REGUS ANNOUNCES ACCOUNTING POLICY CHANGES EFFECTIVE FROM 1 JANUARY 2012

London, July 19, 2012. Regus plc announced today that it has changed the accounting treatment of certain asset classes and the capitalisation of certain costs relating to new centres in its financial reporting effective from January 1, 2012.

Following a review of its accounting policies on asset capitalisation and depreciation, Regus is implementing two changes to better reflect the underlying economic reality of its business. While there is likely to be a material benefit to reported profitability in the coming years, there is no change to Group cash flow. Equally, these changes have no impact on how the Group appraises investment.

1) Changes to estimated useful economic life of certain asset classes

The Group has reviewed the estimated useful economic lives applied to a number of classes of assets, the most significant of which relates to the estimated useful economic life of fixtures and fittings. Historically, this asset class has been depreciated on a straight-line basis over the lower of 10 years or the remaining lease period. However, the experience is that, in the significant majority of cases, Regus centres are open for longer than 10 years, irrespective of the length of lease originally agreed (the Group routinely extends its leases). As a result, it is more appropriate for the estimated useful economic life for this asset class to be amended to 10 years, regardless of remaining lease life. This change in estimated useful economic life is applied prospectively from January 1, 2012. Consequently the group's interim financial statements to June 30, 2012 and financial statements for the year to December 31, 2012 will be the first to be published in accordance with this change in estimation.

Based on assets on the balance sheet at January 1, 2012, the estimated impact of these changes in estimates will be to reduce depreciation in the 6 months to June 30, 2012 (and thereby increase operating profit), by £8.7m (£7.8m for the mature estate and £0.9m for new 2011 centres). EBITDA and cash flow are unaffected by this change.

The impact of these changes for the full year 2012 is expected to be £16.4m. It diminishes thereafter as the impact from lower depreciation from these assets in future years is offset by the fact that an increasing proportion over time would, without the change in estimate, have been fully depreciated and, therefore, depreciation on these assets would have fallen to zero. The equivalent net impacts in 2013 and 2014 are estimated to be £10.5m and £4.6m respectively.

2) Capitalisation of facility costs incurred in bringing new centres into operation

The Group has also decided to capitalise facility costs, including rent, incurred in bringing centres to the state of operational readiness, and to depreciate these costs over 10 years. This is a change of accounting policy and, accordingly, historic numbers will be restated. Underlying cash flows remain unaffected following this change.

The impact of this change in accounting policy in 2011 is set out in the table below:

£m's	2010 Matures	2011 Openings	Total
H1 2011			
Lower centre costs / higher EBITDA	-	1.4	1.4
Increased depreciation	(0.6)	-	(0.6)
Total (decrease) /increase in operating profit	**(0.6)**	**1.4**	**0.8**

£m's	2010 Matures	2011 Openings	Total
H2 2011			
Lower centre costs / higher EBITDA	-	3.7	3.7
Increased depreciation	(0.6)	(0.1)	(0.7)
Total (decrease) /increase in operating profit	**(0.6)**	**3.6**	**3.0**

£m's	2010 Matures	2011 Openings	Total
FY 2011			
Lower centre costs / higher EBITDA	-	5.1	5.1
Increased depreciation	(1.2)	(0.1)	(1.3)
Total (decrease) /increase in operating profit	**(1.2)**	**5.0**	**3.8**
Overall change in net fixed assets vs 2011 Annual Report			12.8

The absolute level of costs capitalised in future periods will correlate closely to the pace of new centre openings.

These changes have an incremental impact on the Group's results which have not previously been reflected in any comments on Group results or outlook. These changes have been discussed with the Group's auditors.

Commenting on these changes, Dominique Yates, Chief Financial Officer, said

'Having reviewed certain accounting policies, specifically our depreciation charges against our maintenance capital expenditure for our business, we determined that it was appropriate, based on experience, to amend the estimated useful economic life of some assets, particularly fixtures and fittings in our centres. This will more closely align our depreciation charge with our maintenance capital expenditure going forward and better reflects the economic reality of our business

We have also taken the opportunity to change our accounting policy on capitalisation of assets to capitalise facility costs incurred during centre fit-outs. This mirrors more accurately the investment that we need to make to open a new centre.

While these changes are incrementally positive to the Group's operating profit in the short to medium-term, they are intended to align Regus's financial reporting with the underlying economic reality of the business. The changes do not alter the underlying cash flow or commercial dynamics of the Regus business.'

The Group's interim results will be published on August 28, 2012.

Regus will be hosting a call for analysts and investors at 8.30am BST this morning. If you wish to participate please contact Leanne Grady on 020 7404 5959 or email at lgrady@brunswickgroup.com.

For further information, please contact:

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