27 August 2013

REGUS PLC – INTERIM RESULTS ANNOUNCEMENT – SIX MONTHS ENDED 30 JUNE 2013

Global scale and local focus delivers another strong performance

Regus, the world's largest provider of flexible workplaces, today announces its half year results for the six months ended 30 June 2013.

£m	H1 2013	H1 2012	Change
Group			
Revenues	744.7	608.6	22.4%
Gross profit	180.6	153.2	18%
Gross margin	*24.3%*	*25.2%*	
Underlying operating profit*	41.7	34.2	22%
*Underlying operating margin**	*5.6%*	*5.6%*	
Operating profit	34.3	34.2	-
Operating margin	*4.6%*	*5.6%*	
Profit before tax	31.1	32.2	(3%)
Earnings per share (p)	2.8	2.9	(3%)
Dividend per share (p)	1.1	1.0	10%
EBITDA	79.6	66.5	20%
Mature**			
Revenues	626.0	591.1	5.9%
Gross profit	178.7	158.1	13%
Gross margin	*28.5%*	*26.7%*	
Operating profit	91.4	61.1	50%
Operating margin	*14.6%*	*10.3%*	
Mature basic EPS (p)	7.6	5.0	52%
Mature EBITDA	125.2	91.3	37%
Mature free cash flow	72.3	61.2	18%

*Operating profit before MWB transaction and restructuring related costs of £7.4m
**Centres opened on or before 31 December 2011

Strong financial performance at Group level

- Group revenue increased 20.8% at constant currency to £744.7m (22.4% at actual rates)
- Underlying operating profit rose by 22% to £41.7m (H1 2012: £34.2m) excluding £7.4m of transaction and restructuring costs related to the acquisition of MWB Business Exchange ('MWB'),
- Underlying total overheads, excluding the MWB transaction and restructuring costs, as a % of sales reduced from 19.5% to 18.7%; average cost per available workstation reduced by a further 7% at constant currency
- Net debt position at 30 June 2013 of £14.0m reflecting significant investment in growth
- 10% increase in interim dividend to 1.1p (H1 2012: 1.0p), reflecting strong underlying performance

Mature centres continue to improve

- Mature revenue growth of 4.5% at constant currency to £626.0m (5.9% at actual rates)
- Gross margin improves to 28.5% (H1 2012: 26.7%). Underpinned by:
    - Revenue per occupied workstation (REVPOW) increase to £3,913, an improvement of 3.7% or £136 at constant currency (5.2% or £192 at actual rates)
    - Continued strong occupancy of 84.2% (H1 2012: 83.9%)
- Mature operating profit up 50% to £91.4m. Economies of scale and overhead efficiencies driving an increase in mature operating margin to 14.6% (H1 2012: 10.3%)
- 52% increase in mature EPS to 7.6p (H1 2012: 5.0p)
- Strong cash generation, with free cash flow representing 7.7p per share or 11.5% of revenue

Continued investment in growth

- £186.4m invested in growth
- 203 new centres added in H1, network increased to 1,605 including our 100th country, Nepal
- Remain on track to open at least 350 centres in 2013
- New 2012 and 2013 centres performing in-line with expectations
- 21% annual increase in membership to 1.45 million
- Interest in Third Place partnerships remains strong but is still in development stage
- Integration of MWB and realisation of cost synergies proceeding to plan

Mark Dixon, Chief Executive of Regus, said:

"Building on a strong performance in 2012, Regus continues to display significant positive momentum, with Group revenue and underlying operating profit both up 22%.

In a growing market driven by fundamental changes in the way people and businesses choose to work, we are successfully implementing our strategy. Our Mature Centres business continues to perform strongly and generate significant cash flow and we continue to find good opportunities to reinvest into the business to drive further growth. Over the six months our network increased by 14% to 1,605 locations, and we remain on track for at least 2,000 by the end of 2014. At the same time we maintained a firm grip on overheads, which decreased by 7% per workstation.

Overall, whilst mindful of the macroeconomic backdrop, we remain on track to deliver our full year expectations."

For further information, please contact:

Regus plc Tel: +352 22 9999 5160
Mark Dixon, Chief Executive Officer
Dominique Yates, Chief Financial Officer
Wayne Gerry, Group Investor Relations Director

Brunswick Tel: +44(0) 20 7404 5959
Simon Sporborg
Nick Cosgrove

Chief Executive's Review

Regus has delivered another strong period of growth and financial performance. We saw a 22.4% increase in Group revenue to £744.7m (H1 2012: £608.6m) and a 22% uplift to underlying operating profit[1] to £41.7m (H1 2012: £34.2m). At the same time we have tightly controlled total operational overheads[2], which reduced as a percentage of revenue from 19.5% to 18.7%, notwithstanding year-on-year centre network growth of 27%. Additionally, membership improved year-on-year by 21% to 1.45m.

Group Income Statement

£m	H1 2013	H1 2012	% Change
Revenue	**744.7**	**608.6**	**22.4%**
Gross profit (centre contribution)	**180.6**	**153.2**	**18%**
Gross margin	*24.3%*	*25.2%*	
Underlying operating profit*	**41.7**	**34.2**	**22%**
*Underlying operating margin**	*5.6%*	*5.6%*	
Operating profit	**34.3**	**34.2**	**-**
Operating margin	*4.6%*	*5.6%*	
Profit before tax	**31.1**	**32.2**	**(3%)**
Taxation	(4.9)	(5.1)	
Profit for the period	**26.2**	**27.1**	**(3%)**
EBITDA	**79.6**	**66.5**	**20%**
EBITDA margin	*10.7%*	*10.9%*	

* Operating profit before MWB transaction and restructuring related costs of £7.4m

We are pleased with the continued improvement to mature Revenue per Occupied Workstation (REVPOW), up 3.7% on a constant currency basis (5.2% at actual rates). We also increased like-for-like mature occupancy to 84.2% (H1 2012: 83.9%). As a result, mature margins continued to improve, rising to 28.5% (H1 2012: 26.7%) and mature free cash flow remained robust at £72.3m, or 7.7p per share.

