	14
PART IV APPROVAL OF RULE 9 WAIVERS .....	17
SECTION I — BACKGROUND .....	17
SECTION II — ADDITIONAL INFORMATION .....	22
SECTION III — INFORMATION INCORPORATED BY REFERENCE .....	28

## DEFINITIONS

<b>“2009 CIP Options”</b>	means the nil-cost options over 1,995,225 Ordinary Shares conditionally granted to Mark Dixon on 23 March 2009 pursuant to the Regus CIP, subject to certain performance conditions and conditional upon shareholder approval at the Company’s 2009 annual general meeting (which was subsequently granted);
<b>“2009 Waivers”</b>	has the meaning set out on page 17 of this document;
<b>“2010 March LTIP Options”</b>	means the nil cost options over 520,149 Ordinary Shares conditionally granted to Mark Dixon on 23 March 2010 pursuant to the LTIP subject to certain performance conditions and conditional upon either attainment of shareholder approval at the AGM or an undertaking from Mark Dixon that upon exercise of the options he will immediately sell the resulting Ordinary Shares;
<b>“Act”</b>	means the Companies Act 2006;
<b>“AGM”</b>	means the annual general meeting of the Company to be held on 18 May 2010 at 26 Boulevard Royal, L-2449 Luxembourg at 11.00 a.m. (Luxembourg time);
<b>“Code”</b>	means the UK City Code on Takeovers and Mergers;
<b>“Company”</b>	means Regus plc ( <i>société anonyme</i> ), a company incorporated in Jersey with registered number 101523 and whose registered office is at 22 Grenville Street, St Helier, JE4 8PX, Channel Islands and having its place of central administration (head office) in Luxembourg at 26 Boulevard Royal, Luxembourg L-2449 and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159;
<b>“Directors” or “Board”</b>	means the Executive Directors and the Non-Executive Directors;
<b>“Dividend Source Election Form”</b>	means the enclosed dividend source election form for completion by Shareholders for the purposes of electing whether to receive payment of dividends from a UK or Luxembourg source;
<b>“Equiniti”</b>	means Equiniti (Jersey) Limited, a company incorporated in Jersey whose registered office is at PO Box 63, 11-12 Esplanade, St Helier, Jersey JE4 8PH;
<b>“Estorn”</b>	means Estorn Limited, a company incorporated in Cyprus with registered number 188003 and whose registered office is at Elenion Building, 2 <sup>nd</sup> Floor, 5 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus, of which Mark Dixon owns 100 per cent. of the issued share capital and which currently beneficially owns Mark Dixon’s entire holding of Ordinary Shares;
<b>“Executive Directors”</b>	means Mark Dixon and Stephen Gleadle;
<b>“Existing Waivers”</b>	has the meaning set out on page 17 of this document;
<b>“First Waiver”</b>	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mark Dixon (or any entity through which Mr. Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company following re-purchases of Ordinary Shares by the Company pursuant to resolution 15 that could potentially increase Mr. Dixon’s shareholding from approximately 33.86 per cent. of issued share capital to a maximum of approximately 37.63 per cent. of issued share capital (and, taking into account the Second Waiver and all Existing Waivers, up to a maximum potential holding of approximately 37.92 per cent. of issued share capital);

<b>“First Waiver Resolution”</b>	means resolution 12 set out at page 10 of this document;
<b>“Form of Proxy”</b>	means the enclosed proxy form for completion by those Shareholders who wish to vote on the resolutions set out in this document but who are unable to attend the AGM;
<b>“Group” or “Regus Group”</b>	means the Company together with its subsidiaries and subsidiary undertakings;
<b>“Independent Directors”</b>	means the Directors other than Mark Dixon;
<b>“Independent Shareholders”</b>	means the Shareholders other than Mark Dixon (or any persons presumed to be acting in concert with Mark Dixon);
<b>“Investec”</b>	means Investec Bank plc, a company registered in England and Wales with registered number 00489604, whose registered office is at 2 Gresham Street, London, EC2V 7QP;
<b>“issued share capital”</b>	means, except where stated to the contrary, the issued share capital of the Company excluding treasury shares;
<b>“Latest Practicable Date”</b>	means 14 April 2010, being the latest practicable date prior to the publication of this document;
<b>“LTIP”</b>	means the Regus Long Term Incentive Plan which is an element of the Regus CIP under which stand alone nil-cost options over, or whole awards of, Ordinary Shares can be made to Directors without reference to their annual bonus, up to 100 per cent. of salary per annum;
<b>“Non-Executive Directors”</b>	means John Matthews, Martin Robinson, Lance Browne, Ulrich Ogiermann and Douglas Sutherland;
<b>“Old Regus”</b>	means Regus Group Limited (formerly Regus Group plc), a company incorporated in England and Wales with registered number 04868977 and whose registered office is at 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS;
<b>“Old Regus Waivers”</b>	has the meaning set out on page 17 of this document;
<b>“Ordinary Shares”</b>	means the ordinary shares of 1 pence each in the capital of the Company;
<b>“Panel”</b>	means The Panel on Takeovers and Mergers;
<b>“Regus CIP”</b>	means the Regus Co-Investment Plan under which any employee of a Group company with a minimum period of six months’ continuous service with that company will be eligible to receive awards of conditional shares or nil cost options at the discretion of the Remuneration Committee;
<b>“Regus Value Creation Plan”</b>	means the share option plan for certain senior executives of the Group selected by the Remuneration Committee under which one-off entitlements convertible into options over Ordinary Shares are granted to such senior executives, provided that certain share price targets are met;
<b>“Remuneration Committee”</b>	means the remuneration committee of the Company;
<b>“Second Waiver”</b>	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mark Dixon (or any entity through which Mr. Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company following exercise of any of the 2010 March LTIP Options, pursuant to which Mr. Dixon’s interest in the shares of the Company could potentially increase from 322,028,792 such shares (representing approximately 33.86 per cent. of issued share capital) to a maximum of 322,548,941 such shares (representing up to a maximum of approximately 33.90 per cent. of issued share capital) and, taking into account the First Waiver

	and all Existing Waivers, up to a maximum potential holding of approximately 37.92 per cent. of issued share capital;
<b>“Second Waiver Resolution”</b>	means resolution 13 set out at page 10 of this document;
<b>“Shareholders”</b>	means the holders of Ordinary Shares from time to time;
<b>“Share Option Plan”</b>	means the Regus Share Option Plan for the grant of nil cost options to subscribe for Ordinary Shares or options to purchase Ordinary Shares from an employee benefit trust to employees and executive directors of the Regus Group and their family members or family trusts; and
<b>“Waivers”</b>	means the First Waiver and the Second Waiver.

## PART I

### LETTER FROM THE CHAIRMAN

**Regus plc (société anonyme)**

(the “**Company**”)

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159)

**Registered Office:**

22 Grenville Street, St Helier, JE4 8PX, Channel Islands

**Central administration (head office):**

26 Boulevard Royal, L-2449 Luxembourg

**Directors**

John Matthews (Chairman)  
Mark Dixon (Chief Executive Officer)  
Stephen Gleadle (Chief Financial Officer)  
Martin Robinson (Non-Executive Director)  
Lance Brown (Non-Executive Director)  
Ulrich Ogiermann (Non-Executive Director)  
Douglas Sutherland (Non-Executive Director)

16 April 2010

**Notice of annual general meeting to be held on 18 May 2010**

Dear Shareholder,

I am pleased to be writing to you with details of our annual general meeting (“**AGM**”) which we are holding at 11.00 a.m. (Luxembourg time) on 18 May 2010 at 26 Boulevard Royal, Luxembourg, L-2449. The formal notice of AGM is set out on pages 9 to 13 of this document.

