INTERIM MANAGEMENT STATEMENT – 2 May 2013

Regus plc, the world's largest provider of flexible workplaces, today announces an update on trading for the three months ended 31 March 2013.

Regus' financial performance in the first quarter of 2013 was in line with management expectations. Group turnover in the period increased by 18.0% at constant currency to £356.9m compared with £299.3m in the corresponding period last year (an increase of 19.2% at actual rates). This includes an initial revenue contribution of £13.7m from MWB Business Exchange which was acquired on 20 February 2013.

As at 31 March 2013, the Group had a total of 1,508 centres. The total number of workstations (including non-consolidated) increased to 262,578 as at 31 March 2013 (240,131 workstations as at 31 December 2012)[1].

In response to growing structural demand for more flexible and mobile working we remain focused on expanding our global and national networks. Principally we achieve this through adding new countries, new cities and new neighbourhoods where we have not been previously represented.

It remains our intention to achieve a global network of at least 2,000 centres by the end of 2014. For this year, in total, we expect to add at least 350 centres, including the 64 centres acquired with MWB Business Exchange.

We are pleased that all three parts of our business – Mature, New and Third Place – continue to make strong progress in line with our expectations.

Strong mature performance, benefiting from the addition of the 2011 openings

The performance of our mature business, which represents over 77% of our global portfolio of centres, remains strong. Revenues for these centres (which were opened on or before 31 December 2011) were £311.1m in the three months to 31 March 2013, an increase of 5.2% at constant currency (up 6.3% at actual exchange rates).

This like-for-like increase reflects the ongoing strength of our longer established 2010 mature centres and, as expected, the beneficial impact of the continuing maturation of the 2011 centre openings, which enlarged our mature business from 1 January 2013.

Like-for-like occupancy has remained strong and we have achieved good growth in Revenue Per Occupied Workstation (REVPOW). In the quarter REVPOW improved to £1,935, a healthy increase of 3.3% (up £61) at constant currency rates and up 4.4% (up £81) at actual rates.

The strong cash flow and profitability characteristics of our mature business continued in the first quarter. Overall we are pleased with this performance.

New Centres programme

After the strong opening programme in the final quarter of 2012, we have added a further 100 centres in the first quarter of 2013 (including the 64 acquired MWB Business Exchange centres), compared with 37 at the same point last year. Accordingly, we now have 343 new centres (centres opened on or after 1 January 2012). In total, these centres contributed £45.7m to revenue in the three months ended 31 March 2013, compared with £2.4m in the corresponding period last year. Importantly, they continue to develop as planned with the New 2012 openings having reached gross profit breakeven by the end of the quarter.

As described above, we continue to expect to add at least 350 centres (including MWB Business Exchange) in 2013.

MWB Business Exchange Update

In 2013 we expect the underlying business to be breakeven at the operating level as the anticipated phasing of the cost synergies will broadly cover the cost of achieving the savings. In addition, as previously highlighted, total transaction costs amounted to approximately £4m and will be charged to the income statement in the first half.

We are encouraged with progress so far and our current expectation is that the business will add at least £15m to Group operating profit in 2014.

Third Place maintains momentum

We continue to develop our Third Place business. During the first quarter we extended our relationship with Shell to cover a network of locations, ranging from drop-in business lounges to Wi-Fi hotspots, across the Berlin Metropolitan area and signed an agreement to add additional locations to the UK motorway network with Welcome Break. There is a healthy pipeline of further opportunities for Third Place development and, while still small today, we remain excited about the long-term potential of this business.

Strong financial position

The Group's underlying cash flow from its mature business remains strong, allowing us to invest a further £99m in our growth programme in the three months ended 31 March 2013. As a result, our net cash position decreased by £64.3m in the quarter to £55.6m at 31 March 2013. This movement in our net cash position is in line with our expectations and, based on our current expectation of at least 350 new centre additions, we would anticipate ending 2013 with a modest positive net cash position.

Dividend

As announced on 5 March 2013, the Board has recommended a 10% increase in the final dividend per share for 2012 from 2.0p to 2.2p, reflecting the Group's strong performance and the Board's confidence in the Group's long-term prospects. Subject to shareholder approval at the AGM, this will be paid on Friday, 31 May 2013 to shareholders who were on the register at the close of business on Friday, 3 May 2013.

Summary

Our strong performance against the backdrop of a generally challenging macroeconomic environment reflects the growing global demand for flexible working.

We remain confident in the performance of our mature business and our new centres, as well as our plan to invest in further growth to achieve our target of 2,000 centres by end 2014. As always, however, we are ready to scale back our growth plans if macroeconomic conditions or expected returns dictate that it would be prudent to do so.

Overhead costs continue to be rigorously controlled to ensure that we continue to realise the benefits of economies of scale, while also investing to support our growth programme and product development – a key differentiator versus other market participants. We expect overheads per available workstation to continue to reduce.

We have started the year well and in line with our expectations. We remain confident that the Group's mature centres will deliver good profitability and strong cash generation and we expect that our investment in new centres will continue to deliver attractive returns.

[1] Consolidated workstations as at 31 March 2013 were 249,968 (31 December 2012: 229,615 workstations)

Conference call details

Regus will be hosting a call for analysts and investors at 08.30am BST this morning. The dial in details are as follows:

Dial in number:	+44 (0) 1452 555566
Conference ID:	49645147

There will also be a replay facility available after the call (until 9.30am, 7 May):

Dial in number:	+44 (0) 1452 550000
Playback ID:	49645147

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This interim management statement contains certain forward looking statements with respect to the operations of Regus. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast.

About Regus

Regus is the world's largest provider of flexible workplaces, with products and services ranging from fully equipped offices to professional meeting rooms, business lounges and the world's largest network of video communication studios. Regus enables people to work their way, whether it's from home, on the road or from an office. Customers such as Google, GlaxoSmithKline, and Nokia join hundreds of thousands of growing small and medium businesses that benefit from outsourcing their office and workplace needs to Regus, allowing them to focus on their core activities.

More than a million customers a day benefit from Regus facilities spread across a global footprint of 1,500 locations across some 600 cities and 99 countries, which allow individuals and companies to work wherever, however and whenever they want to. Regus was founded in Brussels, Belgium in 1989, is headquartered in Luxembourg and listed on the London Stock Exchange. For more information please visit www.regus.co.uk