Our growth programme continues and was enhanced by the acquisition of MWB. Over the first six months we invested £186.4m to add 203 new centres to increase the size of our network to 1,605, which included opening in our 100th country, Nepal. Following this investment in growth, and the payment of the 2012 final dividend, we closed the half year with net debt of £14.0m. Our new centres continue to perform in line with expectations.

The positive developments highlighted above have undoubtedly been assisted by our decision to devolve management responsibility to a country (and in the case of larger countries, area) level. In empowering local management and delegating decision making we have improved the quality of intelligence and insight as well as ensuring faster, more appropriate response times. At the same time we continue to strengthen Group functions to provide in-country teams with a strong support framework.

[1 & 2] Excluding the £7.4m of transaction and restructuring costs associated with MWB

Strategy and market drivers

Our aim is clear: to make our customers more successful. We do this by providing dedicated workplaces that are convenient, flexible, cost effective and easily accessible.

Increasing the breadth and depth of our global and in-country business centre network is core to satisfying the needs of our customers. Yet, as work becomes more distributed we are also opening in an increasingly wide range of non-traditional locations such as railway stations, airports, retail spaces and motorway service areas – thereby taking our offer to a much larger addressable market.

The structural shift in how, where and when people and organisations work will have a fundamental impact on the current built environment. For example, a recent report by CBRE[3] said that a 1% decrease in office based workers in London would reduce demand for office space by 1.5m square feet but lead to an increase of 1m square feet of alternative, flexible, third space facilities. We are playing a key role in satisfying this demand shift.

As we continue to build our business to better serve the growing number of mobile workers, the macro-trends – technology, cost, work:life factors and sustainability among others - continue to drive market growth. We have placed our business at the heart of these trends and are focused on capitalising on the significant opportunities they present to generate long term shareholder value.

Business review

We look at our business in three distinct parts – Mature, New and Third Place. They are closely interlinked and contribute to each other's success. They have each made good progress.

<u>Mature Business (centres opened on or before 31 December 2011)</u>
Our Mature Centres business has continued to make strong progress. As the cash generative core of the Group, it drives the investment in our growth programme. It is also the clearest indicator of underlying Group performance.

The investments made in developing and strengthening our operational, in-country management to improve the quality and speed of decision making have been instrumental in delivering continued improvements to REVPOW. Against the first half of last year this increased by 3.7% (£136) to £3,913 at constant currency rates (5.2%, £192 at actual rates). At the same time occupancy remained healthy at 84.2% (H1 2012: 83.9%).

Mature revenue increased 4.5% at constant currency (5.9% at actual rates) to £626.0m. Gross margin improved 1.8 percentage points from 26.7% to 28.5% which increased the centre contribution by 11% at constant currency (13% at actual rates) to £178.7m (H1 2012: £158.1m). A further improvement in operational leverage increased the operating margin from 10.3% to 14.6%, improving operating profit 50% to £91.4m (H1 2012: £61.1m). Mature EBITDA increased 37% to £125.2m (H1 2012: £91.3m) with an improvement in EBITDA margin from 15.4% to 20.0%. Mature free cash generation increased 18% to £72.3m (H1 2012: £61.2m), representing 7.7p per share or 11.5% of revenue.

<u>New Business</u>
With increasing customer demand and having clearly demonstrated attractive returns, we continue to grow. Over the first half £186.4m (H1 2012: £75.3m) was invested, adding 203 new centres (H1 2012: 76) and extending our geographic footprint to 100 countries. This activity led to an increase in total workstation capacity since 1 January 2013 (including non-consolidated) of 15.4% to 277,216 while the number of consolidated workstations increased by 15.0% to 264,101 workstations as at 30 June 2013.

Our 2012 and 2013 openings are maturing and performing in line with management's expectations. The integration of MWB, following its acquisition in February, is progressing as planned and we remain confident that it will add at least £15m to Group operating profit in 2014.

---

[3] Workshop, CBRE, 2013 - http://www.cbre.eu/portal/page/portal/theworkshop/resources/pdfs/the_workshop.pdf

The business remains on track to add at least 350 new centres this year (including the acquisition of 64 MWB centres) and a network of at least 2,000 locations by 2014. We have a strong pipeline of opportunities, but remain ready to curtail our investment in growth if conditions in our markets change.

Third Place

Our programme to develop a diverse range of workplaces in third place locations continues to make headway. These spaces, often based around national infrastructures such as motorway service stations and railway stations, are ones from which people increasingly wish to work when on the move, enabled by ever more mobile technology.

We extended our relationship with Shell in the period to cover 69 locations in and around Berlin, ranging from drop-in business lounges to Wi-Fi hotspots. At the same time agreements were signed with UK motorway service station operators Welcome Break and Moto. Our pipeline of opportunities remains strong.

It is important to stress that whilst these are further votes of confidence in the Third Place business model, it is still too early to forecast how it will impact our business in the coming years. Nonetheless, it is worth restating that these opportunities are subject to the same stringent financial hurdles as the rest of our business.

New contracts

The larger and more convenient our network becomes, the more attractive our proposition becomes to large global businesses. Over the first half we experienced increased demand specifically related to supporting these organisations in reducing the size of their small-office, branch-office networks and transitioned employees supported by these facilities to the Regus network. Notable examples include Samsung, McKinsey, Merck, Bristol Myers Squibb and Toshiba.

The period also saw good progress made with third party partnerships, most notably with HP in the UK, and since period end with Royal Sun Alliance. What is significant about these developments (of which the BMW MINI announcement from last year was the first) is that these organisations are enhancing their offer by purchasing Businessworld cards so that their customers can gain access to our network. We also signed a deal with OfficeMax in the US whereby our retail products will be stocked in each of their 847 stores. At the same time our relationship with Staples has also developed so that our retail products are now available in each of their 108 UK stores.

Innovation

Our ability to innovate remains critical to driving the long-term growth of the business. As a result, we have for the first time separately disclosed the level of investment in research and development which, during this period, amounted to £3.2m (H1 2012: £2.1m).