Luxembourg law requires the Company to prepare both consolidated financial statements and annual accounts for the Group and financial statements and annual accounts for the Company on a standalone basis. For this reason the financial statements and annual accounts for both the Group and the Company on a standalone basis have been made available on the Company’s website [www.regus.com](http://www.regus.com) and can also be inspected at the locations set out at the end of this letter. You are invited to approve both sets of financial statements and annual accounts in resolutions 1 and 2 of the agenda of the AGM.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the Form of Proxy sent to you with this notice and return it to our registrars, Equiniti, as soon as possible. They must receive it by 11.00 a.m. (Luxembourg time) on 16 May 2010. Address details for Equiniti are set out on page 12 of this document.

**Final dividend**

Shareholders are being asked to approve a final dividend of 1.6 pence per Ordinary Share for the year ended 31 December 2009. If you approve the recommended final dividend, this will be paid by the Company on 28 May 2010 to all Ordinary Shareholders who were on the register of members on 30 April 2010 (other than those on the register of members on 30 April 2010 who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company’s memorandum and articles of association).

In order to elect whether you receive payment of the proposed final dividend from the Company (resident for tax purposes in Luxembourg) or one of its subsidiaries (resident for tax purposes in the UK), please fill in the Dividend Source Election Form sent to you with this notice and return it to our registrars, Equiniti, as soon as possible and in any event by close of business on 30 April 2010. Address details for Equiniti are set out on page 12 of this document and in the notes to the enclosed Dividend Source Election Form. **Please**

**note that if you have previously submitted a Regus “Dividend Election Form” to Equiniti, you do not need to submit the enclosed Dividend Source Election Form unless you wish to change the requested source of your dividend payments.**

### **Rule 9 Waivers granted by the Panel in favour of Mark Dixon**

Mark Dixon (a Director of the Company) held 322,028,792 Ordinary Shares (representing approximately 33.86 per cent. of the issued share capital of the Company) as at the Latest Practicable Date. Should his interest in Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the remainder of the share capital of the Company.

Our Shareholders (and those of Old Regus prior to the migration in 2008) have previously approved various waivers granted by the Panel in favour of Mr. Dixon relating to the obligations he would otherwise have incurred pursuant to Rule 9 of the Code in connection with (1) the exercise of share options held by Mr. Dixon (except those granted under the Regus Value Creation Plan<sup>1</sup>); and (2) any increase in Mr. Dixon’s shareholding as a result of the repurchase by the Company of Ordinary Shares in which Mr. Dixon did not participate pro-rata to his interest.

We are now asking the Independent Shareholders to approve the terms of two further waivers granted by the Panel to Mr. Dixon. An explanation of the reasons for such a request, the background to the obligation arising from Rule 9 of the Code and details of the existing waivers approved by Old Regus shareholders and the Company’s shareholders are set out in Part IV commencing on page 17 of this document.

### **Chairman**

As announced in December 2009, I will retire as director and Chairman of the Company at the AGM, when Douglas Sutherland, who joined the Board in August 2008, will become Chairman. I wish Douglas every success and good fortune in the role. He brings with him a wealth of business experience, most recently as Chief Financial Officer of Skype during its acquisition by eBay in October 2005 and 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).

I would also like to thank Martin Robinson, who is also retiring from the Board at the AGM, for his significant contribution over the last eight years.

### **General**

Explanatory notes on all the business to be considered at this year’s AGM appear in Part III on pages 14 to 16 of this document.

The Board considers resolutions 1 to 11 (inclusive) and 14 to 16 (inclusive) to be in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of these resolutions and unanimously recommends that you do so as well. As at the date of this letter, the Board’s shareholdings amounted, in aggregate, to 323,969,385 Ordinary Shares representing 34.07 per cent. of issued share capital.

In addition, the Independent Directors, who have been so advised by Investec, consider resolutions 12 and 13 to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. The Independent Directors will be voting in favour of these resolutions and unanimously recommend that you do so as well. At the date of this document, the Independent Directors’ shareholdings amounted, in aggregate, to 1,940,593 Ordinary Shares representing approximately 0.20 per cent. of issued share capital.

Yours sincerely,



John Matthews, Chairman

<sup>1</sup> Mr. Dixon’s options under the Regus Value Creation Plan are not subject to any Rule 9 waiver. If Mr. Dixon were to exercise any of these options, he would be required to sell the resulting shares immediately or make an offer pursuant to Rule 9 of the Code.

### *Inspection of documents*

*The following documents will be available for inspection at the Company's head office in Luxembourg at 26 Boulevard Royal, Luxembourg, L-244, the Company's registered office in Jersey at 22 Grenville Street, St Helier, Jersey, JE4 8PX, at the offices of Slaughter and May at One Bunhill Row, London, EC1Y 8YY and on the Company's website ([www.regus.com](http://www.regus.com)) from 16 April 2010 until the end of the AGM:*

- copies of the Executive Directors' service contracts;*
- copies of letters of appointment of the Non-Executive Directors;*
- a copy of the memorandum and articles of association of the Company;*
- a copy of the annual report and accounts of Regus Group plc (now Regus Group Limited) for the year ended 31 December 2007;*
- a copy of the annual report and accounts of the Company for the year ended 31 December 2008;*
- a copy of the annual report and accounts of the Company for the year ended 31 December 2009 which include, inter alia:*
  - the consolidated and standalone financial statements and accounts;*
  - a list of the Directors and the independent auditor;*
  - a list of sovereign debt, shares, bonds and other company securities making up the portfolio;*
  - the reports of the Board; and*
  - the reports of the independent auditor;*
- the register of members of the Company, which includes a note of any Shareholders who have not paid-up their shares, with an indication of the number of their shares and their domicile (note that this information will be available at Equiniti's offices in Jersey and the Company's head office in Luxembourg only); and*
- the letter of consent from Investec to the Company dated 16 April 2010 referred to in paragraph 10 of Section II of Part IV of this document.*



**PART II**  
**NOTICE OF ANNUAL GENERAL MEETING 2010**

**Regus plc (société anonyme)**

Notice is hereby given that this year's annual general meeting will be held at 11.00 a.m. (Luxembourg time) on 18 May 2010 at 26 Boulevard Royal, L-2449 Luxembourg. You will be asked to consider and vote upon the resolutions set out below. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions, resolutions 12 to 13 (inclusive) will be proposed as ordinary resolutions to be voted upon by Independent Shareholders only and resolutions 14 to 16 (inclusive) will be proposed as special resolutions. The voting in respect of all resolutions to be put to the AGM will be conducted by means of a poll vote.

**AGENDA**

The consolidated and standalone financial statements and annual accounts of the Company for the financial year ended 31 December 2009, and the reports of the Board and the independent auditors thereon, will be laid before Shareholders for their consideration at the beginning of the AGM.

**Ordinary resolutions**

1. To approve the consolidated financial statements and annual accounts of the Company for the financial year ended 31 December 2009.
2. To approve the standalone financial statements and annual accounts of the Company for the financial year ended 31 December 2009.
3. To approve the Directors' Remuneration Report for the financial year ended 31 December 2009.
4. To grant discharge to the Directors in respect of certain duties owed to Shareholders under Luxembourg law during the financial year ended 31 December 2009.
5. To approve the allocation of the net profit of the Company for the year ended 31 December 2009 on the following basis:
  - (A) a final dividend of 1.6 pence per Ordinary Share to be paid on 28 May 2010 to Shareholders of record on 30 April 2010 (save to the extent that Shareholders of record on 30 April 2010 are to be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company's memorandum and articles of association); and
  - (B) the balance of the Company's net profit to be allocated to the Company's retained earnings account.
6. To approve the reappointment of KPMG Luxembourg Audit Sàrl as independent auditors of the Company to hold office until the annual general meeting to be held in May 2011.
7. To authorise the Directors to determine the remuneration of KPMG Luxembourg Audit Sàrl, as independent auditors.
8. To re-elect Mark Dixon as a director of the Company for a term of up to three years.
9. To re-elect Ulrich Ogiermann as a director of the Company for a term of up to three years.
10. To resolve that in substitution for any like authority conferred on them at a previous general meeting, the Directors be generally and unconditionally authorised to exercise all or any of the powers of the Company pursuant to the Company's memorandum and articles of association to allot and issue Relevant Securities (as defined in Article 11(H)(viii) of the Company's memorandum and articles of association) and to allot and issue shares in pursuance of an employee share scheme (including any employee share scheme of any company that is a subsidiary of the Company):
  - (A) up to an aggregated nominal amount of GBP 3,169,899; and
  - (B) comprising equity securities (as defined in article 11(H)(iv) of the Company's memorandum and articles of association) up to a nominal amount of GBP 6,339,798 (after deducting from such limit any relevant securities allotted under paragraph (A) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

- (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in May 2011, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities (or shares in pursuance of an employee share scheme) to be allotted and issued after such expiry and the directors may allot and issue Relevant Securities (or shares in pursuance of an employee share scheme) pursuant to such offer or agreement as if the authority conferred hereby had not expired.

11. To authorise the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 15 prior to the conclusion of the annual general meeting of the Company to be held in May 2011, if the directors of the Company resolve to hold as treasury shares any shares so purchased or contracted to be purchased.
12. To resolve that the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9 of the Code, for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders for all of their Ordinary Shares as a result of market purchases of Ordinary Shares by the Company pursuant to the authority granted under resolution 15 below, that could potentially increase Mr. Dixon's shareholding from approximately 33.86 per cent. of issued share capital to a maximum of approximately 37.63 per cent. of issued share capital (and, taking into account the Second Waiver and all Existing Waivers, up to a maximum potential holding of approximately 37.92 per cent. of issued share capital) be and is hereby approved.
13. To resolve that the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9 of the Code, for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders of the Company for all of their Ordinary Shares as a result of the exercise by Mr. Dixon of any of the 2010 March LTIP Options, pursuant to which Mr. Dixon's interest in the shares of the Company could potentially increase from 322,028,792 such shares (representing approximately 33.86 per cent. of issued share capital) to a maximum of 322,548,941 such shares (representing up to a maximum of approximately 33.90 per cent. of issued share capital) (and, taking into account the First Waiver and all Existing Waivers, up to a maximum potential holding of approximately 37.92 per cent. of issued share capital) be and is hereby approved.

In accordance with the requirements of the Code, Mr. Dixon will not be voting, in respect of resolutions 12 and 13, his interest in 322,028,792 Ordinary Shares in the Company, representing approximately 33.86 per cent. of issued share capital. The vote in respect of resolutions 12 and 13, as is the case for all resolutions to be put to the AGM, will be held by means of a poll vote.

### Special resolutions

14. To resolve that the secretary (as defined in the Company's memorandum and articles of association) or any Director be authorised to:
  - (A) make (or cause to be made) from time to time, all necessary amendments to the provisions of the Company's memorandum and articles of association which state the Company's issued share capital to reflect changes in the Company's issued share capital; and
  - (B) make (or cause to be made) all necessary:
    - (i) entries in the Company's records and accounts; and
    - (ii) all other formalities, actions, deeds and filings in Jersey or Luxembourg,in connection with each such amendment to the Company's memorandum and articles of association.
15. To resolve that the Board be generally and unconditionally authorised pursuant to article 57 of the Companies (Jersey) Law 1991, article 49-2 of the Luxembourg Companies Laws (as defined in the Company's memorandum and articles of association) and Article 8 of the Company's

memorandum and articles of association, to make market purchases of Ordinary Shares, provided that:

- (A) the maximum number of Ordinary Shares authorised to be purchased is 95,096,982 (representing approximately 10 per cent. of the Company's issued share capital at the date hereof) further provided that no purchase shall be made from time to time if such purchase would exceed 10 per cent. of the nominal value of the issued share capital (including shares held in treasury) of the Company at that time;
  - (B) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is GBP 0.01;
  - (C) the maximum price, exclusive of any expenses, which may be paid for an ordinary share shall be the higher of:
    - (i) an amount equal to five per cent. above the average of the middle market quotations for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and
    - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time that the purchase is carried out; and
  - (D) the authority hereby conferred shall expire on the conclusion of the annual general meeting of the Company to be held in May 2011 (except that the Company may make a contract to purchase Ordinary Shares under this authority before the expiry of this authority, which will or may be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares in pursuance of any such contract as if such authority had not expired).
16. To resolve that the Directors be empowered pursuant to the Company's memorandum and articles of association to allot and issue equity securities (as defined in Article 11(H)(iv) of the Company's memorandum and articles of association) wholly for cash pursuant to the authority conferred by resolution 11 above, and/or where such allotment and issue constitutes an allotment and issue of equity securities by virtue of Article 11(H)(i) of the Company's memorandum and articles of association, as if Article 12 did not apply to such allotment and issue, provided that this power:
- (A) shall expire on the conclusion of the annual general meeting of the Company to be held in May 2011, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the directors may allot and issue equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and
  - (B) shall be limited to:
    - (i) the allotment and issue of equity securities in connection with a rights issue, open offer or pre-emptive offer in favour of holders of Ordinary Shares (excluding any shares held by the Company as treasury shares) where the equity securities respectively attributable to the interests of such holders of Ordinary Shares on a fixed record date are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares subject to any exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and/or to deal with legal or practical problems arising under the laws of, or requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever; and
    - (ii) the allotment and issue of equity securities wholly for cash otherwise than pursuant to paragraph (B)(i) above up to an aggregate nominal amount of GBP 475,484 (representing approximately 5 per cent. of the Company's issued ordinary share capital as at the date hereof).

16 April 2010

By order of the Board

Tim Regan, Company Secretary

**Registered Office:**

22 Grenville Street, St Helier, JE4 8PX, Channel Islands

Registered in Jersey No. 101523

**Central administration (head office):**

26 Boulevard Royal, L-2449 Luxembourg

Registered in Luxembourg No. R.C.S. Luxembourg B 141159

**Notes**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Equiniti on 0871 384 2030. Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. From overseas, please call +44 (0) 121 415 7047. To be valid, any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL no later than 11.00 a.m. (Luxembourg time) on 16 May 2010.
2. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
3. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
5. Any person to whom this notice is sent who is a person nominated under Article 62 of the Company's articles of association to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
7. Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at 6.00 p.m. (Luxembourg time) on 16 May 2010 (or, in the event of any adjournment, 6.00 p.m. (Luxembourg time) on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 15 April 2010 (being the last business day prior to the publication of this Notice), excluding treasury shares, the Company's issued share capital consists of 950,969,822 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 950,969,822.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 11.00 a.m. (Luxembourg time) on 16 May 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
13. A Shareholder which is a corporation and which wishes to be represented at the meeting by a person with authority to speak and vote (a "**corporate representative**") must appoint such a person by resolution of its directors or other governing body. A

corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. Under Jersey law it is not possible for a body corporate to appoint more than one corporate representative.