Subsequent to last year's roll-out of cloud-based voice, video and printing services – we have developed a means for customers to access the entire network with contactless card and smart phone technologies. We have also developed:

- Business Corner - A defined drop-in work area with the facilities to print, email, fax and scan as well as on-call administrative support;
- Business Workbox – a fully self-contained, resourced and private workspace with a footprint of four square metres, ideal for locations with high, transient footfall such as shopping centres and airports; and,
- Business Hotspot- dedicated WiFi accessible only with Businessworld membership.

These innovations, amongst others, will also provide our Third Place partners with additional opportunities to integrate the Regus proposition within their infrastructure, which, in turn, will further broaden our reach.

Growth

Growth is a key part of enhancing shareholder value, and we remain focussed on achieving a network of at least 2,000 locations by the end of 2014. The prospects for further growth remain compelling in all markets and we continue to find many good opportunities to secure high quality facilities in attractive locations on terms that allow us to meet our strict financial hurdles.

That said, we will only invest if returns meet our stringent criteria. We therefore keep our growth pipeline under constant review and, if required, we can curtail growth in a matter of months.

Cost control

The business is demonstrating that costs are under control and that the efficiencies growth brings in cost per available workstation are being achieved. To this end, building further on the significant economies already achieved in 2012, we are pleased that, against a year-on-year increase in average workstations of 24%, total overheads (including the higher investment in R&D but excluding the MWB related transaction and restructuring costs) increased by 16% at constant currency (17% at actual rates).

Regional review

All regions showed positive growth, at both constant and actual currency rates. On a regional basis, mature revenues and centre contribution can be analysed as follows:

	Mature revenue		**Mature contribution**		**Mature margin (%)**	
£m	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**	**H1 2013**	**H1 2012**
Americas	273.9	253.0	87.7	73.3	32.0%	29.0%
EMEA	154.2	145.2	41.5	38.7	26.9%	26.7%
Asia Pacific	93.5	90.6	29.4	28.4	31.4%	31.3%
UK	103.5	101.6	20.5	16.6	19.8%	16.3%
Other	0.9	0.7	(0.4)	1.1	-	-
Total	**626.0**	**591.1**	**178.7**	**158.1**	**28.5%**	**26.7%**

AMERICAS
Our Americas business posted another strong performance. Its 559 mature centres, from a portfolio of 774, delivered revenue up 5.9% year-on-year at constant currency rates to £273.9m (8.3% at actual rates). Average mature occupancy remained healthy at 86.5% (H1 2012: 86.5%), while mature gross margins improved to 32.0% (H1 2012: 29.0%). The Americas remains our biggest area of expansion. In the first six-months 89 centres were added, which increased the number of period end workstations (including non-consolidated) by 11.5% from 106,187 to 118,404.

EMEA
Overall our EMEA business, which has 301 mature centres out of a total portfolio of 359, has delivered a robust performance over the period, reflecting a range of trading conditions across the region. Mature occupancy increased to 81.8% (H1 2012: 81.5%), while mature revenue increased 3.3% in the first half of 2013 at constant currency (6.2% at actual rates). Mature contribution improved from £38.7m to £41.5m with the gross margin edging up to 26.9% (H1 2012: 26.7%). We added 26 centres which increased the number of period end workstations (including non-consolidated) by 5.3% from 49,986 to 52,653.

ASIA PACIFIC
Our Asia Pacific business has delivered another strong performance. Reflective of this dynamic region, we continue to see numerous opportunities for growth. With 155 mature centres out of a total portfolio of 257, the region delivered mature revenue of £93.5m, up 4.9% on 2012 at constant currency rates (3.2% at actual rates) and achieved improved like-for-like average mature occupancy of 83.0% (H1 2012: 81.3%). At the same time, mature gross margins improved to 31.4% (H1 2012: 31.3%). We added 23 centres in the first half which increased the number of period end workstations (including non-consolidated) by 9.4% from 42,924 to 46,966.

UK
Whilst market conditions remain challenging this has been a pivotal period for our UK business with the acquisition in February of MWB and the achievement of further operational progress in our mature business. The mature business, which numbers 145 centres out of a total portfolio of 215 (with the 64 MWB centres being treated as new), delivered revenue of £103.5m, up 1.9% on the corresponding period in 2012 and improved mature gross margins by 3.5 percentage points to 19.8% (H1 2012: 16.3%). Mature occupancy through the first half improved to 82.7% (H1 2012: 82.5%). The number of period end workstations (including non-consolidated) increased by 44.3% from 41,034 to 59,193, reflecting the acquisition of MWB.

Board development

On 21 May 2013 Florence Pierre joined the board as a non-executive director. She has over 30 years of international corporate finance experience having held senior positions at BNP, Financière Rothschild, Degroof Corporate Finance and her own M&A advisory boutique as well as a Non-Executive Director at 3i Infrastructure plc. With her wide-ranging background we look forward to Florence making a strong contribution to the business.

Dividend

In light of the strong underlying Group performance and in line with our progressive dividend policy, the Board has declared an increased interim dividend of 1.1p per share (H1 2012: 1.0p), up 10%. This will be paid on 4 October 2013 to shareholders on the register at the close of business on 6 September 2013.

Outlook

Building on our strong performance in 2012, Regus continues to display significant positive momentum with both Group revenue and underlying operating profit up 22%.

High occupancy and REVPOW improvements, together with strong growth prospects, underpin the long term future of the business. Meanwhile, progress in expanding our network and membership in a growing market, as well as in developing our range of products and services, provides us with confidence. At the same time we have maintained a firm grip on overheads and our financial position remains strong.

Given the scale of the opportunity presented by the fundamental changes in the way people and businesses work, growth remains critical to securing the long term prospects of the business. To this end, we remain focused on opening at least 350 new centres by the end of 2013 and achieving a network of at least 2,000 by the end of 2014, as well as developing additional Third Place formats.

Overall, while mindful of the macroeconomic backdrop, we remain on track to deliver our full year expectations.

Mark Dixon
Chief Executive Officer
27 August 2013

Chief Financial Officer's review

Further improvement in financial performance

The business has made good progress on all fronts and continues to perform in line with management expectations.