14. As provided in article 82 of the Company's memorandum and articles of association, voting on all resolutions set out in this notice (which are Substantive Resolutions) will be conducted by way of a poll rather than on a show of hands.
15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
16. If you submit more than one valid proxy appointment in respect of the same share, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. Members who have general queries about the AGM should call our shareholder helpline on 0871 384 2030. Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. From overseas, please call +44 (0) 121 415 7047. No other method of communication will be accepted. You may not use any electronic address provided either in this notice or any related documents (including the chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. Under Article 64 of the Company's memorandum and articles of association, Shareholders meeting the threshold requirements set out in that Article have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office. The business which may be dealt with at the AGM includes any statement that the Company has been required under Article 64 to publish on a website.
19. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
20. A copy of this notice, and any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice, can be found at [www.regus.com](http://www.regus.com).



## PART III

### EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 11 inclusive are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12 and 13 are proposed as ordinary resolutions to Independent Shareholders only. This means that for each of these resolutions to be passed, more than half of the votes cast, by Independent Shareholders only, must be in favour of the resolution. Resolutions 14 to 16 inclusive are proposed as special resolutions. This means that for each of those resolutions to be passed at the first call of the AGM, a quorum of members representing at least 50 per cent. of the issued share capital must be present in person or by proxy and at least two-thirds of the votes cast must be in favour of the resolution.

As provided in article 82 of the Company's memorandum and articles of association, voting on all resolutions set out in this notice will be conducted by way of a poll rather than on a show of hands.

#### Annual General Meeting

##### Resolutions 1 to 3: Directors' reports, financial statements and annual accounts

The Directors are required to present to the AGM the directors' and auditors' reports and the financial statements and annual accounts of both the Company and the Group for the year ended 31 December 2009. In these resolutions 1 to 3, Shareholders are invited to approve the reports and accounts for the financial year ended 31 December 2009. This also includes approval of the Directors' Remuneration Report in resolution 3. All London listed companies are required to put their remuneration report to a vote by shareholders. The remuneration report is set out at pages 33 to 39 of the Company's annual report for the year ended 31 December 2009.

##### Resolution 4: Discharge of the Directors for the financial year ended 31 December 2009

In resolution 4, shareholders are invited to "grant discharge to" the Directors in respect of the performance of certain duties owed to the Company under Luxembourg law during the financial year ended 31 December 2009. The proposal of such resolution to "grant discharge to" the directors of a company at each annual general meeting at which the directors' reports, financial statements and annual accounts are laid and approved is customary under Luxembourg Law. By approving this resolution 4, Shareholders confirm that, based on the Directors' reports and other financial statements for the year ended 31 December 2009, the Directors have carried out their mandate to the Company successfully and can therefore be "granted discharge" in respect of the previous financial year. The Directors will then be deemed to have complied with the various duties imposed on them by Luxembourg company law, and which were owed to Shareholders during the year to 31 December 2009, based on the Directors' reports and the financial statements for the year ended 31 December 2009.

##### Resolution 5: Declaration of final dividend

Final dividends of the Company must be approved by the Shareholders. The Board has recommended a final dividend of 1.6 pence per Ordinary Share which, provided Shareholders approve this resolution 5, will be paid by the Company on 28 May 2010 to all Shareholders on the register of members on 30 April 2010 (other than those who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company's memorandum and articles of association). The recommended final dividend shareholders are being asked to approve in resolution 5 is in addition to the interim dividend of 0.8 pence per Ordinary Share paid by the Company on 9 October 2009 to all Shareholders on the register of members on 11 September 2009 (other than those who were paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company's memorandum and articles of association).

An income access share scheme has been implemented so that, subject to the Company's memorandum and articles of association, Shareholders are entitled to elect to receive either UK-sourced dividends or Luxembourg-sourced dividends. Shareholders who do not elect (or who are not deemed to have elected) to receive UK-sourced dividends through the income access share arrangements are reminded that their dividends will be Luxembourg-sourced and will generally be subject to Luxembourg withholding tax at the rate of 15 per cent. A Dividend Source Election Form is enclosed with this document. Your attention is drawn to the explanatory notes to the Dividend Source Election Form. **Please note that you do not need to take any action in relation to the income access scheme if you have previously submitted a**

**Regus “Dividend Election Form” to our registrars, Equiniti, unless you now wish to change the required source of your dividend payments.**

#### **Resolutions 6 and 7: Re-appointment and remuneration of auditors**

The independent auditors of the Company must be appointed at each general meeting at which the accounts are approved. Resolution 6 proposes the re-appointment of the Company’s existing independent auditors, KPMG Luxembourg Audit Sàrl, for a further year. Resolution 7 gives the Directors authority to determine the auditors’ remuneration.

#### **Resolutions 8 and 9: Re-election of directors**

Under the Company’s memorandum and articles of association, none of the Directors are required to retire at this year’s AGM. However, in line with the principles of the Combined Code on corporate governance, Mark Dixon and Ulrich Ogiermann will retire and offer themselves for re-election this year.

Details of all the Directors, including those retiring and offering themselves for re-election, are found at pages 22 to 23 of the Company’s annual report for the year ended 31 December 2009.

#### **Resolution 10: Directors’ authority to allot shares**

Pursuant to Article 11 of the Company’s memorandum and articles of association, the Directors require the authority of the Shareholders in general meeting to allot unissued shares of the Company and this resolution seeks to renew that authority.

Paragraph (A) of this resolution would give the directors the authority to allot Ordinary Shares up to an aggregate nominal amount equal to GBP 3,169,899 (representing 316,989,900 Ordinary Shares of GBP 0.01 each). This amount represents approximately one-third of the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date.

In line with recent guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the Directors authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to GBP 6,339,798 (representing 633,979,800 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date.

The authorities sought under paragraphs (A) and (B) of this resolution will expire on 17 May 2011 (the last date by which the Company must hold an annual general meeting in 2011). The Directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (A), to satisfy options under the Company’s share option schemes. The Directors intend to follow ABI recommendations concerning the use of the authorities sought under paragraphs (A) and (B) of this resolution (including as regards the Directors standing for re-election in certain cases).

#### **Resolution 11: Authority to hold repurchased shares in treasury**

Resolution 15 seeks authority for the Company to repurchase its own shares on the market. Under Jersey law any shares so repurchased (or as the case may be, contracted to be repurchased) are automatically cancelled on repurchase unless Shareholders have authorised the holding of shares in treasury by the Company. Under Luxembourg law shares repurchased in accordance with Article 49-2 of the Luxembourg Companies Law are automatically held in treasury and can only be cancelled by way of shareholder resolution. Accordingly, this resolution seeks authority for the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 15.

As at the date of this notice no Ordinary Shares are held by the Company in treasury. The Company may at any time hold in treasury shares amounting, in aggregate, to a maximum of 10 per cent. of the issued share capital of the Company (including treasury shares).

#### **Resolutions 12 and 13: Approval of Rule 9 waivers**

Pursuant to Rule 9 of the Code and the Waivers granted by the Panel, which are conditional upon Independent Shareholder approval, we are asking the Independent Shareholders to approve the terms of the Waivers in favour of Mark Dixon for the reasons set out in Part IV of this document.

#### **Resolution 14: Approval for secretary to amend memorandum and articles of association**

Under Luxembourg law, a company must state not only its authorised share capital but also its issued share capital in its articles of association. To comply with Luxembourg law in this regard, on a quarterly basis (if required) the Company will update the statement of its issued share capital which appears in its memorandum and articles of association to reflect any increase in the number of Ordinary Shares in issue (as a consequence of the exercise of any options or otherwise). This update is made by the Directors or company secretary requesting that a Luxembourg notary public make the necessary amendment and file the amended memorandum and articles of association with the Luxembourg RCS (Trade and Companies Registry). The amended memorandum and articles of association will also be filed with the Jersey Companies Registry. As under Jersey law any amendment to the memorandum and articles of association of the Company requires a special resolution, Shareholders are asked to pass this special resolution 14 to approve the updating and filing of amended memoranda and articles of association from time to time in Jersey during the forthcoming year so that the issued share capital statement can be updated on a quarterly basis, if required.

#### **Resolution 15: Authority to purchase own shares**

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 15 seeks authority from Shareholders to make such purchases in the market. The Directors consider it desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources. The Directors would do so only when, in the light of prevailing market conditions, they believe that the effect of such purchases is in the best interests of the Company and Shareholders generally and could be expected to result in an increase in the earnings per share of the Company. Any Ordinary Shares purchased under this authority will be held in treasury (until such time as Shareholders approve their cancellation in accordance with Luxembourg law). The Directors have no present intention of exercising the authority to make market purchases, but the authority provides the flexibility to allow them to do so in the future.

Resolution 15 specifies the maximum number of shares which may be purchased (representing 10 per cent. of the Company's issued share capital (excluding treasury shares) as at the date of this notice) and the minimum and maximum prices at which they may be bought. The authority given by resolution 15 will last until the conclusion of next year's annual general meeting (unless otherwise revoked or varied by the Company in general meeting). The Directors intend to seek renewal of this power at subsequent annual general meetings.

The total number of outstanding options to subscribe for Ordinary Shares at 12 April 2010 (being the latest practicable date for these purposes) was 53,779,239. This represents approximately 5.66 per cent. of the issued share capital of the Company at that date. If the Company were to buy back the maximum number of Ordinary Shares permitted pursuant to the passing of this resolution, then the total number of options to subscribe for shares outstanding at 12 April 2010 (being the last practicable date for these purposes) would represent approximately 6.28 per cent. of issued share capital.

As at the date of this notice, no Ordinary Shares are held by the Company in treasury.

#### **Resolution 16: Directors' power to disapply pre-emption rights**

Under Article 12 of the Company's memorandum and articles of association, the Directors require the authority of Shareholders in a general meeting to waive the application of any statutory pre-emption rights applicable to the Company under Luxembourg law and to disapply the pre-emption rights set out in article 12(B) so that they can allot shares in the Company for cash otherwise than to existing holders of Ordinary Shares pro rata to their holdings or alternatively, should appropriate circumstances arise, allot shares in connection with a rights issue (subject to some limited exclusions). The power under the authority granted pursuant to resolution 16 shall be limited to allotments or sales of equity securities in connection with pre-emptive offers or otherwise up to an aggregate nominal value of GBP 475,484, being approximately 5 per cent. of the issued share capital of the Company as at the Latest Practicable Date.

At the present time there is no intention to exercise this power except to satisfy options under the Company's share option schemes. The authority will expire at the conclusion of the annual general meeting of the Company to be held in May 2011.



**PART IV**  
**APPROVAL OF RULE 9 WAIVERS**

**SECTION I — BACKGROUND**

**1. Background**

- 1.1 Mark Dixon (a Director of the Company) held 322,028,792 Ordinary Shares (representing approximately 33.86 per cent. of issued share capital) at the Latest Practicable Date. Should his interest in Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the remainder of the share capital of the Company.
- 1.2 At a general meeting of Old Regus held on 7 December 2007 and at the annual general meeting of Old Regus held on 20 May 2008, Old Regus shareholders approved various waivers (the “**Old Regus Waivers**”) granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Old Regus ordinary shares where the increase occurred as a result of Mr. Dixon exercising any of the options held by him in respect of Old Regus ordinary shares (except those granted under the Regus Value Creation Plan<sup>2</sup>). At a general meeting and court meeting of Old Regus held on 24 September 2008, Old Regus shareholders approved a scheme of arrangement pursuant to which the entire issued ordinary share capital of Old Regus was cancelled and then restored and issued to the Company. In consideration of this cancellation, Old Regus shareholders (including Mark Dixon) were issued with Ordinary Shares in the Company pro rata to their holdings of Old Regus ordinary shares. All existing options for Old Regus ordinary shares were rolled over into options for Ordinary Shares in the Company. Prior to the coming into effect of Old Regus’ scheme of arrangement on 14 October 2008, the Panel and the Company confirmed that the Old Regus Waivers in respect of Mark Dixon’s shareholding in Old Regus would apply equally to his shareholding in the Company. Therefore, the Old Regus Waivers remain in force and will be unaffected by any resolution subsequently passed.
- 1.3 In addition, at the annual general meeting of the Company held on 19 May 2009 Shareholders approved two further waivers granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Ordinary Shares as a result of (i) a re-purchase by the Company of Ordinary Shares in which Mr. Dixon did not participate pro rata to his interest, and/or (ii) Mr. Dixon exercising any of the 2009 CIP Options, up to a maximum interest of 39.99 per cent. of the then issued share capital (taking into account all other share options held by Mr. Dixon at that time except those granted under the Regus Value Creation Plan<sup>2</sup>) (the “**2009 Waivers**” and, together with the Old Regus Waivers, the “**Existing Waivers**”).
- 1.4 If resolution 15 (authority to purchase own shares) is approved, the 2009 Waiver in respect of Ordinary Shares re-purchased by the Company will expire. As a result, Mr. Dixon would again be in a position where, were he not to participate pro rata to his interests in any further re-purchase by the Company of its own shares, his interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer under Rule 9 of the 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 AGM) for the First Waiver which the Panel has granted (subject to such approval). The 2009 Waiver in respect of Ordinary Shares re-purchased by the Company only applied to increases in Mr. Dixon’s interest up to 39.99 per cent. of issued share capital. As Mr. Dixon’s interest in issued share capital has decreased since last year’s annual general meeting, the First Waiver is not subject to an equivalent limit. The Waivers (together with all Existing Waivers) will not permit Mr. Dixon’s interest to reach or exceed 39.99 per cent. (see further paragraph 4 below).
- 1.5 In addition, on 23 March 2010 Mr. Dixon was granted options under the LTIP in respect of 520,149 Ordinary Shares (the “**2010 March LTIP Options**”) conditional upon either attainment of shareholder approval at the AGM or an undertaking from Mr. Dixon that upon exercise of the awards he will immediately sell the resulting shares. The 2010 March LTIP Options will be capable of exercise on 22 March 2013 provided that Mr. Dixon remains in continuous service with the Company until that date and to the extent that the performance conditions attached to the

---

2 The Regus Value Creation Plan options are excluded because these options have not been whitewashed – should Mr. Dixon ever exercise these options, he must arrange for the resulting Ordinary Shares to be sold immediately or make an offer pursuant to Rule 9 of the Code.

2010 March LTIP Options have been satisfied<sup>3</sup>. Mr. Dixon has yet to exercise the 2010 March LTIP Options but, were he to do so at some point in the future and not arrange for the immediate sale of the underlying Ordinary Shares he is entitled to receive, his interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer under Rule 9 of the 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 AGM) for the Second Waiver which the Panel has granted (subject to such approval).

## **2. Reasons for the Waivers**

### ***Rule 9 mandatory offer obligation***

- 2.1 Under Rule 9 of the 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***

- 2.2 Under Rule 37 of the 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 Code.
- 2.3 If Mr. Dixon does not participate pro rata to his interest in the Ordinary Shares in any future repurchases by the Company of its own shares pursuant to the authority to be granted under resolution 15, 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 Code. As a result, the Independent Directors consulted with the Panel which agreed, subject to a poll vote of the Independent Shareholders on the First Waiver Resolution, that it would waive any obligation that would otherwise arise under Rule 9 as a result of market purchases of Ordinary Shares by the Company, pursuant to the authority to be granted under resolution 15, that would take Mr. Dixon's interest in Ordinary Shares to a level above his current interest (being 33.86 per cent. of issued share capital as at the date of this document) up to a potential maximum of approximately 37.63 per cent. of issued share capital. Further, assuming that the Second Waiver Resolution is approved and taking into account all Existing Waivers, Mr. Dixon would have a maximum potential holding of approximately 37.92 per cent. of issued share capital if the First Waiver Resolution is approved.