Our mature centres are the cash generative core of the Group. As such, the improving performance of our Mature Centre business attests to the firm foundations upon which we operate. Mature like-for-like revenue increased by 4.5% at constant currency rates. At actual rates this was an increase of 5.9 %, from £591.1m to £626.0m. This was primarily driven by improved REVPOW which increased by 3.7% over the first half of 2012 at constant currency rates (5.2% at actual rates) to £3,913. Meanwhile the maturation of the 2011 centre openings helped maintain occupancy at a strong level with average mature occupancy increasing from 83.9% to 84.2%.

Margin performance at centre level advanced, with the mature gross margin increasing from 26.7% to 28.5%. Mature operating margins improved still further from 10.3% to 14.6%, reflecting a continuing strong focus on controlling absolute overheads and improving efficiency. This delivered a 50% growth in mature operating profit from £61.1m to £91.4m.

Cash conversion continues to be a strength of the Mature Centre business. During the first six-months of this year £72.3m of free cash flow was generated, equivalent to a free cash flow margin of 11.5%, or 7.7p per share. This cash generation, along with the strength of the balance sheet, has facilitated increased investment into expanding the network. Overall, we invested £186.4m in our New Centre business and during the first half of 2013 we added 203 new centres (including the 64 acquired MWB centres) which represented a 14% increase since 31 December 2012. The centres added so far in the current year have, on average, been larger than has been the norm in recent years. As a consequence there has been a higher level of initial cash outflow associated with these new centres from higher capital expenditure.

Following this significant investment in growing our business, and payment of the final dividend for 2012 of £20.8m, we moved from a net cash position of £120 million as at 31 December 2012 to a small net debt position of £14.0m at 30 June 2013. This movement in our net financial position was in line with our expectations. Reflecting the Group's continued financial and operational progress, the Board declared a 10% increase in the interim dividend from 1.0p to 1.1p.

Segmental presentation

To fully understand the underlying performance of the business it is important to look at the Mature and New businesses separately. This helps to highlight the changing financial characteristics of the business over the maturity cycle, with new centres negatively impacting profitability, particularly in their opening year.

In February we completed the acquisition of MWB which resulted in significant transaction and restructuring costs. It also came with a significant overhead base (to support its 64 centres). This acquisition therefore generated an initial cost profile fundamentally different to that more normally associated with our new centre opening and acquisition programme. Consequently, we believe it inappropriate to apply the overhead cost allocation methodology to MWB in this initial period and have instead reflected the actual reported overhead cost base of the business, including all transaction and restructuring related expenses, in new centre overheads.

Post 30 June 2013 we will apply the normal allocation methodology as the business has now been fully absorbed into the UK business and supported by a single overhead cost base. Consequently the reported results for 2013 will show the performance of the MWB centres within the new 2013 centre additions on an actual cost basis for the first half and as part of the normal cost allocation exercise for the second half. We believe this blended approach provides shareholders with the best representation of the underlying performance of both the New Centre and Mature Centre businesses.

Mature Centres business (centres opened on or before 31 December 2011)

At the end of June 2013, we had 1,160 centres in the mature business which represented approximately 72% of our global portfolio. We remain clearly focussed on enhancing the margin performance of our Mature Centre business at the centre level (gross profit) and delivering further overhead efficiencies to generate a higher operating margin. These interim results show that our Mature Business has continued to make good progress against these goals and grown in scale.

Our 2011 centre openings joined our mature business on 1 January 2013. The 2011 openings significantly narrowed the performance gap with the 2010 Mature Centre business (all centres opened on or before 31 December 2010) during the first half, with a gross margin before depreciation & amortisation of 30.3%, compared to 33.5% on the 2010 Mature Centre business.

The table below shows the year-on-year interim performance of our Mature Centres.

£m	H1 2013	H1 2012	% Increase
Revenue	**626.0**	**591.1**	**5.9%**
Gross Profit (centre contribution)	**178.7**	**158.1**	**13%**
Gross Margin	***28.5%***	***26.7%***	
Overheads	**(87.6)**	**(96.7)**	**9%**
Joint ventures	**0.3**	**(0.3)**	
Operating profit	**91.4**	**61.1**	**50%**
Operating margin	***14.6%***	***10.3%***	
EBITDA	**125.2**	**91.3**	**37%**
EBITDA margin	***20.0%***	***15.4%***	

We continue to be pleased with the progress of our Mature Centre business which has performed in line with our expectations. Revenue for these centres was £626.0m, a like-for-like constant currency increase of 4.5% (5.9% at actual exchange rates). This result reflects management's continuing focus on improving the performance of the business with mature REVPOW for the first half improving to £3,913, an increase of 3.7% (£136) at constant currency and 5.2% (£192) at actual rates, continuing the trend of incremental yield improvement that we have seen over the last several years. Average occupancy for the period was 84.2 % compared to 83.9% in the comparable period.

Gross profit (centre contribution) increased to £178.7m from £158.1m, an improvement of 13%. Accordingly the gross margin has increased from 26.7% to 28.5% reflecting the operational leverage benefit of higher revenue and our strong discipline over managing centre costs. We are seeing the continued benefit of the decision to devolve management responsibility to a country (or in the case of larger countries, area) level, reflected in the improving mature centre financial performance. With this investment in people in the frontline of decision making, operational management of the business has improved further.

Overheads allocated to the Mature Centre business reduced from £96.7m in the corresponding period to £87.6m as the Group continues to benefit from its ability to leverage its cost base across a larger number of centres. Correspondingly, overheads as a percentage of revenue declined from 16.4% of mature revenues in the first half of 2012 to 14.0% for the six months ended 30 June 2013.

As a result our mature operating profit increased 50% from £61.1m to £91.4m, improving the operating margin from 10.3% to 14.6%. Mature EBITDA increased from £91.3m to £125.2m with the margin improving from 15.4% to 20.0%.

The table below sets out a EPS calculation for our mature business. In management's view, this provides a more representative picture of the development in the operating performance of the business.