### ***2010 March LTIP Options***

- 2.4 Note 10 on Rule 9 of the Code provides that the exercise of share options will be considered to be an acquisition of an interest in shares for the purposes of Rule 9. However, the Panel will normally grant a waiver from the obligation to make a mandatory offer in such circumstances provided, inter alia, that the waiver is approved by a vote of Independent Shareholders at the time such share options are granted or the grant of such share options is made conditional upon such Independent Shareholder approval.
- 2.5 As a result, the Independent Directors consulted with the Panel which agreed, subject to a poll vote of the Independent Shareholders on the Second Waiver Resolution, that it would waive the requirement for Mr. Dixon to make a mandatory offer pursuant to Rule 9 of the Code upon exercise of any of the 2010 March LTIP Options. The Panel has agreed to grant the Second Waiver on the basis that the Independent Directors, who have been so advised by Investec, believe that it is fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole to approve the Second Waiver at this time, and provided that, inter alia, the Second Waiver Resolution is approved by Independent Shareholders.

---

3 The vesting of the 2010 March LTIP Awards will be subject to the achievement of challenging corporate performance conditions. 75% of the awards shall be subject to defined Earnings Per Share ("EPS") targets over a three year performance period. The remaining 25% of each award will be subject to relative Total Shareholder Return ("TSR") targets over a three year performance period. The EPS and TSR will be measured independently of each other. Further details of the conditions and vesting arrangements are included in the Directors' Remuneration Report for 2009.

### 3. Independent advice

3.1 Investec have provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Code, in relation to the granting of the Waivers. As part of its advice to the Independent Directors in connection with each of the Waivers, Investec considered the following factors:

- (A) Investec believes that Mr. Dixon's continued shareholding, together with the LTIP, form an important part of the investment case for Shareholders, since they align management's interests with Shareholders' interests;
- (B) given Mr. Dixon's position as CEO of the Company, Investec believes that Shareholders should welcome the long-term participation by Mr. Dixon in the equity of the Company, including any shares which he may receive under the LTIP; and
- (C) Investec believes that the maximum increase in Mr. Dixon's shareholding resulting from the receipt of Ordinary Shares on exercise of the 2010 March LTIP Options will not be material from a control perspective.

3.2 This advice was provided by Investec to the Independent Directors of the Company only and in providing such advice Investec has taken into account the Independent Directors' commercial assessments as well as the confirmations of his future intentions that Mr. Dixon has provided to the Company as set out in paragraph 6 of this Section I of this Part IV.

### 4. Maximum potential holding

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

4.2 Assuming (i) full use by the Company of the authority granted under resolution 15; (ii) no pro rata participation or other sales of interests in Ordinary Shares by Mr. Dixon in connection with any share re-purchases or otherwise; (iii) full exercise by Mr. Dixon of all the 2010 March LTIP Options (together with all other options held by Mr. Dixon as at the Latest Practicable Date (except those granted under the Regus Value Creation Plan))<sup>4</sup> and all options being satisfied out of treasury or newly issued shares; and (iv) no other person exercising any options or any other rights to subscribe for Ordinary Shares, Mr. Dixon's maximum potential interest in the Ordinary Shares if the Waivers are approved would be as set out in the following table:

<u>Mark Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Maximum potential number of Ordinary Shares in issue</u>	<u>Mark Dixon's maximum potential interest in Ordinary Shares</u>
322,028,792/33.86% . . . . .	950,969,822	859,972,064	326,128,016/37.92%

### 5. Further explanation of the Waivers and the Resolutions

#### **Share Purchases under resolution 15**

5.1 The First Waiver will apply, provided the First Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in Mr. Dixon's percentage interest in Ordinary Shares resulting from repurchases of Ordinary Shares under resolution 15. It will 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). As explained above, if there are any re-purchases of its own shares by the Company 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, the Second Waiver Resolution or pursuant to the Existing Waivers) will be subject to the provisions of Rule 9 of the Code.

5.2 The authority under resolution 15 and the First Waiver will (unless varied, revoked or renewed) both expire at the conclusion of the next annual general meeting of the Company. 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. No repurchases of Ordinary Shares were

<sup>4</sup> The total number of Ordinary Shares represented by Mr. Dixon's share options, excluding those under the Regus Value Creation Plan, as at the Latest Practicable Date is 4,099,224 (520,149 of these being under the 2010 March LTIP Options). The Regus Value Creation Plan options are excluded because these options have not been whitewashed – should Mr. Dixon ever exercise these options, he must arrange for the resulting Ordinary Shares to be sold immediately or make an offer pursuant to Rule 9 of the Code.

made under the authority granted by Shareholders at the annual general meeting in 2009 and the Directors have no present intention of exercising the authority sought at the AGM this year to make market purchases. However, the renewal of the authority provides the flexibility to allow the Directors to do so in the future.

- 5.3 The Independent Directors envisage that Shareholder approval for a further repurchase authority may be sought at the annual general meeting of the Company in 2011. At that time, the Independent Directors will consider whether to seek a further waiver by the Panel of any obligation of Mr. Dixon under Rule 9 of the Code to make a general offer to the 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 Shareholder approval at that time.
- 5.4 If the Independent Shareholders do not approve the First Waiver Resolution but resolution 15 is passed, the Board will not make use of the authority to be granted under resolution 15 unless arrangements can be put in place to ensure that Mr. Dixon's percentage interest in the Ordinary Shares will not increase as a result of any future purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and Mr. Dixon's percentage interest in the Ordinary Shares as at the Latest Practicable Date, any purchases by the Company of its own shares 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 Code.

### **2010 March LTIP Options**

- 5.5 The grant of the 2010 March LTIP Options was announced on 24 March 2010 as being conditional upon either attainment of shareholder approval at the AGM, or an undertaking from Mark Dixon that upon exercise of the awards he will immediately sell the resulting shares. The Second Waiver relating to the 2010 March LTIP Options will apply, provided 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 2010 March LTIP Options. It will 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). As explained above, following the exercise by Mr. Dixon of any 2010 March LTIP Options, Mr. Dixon would 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 such Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution and Second Waiver Resolution, or the Existing Waivers) will be subject to the provisions of Rule 9 of the Code.
- 5.6 The Second Waiver will expire in respect of each 2010 March LTIP Option on the date on which each 2010 March LTIP Option is exercised.

### **Poll vote of Independent Shareholders**

- 5.7 As required by the Code, voting on both resolutions 12 and 13 at the AGM will be by means of a poll of Independent Shareholders.

### **6. Mark Dixon's intentions**

- 6.1 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 re-purchases by the Company of its own shares or as a result of the exercise of his 2010 March LTIP Options, to seek any change in the composition of the Board or to the general nature or any other aspect of the Company's business.
- 6.2 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.
- 6.3 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 he shall not vote on resolutions 12 and 13. Additionally, Mr. Dixon

has confirmed that, if the First Waiver Resolution is approved by the Independent Shareholders, he will not participate in Board decisions in relation to any further re-purchases by the Company of its own shares pursuant to the authority granted by resolution 15.

#### **7. Recommendation by Independent Directors**

The Independent Directors, who have been so advised by Investec, consider the Waivers to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, Investec has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of both the First Waiver Resolution and the Second Waiver Resolution at the AGM, as they intend to do in respect of their own beneficial shareholdings (representing approximately 0.20 per cent. of issued share capital). Mr. Dixon will not be voting his interest in 322,028,792 Ordinary Shares, representing approximately 33.86 per cent. of issued share capital, in relation to the First Waiver Resolution or Second Waiver Resolution. In addition, Mark Dixon has not participated in the Board's consideration of the Waivers.