£m	H1 2013	H1 2012	% Increase
Mature operating profit	**91.4**	**61.1**	**50%**
Net finance charge	**(1.9)**	**(1.8)**	**6%**
Tax at 20%	**(17.9)**	**(11.9)**	**50%**
Mature profit after tax	**71.6**	**47.4**	**51%**
Mature EPS (p)	**7.6**	**5.0**	**52%**

Commensurate with the strong advance in operating profit, mature EPS improved by 52% to 7.6p.

Cash generation remains an attractive characteristic of the mature business. Once more, the conversion of mature profitability into cash has been strong, thereby continuing to contribute to the funding of our new centre growth.

£m	H1 2013	H1 2012
EBITDA	125.2	91.3
Working capital (estimated)	(3.9)	9.0
Maintenance capital expenditure	(30.6)	(24.7)
Other items (allocated)	1.4	(2.9)
Finance costs	(1.9)	0.4
Tax*	(17.9)	(11.9)
Mature free cash flow	**72.3**	**61.2**

* Tax at 20% of profit before tax

Maintenance capital expenditure for the first half was £30.6m (H1 2012: £24.7m), representing 4.9% of mature revenues (H1 2012: 4.2%); continuing broadly in line with our guidance of 4-5% for the full year.

We have experienced a small working capital outflow in the first half of the current year compared to an inflow in the corresponding period in 2012. This is the normal pattern resulting from the inclusion of the 2011 new centres in the mature business. These centres generate a working capital benefit early in their maturity (H1 2012) which diminishes as they reach maturity (H1 2013).

The 18% increase in mature free cash flow to £72.3m, represents 7.7p per share.

New Centres business (centres opened on or after 1 January 2012)

Against a backdrop of strong global customer demand we continue to invest in growing our network. Following the strong opening programme in the final quarter of 2012 (122 new centres opened) we have added a further 203 centres in the first half of 2013 (including the 64 acquired MWB centres), compared with 76 in the first half of 2012. In total, at the end of June 2013 we had 445 new centres, comprising 28% of the total number of centres.

There is a good pipeline of new openings and we remain on track to add at least 350 new centres this year and moving closer towards our target of at least 2,000 by 2014.

Overall, these new centres have represented a material investment and, with the increase in the pace of openings, provide a significant drag on the Group's income statement. This arises from the substantial investment into central overheads to support this growth and the initial negative gross margin while occupancy builds. Nonetheless, the performance of our new centres continues to be in line with management expectations.

The table below illustrates the material impact on the income statement of these new openings.

New Centre performance

£m	H1 2013	H1 2012
2012 Openings	66.4	6.6
2013 Openings	51.6	-
Revenues	**118.0**	**6.6**
2012 Openings	(1.6)	(5.4)
2013 Openings	4.1	-
Gross profit (centre contribution)	**2.5**	**(5.4)**
Overheads	(51.5)	(20.6)
MWB transaction and restructuring related costs	(7.4)	-
Operating profit	**(56.4)**	**(26.0)**
EBITDA	**(44.8)**	**(24.6)**

The 2012 openings are progressing to maturity in line with management's expectations. With the weighting of openings in 2012 towards the end of the year, these centres have weighed on profitability in the first half of 2013. There was, therefore, a negative gross profit on the 2012 openings of £1.6m. However, these centres continued to fill rapidly through the first half and we expect an improving contribution from these centres in the second half.

Inclusion of the MWB centres has resulted in a positive gross profit contribution from the 2013 new centre openings.

In the first half of 2013, the allocation of central overheads to support the new 2012 and 2013 centres, together with the actual costs relating to the MWB centres, as discussed above, improved significantly to £58.9m, (H1 2012: £20.6m) as the overall number of new centres increased and the pace of openings accelerated.

Consequently the New Centres business had an overall negative contribution of £56.4m to Group operating profit in the first half of 2013, compared with £26.0m for the corresponding period in 2012.

We set out below the cash flow impact of the investment in new centres:

£m	H1 2013	H1 2012
EBITDA	(44.8)	(24.6)
Working capital (estimated)	15.0	7.0
Growth capital expenditure	(166.6)	(64.5)
Other	2.2	-
Finance costs	(1.3)	(0.2)
Tax	9.1	7.0
Net investment in new centres	**(186.4)**	**(75.3)**

During the first half of 2013 the Group significantly increased its investment into growing the business from £75.3m to £186.4m. New centres continue to have a positive impact on working capital.

Every potential new centre location is rigorously evaluated by the investment committee and has to meet stringent financial hurdles before being approved. This is a process to which we apply maximum focus, given how critical the original investment decision is to our ultimate success.

Closures
In addition to closures arising from the normal expiry of leases, our portfolio of centres is constantly being reviewed against strong performance criteria. During the first half of 2013 we closed, relocated or resized 9 centres (H1 2012: 11). These centres contributed a modest operating loss of £0.7m, against a loss of £0.9m in the corresponding period.

Third Place
Our Third Place business continues to develop and while we are encouraged with progress made to date, it still remains too early to provide a meaningful representation of performance. As such, we have continued to report the results within our 'New Centre' segment. When the business becomes more financially meaningful, we will disclose its results separately. As previously stated however, there is no relaxation of our investment criteria in appraising these opportunities.

Overheads (including research & development)
We have maintained a strong focus on cost discipline during the first half and have continued to make progress whilst investing in growth and improving our competitive advantage. Total Group operating costs as a percentage of revenues were broadly static at 19.7% compared to 19.5% in the comparable period in 2012. This half year however includes £7.4m of transaction and restructuring costs related to the acquisition of MWB.

Excluding these transaction and restructuring costs, we have therefore seen a further underlying improvement in overhead efficiency with a 7% reduction in overhead costs per available workstation on a constant currency basis. This has been achieved whilst continuing to invest in generating and supporting future growth. For example, we have increased our expenditure on R&D by 52% to £3.2m. Being able to support such a level of investment is a key differentiator Regus has within a highly fragmented competitive landscape. More generally, costs continue to be rigorously controlled, as we enjoy both economies of scale and real efficiency and productivity improvements.