## SECTION 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 21 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 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 Part IV 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. 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

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

<u>Name</u>	<u>Function</u>
John Matthews . . . . .	Chairman
Mark Dixon . . . . .	Chief Executive Officer
Stephen Gleadle . . . . .	Chief Financial Officer
Martin Robinson . . . . .	Senior Independent Non-Executive Director
Lance Browne . . . . .	Non-Executive Director
Ulrich Ogiermann . . . . .	Non-Executive Director
Douglas Sutherland . . . . .	Non-Executive Director

### 3. Interests and dealings

- 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 Part 22 of the Act) in Ordinary Shares (all of which are beneficial unless stated) required to be notified pursuant to Part 22 of the Act and related regulations, or which are required to be entered in the register maintained under Part 22 of the Act, were as set out below:

<u>Director</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of current issued Ordinary Shares</u>
John Matthews . . . . .	1,031,082	0.11%
Mark Dixon . . . . .	322,028,792 <sup>5</sup>	33.86%
Stephen Gleadle . . . . .	326,387	0.03%
Martin Robinson . . . . .	215,978	0.02%
Lance Browne . . . . .	—	0.00%
Ulrich Ogiermann . . . . .	17,146	0.00%
Douglas Sutherland . . . . .	350,000	0.04%

5 All of Mr. Dixon's interest is held through Estorn, apart from 1,708,108 Ordinary Shares, which are held by Mr. Dixon directly.

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

<u>Director</u>	<u>Interest in options and awards over Ordinary Shares</u>	<u>Grant date</u>	<u>Exercise price (pence)</u>	<u>Exercise date</u>	<u>Expiry date</u>
<b>Mark Dixon</b>					
CIP — Investment shares. . . . .	316,770	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Matching shares* . . . . .	1,267,080	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Investment shares. . . . .	399,045	23/03/2009	0.0000	23/03/2012	22/03/2019
CIP — Matching shares* . . . . .	1,596,180	23/03/2009	0.0000	23/03/2012	22/03/2019
	<b>3,579,075</b>				
<b>Stephen Gleadle</b>					
CIP — Investment shares. . . . .	155,279	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Matching shares* . . . . .	621,116	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Investment shares. . . . .	229,007	23/03/2009	0.0000	23/03/2012	22/03/2019
CIP — Matching shares* . . . . .	916,028	23/03/2009	0.0000	23/03/2012	22/03/2019
	<b>1,921,430</b>				

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

<u>Director</u>	<u>Interest in options and awards over Ordinary Shares</u>	<u>Grant date</u>	<u>Exercise price (pence)</u>	<u>Exercise date</u>	<u>Expiry date</u>
<b>Mark Dixon</b>					
LTIP shares <sup>6</sup> . . . . .	520,149	23/03/2010	0.0000	22/03/2013	None
	<b>520,149</b>				
<b>Stephen Gleadle</b>					
LTIP shares . . . . .	298,507	23/03/2010	0.0000	22/03/2013	None
	<b>298,507</b>				

3.4 As at the close of business on the Latest Practicable Date, details of options over Ordinary Shares granted to the Directors under the Regus Value Creation Plan, all for nil consideration and with no expiry date, were as set out below:

<u>Director</u>	<u>Interest in options over Ordinary Shares</u>
Mark Dixon . . . . .	3,500,000
Stephen Gleadle . . . . .	3,000,000

3.5 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, his immediate family or persons connected to him (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 paragraphs 3.1 to 3.4 above and 3.6 below.

3.6 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, his immediate family or persons connected with him (within the meaning of Part 22 of the Act) had any dealings (including borrowing or lending) 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:

- (A) on 15 September 2009, Estorn disposed of 35,000,000 Ordinary Shares for a total cash consideration of £36,400,000 (being £1.04 per Ordinary Share sold). Following this disposal,

<sup>6</sup> The grant of these awards was announced on 24 March 2010 as being conditional upon either attainment of shareholder approval at the Company's AGM, or an undertaking from Mark Dixon that upon exercise of the awards he will immediately sell the resulting shares.

\* Subject to the Company's Remuneration Report being approved at the AGM, the matching shares awarded in March 2008 and March 2009 will be divided into three separate amounts and will be subject to future performance periods at three, four and five years respectively with performance conditions as further detailed on page 36 of the Company's Annual Report.

Mr. Dixon's interest was reduced to 320,141,288 Ordinary Shares (representing approximately 33.70 per cent. of issued share capital);

- (B) on 23 March 2010, Mark Dixon exercised his right to acquire 179,396 Ordinary Shares awarded to him as nil cost options on 21 March 2007 by the Company under the Regus CIP. Any increase in Mr. Dixon's shareholding as a result of the exercise of these options to acquire Ordinary Shares was included within the Existing Waivers. No obligations therefore arose pursuant to Rule 9 of the Code in respect of the increase in Mr. Dixon's shareholding by 179,396 Ordinary Shares on 23 March 2010. As at 23 March 2010, Mr. Dixon held an interest in an aggregate amount of 320,320,684 Ordinary Shares;
  - (C) on 23 March 2010, Mr. Dixon transferred the 179,396 Ordinary Shares acquired by him on 23 March 2010 to Estorn. The consideration for this transfer was a loan note issued by Estorn to Mr. Dixon for an amount equal to the fair market value of the 179,396 Ordinary Shares as at 23 March 2010; and
  - (D) between 26 March 2010 and 29 March 2010 Mr. Dixon exercised his right to acquire 1,708,108 further Ordinary Shares at a price of £0.6475 per Ordinary Share. The Ordinary Shares had been awarded to him as options on 8 September 2004 under the Share Option Plan. Any increase in Mr. Dixon's shareholding as a result of the exercise of these options was included within the Existing Waivers. No obligations therefore arose pursuant to Rule 9 of the Code in respect of the increase in Mr. Dixon's shareholding by 1,708,108 Ordinary Shares between 26 March 2010 and 29 March 2010. As at 29 March 2010, Mr. Dixon held an interest in an aggregate amount of 322,028,792 Ordinary Shares.
- 3.7 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) 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 paragraphs 3.1 to 3.4 and 3.6 above.

#### Others

- 3.8 As at the close of business on the Latest Practicable Date:
- (A) 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
  - (B) no associate of the Company (as such term is defined in paragraph 1 of the definition of "associate" in the Code) nor any pensions 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.
- 3.9 As at the close of business on the Latest Practicable Date, neither Investec nor any other connected adviser of the Company (including any person controlling, controlled by or under the same control as it) had any interests, rights to subscribe or short positions in relevant Regus securities.
- 3.10 In this paragraph 3, references to "**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.

#### 4. Arrangements in connection with the proposal

Mr. Dixon has not entered into any agreement, arrangement or understanding (i) with any of the Independent Directors (or their close relatives and related trusts) which has any connection with or dependence upon the proposals set out in this Part IV; 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 Part IV between Mr. Dixon and any person interested or recently interested in Ordinary



Shares, any other recent director of the Company or Investec (or any person who is, or is presumed to be, acting in concert with Investec).