Overheads allocation methodology

We constantly monitor the appropriateness of the assumptions underlying our cost allocation methodology. With the business continuing to benefit from economies of scale and an increased number of centre openings, we have reviewed the original estimation of the cost of getting a new centre to the point of opening. Following this review, we estimate that the total cost of each centre opening is now approximately £110,000 compared with the previous cost of £130,000. Accordingly, we have applied this new cost to additions from 1 January, 2013. This adjustment aside, the methodology by which we have allocated overheads by maturity is consistent with that used in previous years and continues to reflect the activity drivers in each part of the business.

There are four elements to the allocation methodology:

- It is estimated that 90% of property team costs are spent on supporting our growth programme;
- As revised, each new centre costs approximately £110,000 to get to the stage of opening (£130,000 per centre for 2012 and earlier periods). This reflects the cost of management time, sales and marketing set-up costs (these costs are deducted before the allocation of sales and marketing costs as outlined below), human resources recruitment and training costs, and administrative and finance set-up costs;
- For the remainder of the sales and marketing costs the principle is that the allocation is made on the basis of new workstation sales as the nature of the spend is to generate new enquiries and convert these into new sales; and,
- For all other overhead costs we follow the principle of allocating the costs pro-rata by reference to available workstation numbers.

Group operating performance reconciliation

The following tables reconcile the elements of our business by maturity to the Group consolidated income statement down to operating profit and including EBITDA:

£m	Mature centres H1 2013	New centres H1 2013	Closed centres H1 2013	Total H1 2013
Revenue	626.0	118.0	0.7	744.7
Cost of sales	(447.3)	(115.5)	(1.3)	(564.1)
Gross profit (centre contribution)	178.7	2.5	(0.6)	180.6
Overheads	(87.6)	(51.5)	(0.1)	(139.2)
MWB transaction and restructuring related costs	-	(7.4)	-	(7.4)
Share of profit of joint ventures	0.3	-	-	0.3
Operating profit	**91.4**	**(56.4)**	**(0.7)**	**34.3**
EBITDA	**125.2**	**(44.8)**	**(0.8)**	**79.6**

£m	Mature centres H1 2012	New centres H1 2012	Closed centres H1 2012	Total H1 2012
Revenue	591.1	6.6	10.9	608.6
Cost of sales	(433.0)	(12.0)	(10.4)	(455.4)
Gross profit (centre contribution)	158.1	(5.4)	0.5	153.2
Overheads	(96.7)	(20.6)	(1.4)	(118.7)
Share of profit of joint ventures	(0.3)	-	-	(0.3)
Operating profit	**61.1**	**(26.0)**	**(0.9)**	**34.2**
EBITDA	**91.3**	**(24.6)**	**(0.2)**	**66.5**

Overall, Group revenues increased 20.8% at constant currency rates from £608.6m to £744.7m (a 22.4% increase at actual currency rates) and reported gross profit increased 16% from £153.2m to £180.6m at constant currency rates (up 18% at actual rates).

Reported operating profit was marginally ahead of the corresponding period at £34.3m (H1 2012: £34.2m). Excluding the impact of the transaction and restructuring related costs associated with the acquisition of MWB discussed earlier, there was a strong improvement in underlying operating profit of 22% to £41.7m.

Net finance costs

The increase in net finance costs to £3.2m (H1 2012: £2.0m) reflects, as anticipated, the cost of investment in growth. The financial expenses include £1.7m of fees and utilisation related expenses on our four-year, £200m revolving credit facility signed in August 2012.

Tax

The interim tax charge was 15.8% (H1 2012: 15.8%). The tax rate continues to be below our anticipated long-term effective tax rate of 20% as our profitability continues to benefit in 2013 from the accounting changes implemented in 2012 while there are limited implications of these changes for taxation. The first half charge also benefited from the release of an element of a tax provision following the resolution of an outstanding enquiry.

Earnings per share

Group earnings per share for the half year, after costs associated with the acquisition and integration of MWB, were down 3% to 2.8p (H1 2012: 2.9p). The weighted average number of shares in issue for the first half was 942,900,717 (H1 2012: 941,921,816). No shares were repurchased by the Group during the period.

Cash flow and funding

The table below reflects the Group's cash flow:

£m	H1 2013	H1 2012
Mature free cash flow	72.3	61.2
New investment in new centres	(186.4)	(75.3)
Closed centres cash flow	(0.9)	(0.3)
Total net cash flow from operations	(115.0)	(14.4)
Dividends	(20.8)	(18.8)
Corporate financing activities	(0.2)	(0.7)
Change in net cash	(136.0)	(33.9)
Opening net cash	120.0	188.3
Exchange movements	2.0	(1.1)
Closing net (debt) / cash	**(14.0)**	**153.3**

Underlying cash generation from the mature business remains strong with a mature free cash flow of £72.3m and has facilitated the funding of the investment in new centre openings.

As planned, we materially increased our investment in growing the business. In the first half of 2013, we invested £186.4m in new centres compared to £75.3m in the corresponding period. Together with the prior year's final dividend payment this has resulted in a significant net cash outflow for the Group.

As our business grows (we have added 445 centres over the last 18 months to stand at 1,605 centres at 30 June 2013), the underlying operational cash generation increases further, as does our ability to fund future growth from internal cash generation.

We believe that the combination of our strong financial position, increased operational cash generation, and access to the £200m revolving credit facility provide the Group with the appropriate financial headroom to execute our strategy while maintaining a robust capital structure.

The Group is driven by risk-adjusted returns and will only continue to invest if the macro environment is amenable and centre performance meets our exacting returns criteria. Accordingly, we have always indicated that we can quickly curtail growth in the event that we determine a need to do so.

Strong focus on risk management

The principal risks and uncertainties affecting the Group remain unchanged. A detailed assessment of the principal risks and uncertainties which could impact the Group's long term performance and the risk management structure in place to identify, manage and mitigate such risks can be found in the corporate governance section of the 2012 Annual Report and Accounts (pages 24 to 30).

Our focus on risk management remains resolute. Although we would not be immune to a significant economic event, we continue to build a business with greater resilience and flexibility.

The Group has a very diverse revenue base, given its global reach, extensive range of products, and increasing numbers of customers across a broad spectrum of different industries. As such, its exposure to localised economic issues or the health of individual industries is manageable.

Over recent years the Group has done much to manage the risks associated with its lease obligations, with rental costs being an important part of the Group's cost of sales. The Group's forward order book provides good visibility over our sales in the near term and these equate to almost two years of rental costs. In addition, 82% of the Group's leases are flexible or fully variable in nature and this percentage continues to grow as we accelerate our new centre opening programme.

We continue to monitor the attempts by the International Accounting Standards Board and its US counterpart, the Financial Accounting Standards Board, to find a solution to the perennial debate on lease accounting. A second Exposure Draft was issued in May 2013. Nonetheless it still remains unclear how this debate will conclude. Regardless, it will have no impact on the underlying commercial dynamics of our business.

The Group's results are exposed to translation risk from the movement in currencies. The movement in exchange rates during the period increased reported revenue, gross profit and operating profit by £11.2m, £2.9m, and £0.7m respectively over the corresponding period last year, with the weakening of Sterling against the US Dollar having the greatest impact. Set out in the table below are some of the principal exchange rates affecting the Group's overseas profits and net assets.

Foreign exchange rates

Per £ Sterling	At 30 June			Half year average		
	2013	2012	%	2013	2012	%
US Dollar	1.53	1.56	2%	1.54	1.58	3%
Euro	1.17	1.24	6%	1.17	1.22	4%
Japanese Yen	150.89	124.22	(21%)	146.95	126.27	(16%)

Related parties

There have been no changes to the type of related party transactions entered into by the Group that had a material effect on the financial statements for the six-month period ended 30 June 2013 from those described in note 30 to the 2012 Annual Report and Accounts (pages 86 to 87).

Dividends

A final dividend of 2.2p per share was paid by Regus plc in May 2013 following shareholder approval (2012: 2.0p).

In line with Regus' progressive dividend policy the Board has increased the 2013 interim dividend by 10% to 1.1p per share (H1 2012: 1.0p). The interim dividend will be paid on Friday, 4 October 2013 to shareholders on the register at the close of business on Friday, 6 September 2013.

Dominique Yates
Chief Financial Officer
27 August 2013

Condensed Consolidated Financial Information

Interim consolidated income statement (unaudited)

£m	Notes	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Revenue	2	**744.7**	608.6
Cost of sales		**(564.1)**	(455.4)
Gross profit (centre contribution)		**180.6**	153.2
Selling, general and administrative expenses		**(143.4)**	(116.6)
Research and development expense		**(3.2)**	(2.1)
Share of post-tax profit / (loss) of joint ventures		**0.3**	(0.3)
Operating profit		**34.3**	34.2
Finance expense		**(4.0)**	(2.6)
Finance income		**0.8**	0.6
Net finance expense		**(3.2)**	**(2.0)**
Profit before tax for the period	2	**31.1**	32.2
Tax charge		**(4.9)**	(5.1)
Profit for the period		**26.2**	27.1
Profit attributable to:			
Equity shareholders of the parent		**26.2**	27.1
Non-controlling interests		**-**	-
Profit for the period		**26.2**	27.1

Interim consolidated statement of comprehensive income (unaudited)

£m	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Profit for the period	**26.2**	27.1
Other comprehensive income:		
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:		
Foreign currency translation differences for foreign operations	**10.4**	(1.5)
Net other comprehensive income that are or may be reclassified to profit or loss in subsequent periods	**10.4**	(1.5)
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit liability	**-**	-
Income tax effect	**-**	-
Net other comprehensive income that will never be reclassified to profit or loss in subsequent periods	**-**	-
Other comprehensive income for the period, net of income tax	**10.4**	(1.5)
Total comprehensive income for the period, net of tax	**36.6**	25.6
Total comprehensive income attributable to:		
Equity shareholders of the parent	**36.6**	25.6
Non-controlling interests	**-**	-
Total comprehensive income for the period	**36.6**	25.6

Earnings per ordinary share (EPS):	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Basic (p)	**2.8**	2.9
Diluted (p)	**2.7**	2.9

The above interim consolidated income statement and interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim consolidated statement of changes in equity (unaudited)

£m	Notes	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Other	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the parent (note a)								
Balance at 1 January 2012		**9.5**	**(7.1)**	**48.5**	**10.5**	**15.3**	**424.1**	**500.8**	**-**	**500.8**
Total comprehensive income for the period:										
Profit for the period		-	-	-	-	-	27.1	27.1	-	27.1
Other comprehensive income:										
Foreign currency translation differences for foreign operations		-	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Total other comprehensive income, net of income tax		-	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Total comprehensive income for the period		-	-	(1.5)	-	-	27.1	25.6	-	25.6
Transactions with owners, recorded directly in equity:										
Share based payments		-	-	-	-	-	0.3	0.3	-	0.3
Ordinary dividend paid	3	-	-	-	-	-	(18.8)	(18.8)	-	(18.8)
Settlement of share awards		-	-	-	-	-	(2.0)	(2.0)	-	(2.0)
Balance at 30 June 2012		**9.5**	**(7.1)**	**47.0**	**10.5**	**15.3**	**430.7**	**505.9**	**-**	**505.9**
Balance at 1 January 2013		**9.5**	**(7.0)**	**34.0**	**10.5**	**15.3**	**465.1**	**527.4**	**-**	**527.4**
Total comprehensive income for the period:										
Profit for the period		-	-	-	-	-	26.2	26.2	-	26.2
Other comprehensive income:										
Foreign currency translation differences for foreign operations		-	-	10.4	-	-	-	10.4	-	10.4
Total other comprehensive income, net of income tax		-	-	10.4	-	-	-	10.4	-	10.4
Total comprehensive income for the period		-	-	10.4	-	-	26.2	36.6	-	36.6
Transactions with owners, recorded directly in equity:										
Share based payments		-	-	-	-	-	1.3	1.3	-	1.3
Ordinary dividend paid	3	-	-	-	-	-	(20.8)	(20.8)	-	(20.8)
Non-controlling interests recognised on acquisition	11	-	-	-	-	-	(16.3)	(16.3)	(5.6)	(21.9)
Acquisition of non-controlling interests	11	-	-	-	-	-	(5.6)	(5.6)	5.6	-
Settlement of share awards		-	1.5	-	-	-	(2.5)	(1.0)	-	(1.0)
Balance at 30 June 2013		**9.5**	**(5.5)**	**44.4**	**10.5**	**15.3**	**447.4**	**521.6**	**-**	**521.6**