## 5. Directors' service contracts

5.1 Details of the service agreements<sup>‡</sup> currently in place between the Company (contracting through a wholly-owned subsidiary in each case) and the Executive Directors are set out below:

<u>Executive director</u>	<u>Effective date of contract</u>	<u>Term</u>	<u>Notice period</u>
Mark Dixon . . . . .	14 October 2008	—	12 months
Stephen Gleadle . . . . .	14 October 2008	—	12 months

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

<u>Non-executive director</u>	<u>Effective date of agreement</u>	<u>Term</u>	<u>Notice period</u>
John Matthews* . . . . .	14 October 2008	3 years	6 months
Martin Robinson* . . . . .	27 August 2008	3 years	6 months
Lance Browne . . . . .	27 August 2008	3 years	6 months
Ulrich Ogiermann . . . . .	27 August 2008	3 years	6 months
Douglas Sutherland . . . . .	27 August 2008	3 years	6 months
Martin Robinson . . . . .	27 August 2008	3 years	6 months

5.3 The aggregate emoluments, excluding pensions, of the Directors for the year ended 31 December 2009 are set out below:

<u>Executive</u>	<u>Salary £'000</u>	<u>Fees £'000</u>	<u>Benefits £'000</u>	<u>Compensation for loss of office £'000</u>	<u>Bonus £'000</u>	<u>Total £'000</u>
Mark Dixon . . . . .	522.8	—	68.2	—	—	591.0
Stephen Gleadle . . . . .	300.0	—	26.4	—	—	326.4
<b><u>Non-Executive</u></b>						
John Matthews . . . . .	—	137.9	—	73.1	—	211.0
Martin Robinson . . . . .	—	2.3	—	57.2	—	59.5
Lance Browne . . . . .	—	47.5	—	—	—	47.5
Ulrich Ogiermann . . . . .	—	40.0	—	—	—	40.0
Douglas Sutherland . . . . .	—	46.0	—	—	—	46.0

Maximum individual bonuses payable to the Executive Directors were capped at 200 per cent. of basic annual salary for the year ended 31 December 2009. A standard bonus of up to 100 per cent. of basic salary was available if financial and personal measures and targets were met of which a maximum 50 per cent. was payable in cash with 50 per cent. deferred to purchase Ordinary Shares in the form of nil-cost options. Such options would be awarded under the Regus CIP, together with further nil-cost options which may be exercised after a three-year period subject to certain conditions. In addition, if the Company's operating profit exceeds external forecasts based on a consensus of analysts' estimates, an additional discretionary bonus of up to 100 per cent. of salary would be payable in cash. For the year ended 31 December 2009 no bonus was paid.

5.4 None of the Executive Directors' service contracts is 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 a 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. Each 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

\* As noted in the letter from the Chairman at Part I of this document, John Matthews and Martin Robinson will both retire as directors with effect from the end of the AGM.

‡ Both Executive Directors have also entered into appointment agreements with the Company whose terms and notice periods are aligned with their service agreements, but whose effective date is 18 August 2008.

appointment to take account of variations in terms and conditions as well as changes in best practice.

- 5.5 The appointment agreements 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 6 months' notice; compensation may be payable in the event that the requisite 6 months' notice is not given by either party (unless the termination is for cause).
- 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 6 months prior to the date of this document.

## 6. Information on Mark Dixon

Mark Dixon of L'Estoril, 31 Avenue Princesse Grace, MC 98000, Monaco founded the Regus group in 1989 and has been Chief Executive for over 19 years. Prior to Regus, Mr. Dixon established businesses in the retail and wholesale food industries.

## 7. Financial and other information on the Company

7.1 The Regus Group is the world's largest provider of outsourced workplaces. For the year to 31 December 2009, the Group delivered revenues of £1,055.1 million, operating profit of £86.0 million<sup>7</sup>, basic earnings per share of 7.1 pence and ended the year with a net cash position of £237.0 million.

7.2 As set out in Section III of this Part IV, this document incorporates by reference:

- the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit S.à.r.l. thereon, for the year ended 31 December 2009;
- the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit S.à.r.l. thereon, for the year ended 31 December 2008; and
- the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit plc thereon, for the year ended 31 December 2007;

please refer to Section III of this Part IV for a list of cross references to the relevant sections of these reports and accounts, and for how to access this information.

7.3 For the three years ended 31 December 2007, 31 December 2008 and 31 December 2009, the Company (and for the years to 31 December 2007 Old Regus) reported the following dividend per share information:

	<u>Dividend</u> (£m)	<u>Dividend</u> per share (pence)	<u>Basic earnings</u> per share (pence)
2007 . . . . .	9.5	1.0	10.5
2008 . . . . .	17.1	1.8	12.0
2009 (subject to shareholder approval at the AGM) . . . . .	22.8	2.4	7.1

7.4 There have been no material changes in the financial or trading position of the Company since 31 December 2009 (the date of its most recent published accounts).

## 8. Material contracts

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.

<sup>7</sup> Results include exceptional net income from settlement of a legal dispute of £18.3 million and after charging £2.6 million of exceptional restructuring costs.

## 9. Middle market quotations

Set out below are the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange PLC., for the first business day of each of the 6 months set out below and for the Latest Practicable Date:

<u>Date</u>	<u>Price per Ordinary Share (pence)</u>
2 November 2009 . . . . .	100.70
1 December 2009 . . . . .	88.05
4 January 2010 . . . . .	93.15
1 February 2010 . . . . .	90.25
1 March 2010 . . . . .	84.60
1 April 2010 . . . . .	112.60
14 April 2010 . . . . .	116.6

## 10. Consent

Investec has given and has not withdrawn its written consent to the issue of this document with the references to it in the form and context in which they appear.

### SECTION III — INFORMATION INCORPORATED BY REFERENCE

The table below sets out the various sections of those documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Code. These documents will also be available at the Company's website, [www.regus.co.uk](http://www.regus.co.uk), from the date of this document and available for inspection as set out on page 8 of this document.

<u>Document</u>	<u>Section</u>	<u>Page number(s) in such document</u>
<b>2009 Group Financial Statements</b>		
<i>(<a href="http://www.regus.com/assets/en-us/financial/ReportAndAccounts2009regusplc.pdf">http://www.regus.com/assets/en-us/financial/ReportAndAccounts2009regusplc.pdf</a>)</i>		
	Consolidated income statement . . . . .	41
	Consolidated balance sheet . . . . .	44
	Consolidated cash flow statement . . . . .	45
	Consolidated statement of changes in equity . . . . .	43
	Accounting policies . . . . .	46
	Notes to the consolidated financial statements . . . . .	46
	Independent auditor's report . . . . .	40
<b>2008 Group Financial Statements</b>		
<i>(<a href="http://www.regus.com/assets/en-us/financial/ReportAndAccounts2008regusplc.pdf">http://www.regus.com/assets/en-us/financial/ReportAndAccounts2008regusplc.pdf</a>)</i>		
	Consolidated income statement . . . . .	41
	Consolidated balance sheet . . . . .	42
	Consolidated cash flow statement . . . . .	43
	Consolidated statement of changes in equity . . . . .	44
	Accounting policies . . . . .	45
	Notes to the consolidated financial statements . . . . .	45
	Independent auditor's report . . . . .	40
<b>2007 Group Financial Statements</b>		
<i>(<a href="http://www.regus.com/assets/en-us/ReportAndAccounts2007.pdf">http://www.regus.com/assets/en-us/ReportAndAccounts2007.pdf</a>)</i>		
	Consolidated income statement . . . . .	44
	Consolidated balance sheet . . . . .	45
	Consolidated cash flow statement . . . . .	46
	Consolidated statement of changes in equity . . . . .	47
	Accounting policies . . . . .	48
	Notes to the consolidated financial statements . . . . .	48
	Independent auditor's report . . . . .	42

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to our registrar, Equiniti, either by calling 0871 384 2030 (calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. From overseas, please call +44 (0) 121 415 7047) or writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.14 of the Code.

Except as set forth above, no other portion of these documents is incorporated by reference into this document.