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

- Share capital represents the nominal value arising on the issue of the Company's equity share capital.
- Treasury shares represent 7,052,958 (30 June 2012: 9,024,077) ordinary shares of the Group that were acquired for the purposes of the Group's employee share option plans and the share buyback programme. During the period nil (2012: nil) shares were purchased and 1,929,181 (2012: 46,829) were utilised to satisfy the exercise of share options by employees. At 27 August 2013, 7,037,901 treasury shares were held.
- The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures.
- The revaluation reserve arose on the restatement of the assets and liabilities of the UK associate from historic cost to fair value at the time of the acquisition of the outstanding 58% interest on 19 April 2006.
- Other reserves include £37.9 million arising from the Scheme of Arrangement undertaken on 14 October 2008, £6.5 million relating to merger reserves and £0.1 million to the redemption of preference shares partly offset by £29.2 million arising from the Scheme of Arrangement undertaken in 2003.

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Interim consolidated balance sheet

£m	Notes	**As at 30 June 2013 (unaudited)**	As at 30 June 2012 (unaudited)	As at 31 December 2012*
Non-current assets				
Goodwill	4	**432.7**	286.8	317.0
Other intangible assets		**52.5**	45.7	46.9
Property, plant and equipment	5	**549.2**	384.0	437.5
Deferred tax assets		**35.7**	31.3	33.9
Other long term receivables		**41.8**	38.1	35.7
Investments in joint ventures		**1.7**	1.6	1.7
		1,113.6	787.5	872.7
Current assets				
Trade and other receivables		**374.9**	287.5	290.8
Corporation tax receivable		**8.2**	8.6	5.7
Cash and cash equivalents	6	**73.8**	161.5	132.3
		456.9	457.6	428.8
Total assets		**1570.5**	1,245.1	1,301.5
Current liabilities				
Trade and other payables (incl. customer deposits)		**(554.2)**	(433.3)	(447.7)
Deferred income		**(185.0)**	(145.3)	(151.1)
Corporation tax payable		**(5.5)**	(7.0)	(6.8)
Obligations under finance leases	6	**(0.2)**	(1.2)	(0.6)
Bank and other loans	6	**(0.8)**	(1.0)	(4.8)
Provisions		**(4.3)**	(1.7)	(1.5)
		(750.0)	(589.5)	(612.5)
Net current liabilities		**(293.1)**	(131.9)	(183.7)
Total assets less current liabilities		**820.5**	655.6	689.0
Non-current liabilities				
Other payables		**(198.7)**	(135.3)	(147.4)
Obligations under finance leases	6	**(0.1)**	(0.2)	(0.1)
Bank and other loans	6	**(86.7)**	(5.8)	(6.8)
Deferred tax liability		**(1.0)**	(1.1)	(1.3)
Provisions		**(11.4)**	(6.0)	(4.6)
Provision for deficit in joint ventures		**(0.8)**	(1.2)	(1.2)
Retirement benefit obligations		**(0.2)**	(0.1)	(0.2)
		(298.9)	(149.7)	(161.6)
Total liabilities		**(1,048.9)**	(739.2)	(774.1)
Total assets less liabilities		**521.6**	505.9	527.4
Total equity				
Issued share capital		**9.5**	9.5	9.5
Treasury shares		**(5.5)**	(7.1)	(7.0)
Foreign currency translation reserve		**44.4**	47.0	34.0
Revaluation reserve		**10.5**	10.5	10.5
Other reserves		**15.3**	15.3	15.3
Retained earnings		**447.4**	430.7	465.1
Total shareholders' equity		**521.6**	505.9	527.4
Non-controlling interests		**-**	-	-
Total equity		**521.6**	505.9	527.4
Total equity and liabilities		**1,570.5**	1,245.1	1,301.5

* Based on the audited financial statements for the year ended 31 December 2012.

The above interim consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim consolidated statement of cash flows (unaudited)

£m	Notes	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Profit before tax for the period		**31.1**	32.2
Adjustments for:			
Net finance expense		**3.2**	2.0
Net share of (profit) / loss on joint ventures, net of income tax		**(0.3)**	0.3
Depreciation charge		**41.0**	29.2
(Gain) / Loss on disposal of property, plant and equipment		**0.4**	-
Amortisation of intangible assets		**4.3**	3.1
(Gain) / Loss on disposal of intangible assets		**-**	-
Increase / (Decrease) in provisions		**3.1**	(2.6)
Share based payments		**1.3**	0.3
Other non-cash movements		**(0.7)**	0.4
Operating cash flows before movements in working capital		**83.4**	64.9
Increase in trade and other receivables		**(49.9)**	(21.6)
Increase in trade and other payables		**61.0**	37.5
Cash generated from operations		**94.5**	80.8
Interest paid		**(4.0)**	(0.3)
Tax paid		**(8.8)**	(4.8)
Net cash inflows from operating activities		**81.7**	75.7
Investing activities			
Purchase of subsidiary undertakings (net of cash acquired)	11	**(65.2)**	(4.2)
Dividends received from joint ventures		**0.6**	0.6
Proceeds on sale of property, plant and equipment	5	**0.1**	0.1
Purchase of property, plant and equipment	5	**(108.0)**	(82.2)
Purchase of intangible assets		**(7.7)**	(2.8)
Interest received		**0.7**	0.5
Cash (Outflows) from investing activities		**(179.5)**	(88.0)
Financing activities			
Net proceeds from issue of loans	6	**78.9**	0.4
Repayment of loans	6	**(3.4)**	(0.6)
Repayment of principal under finance leases	6	**(0.4)**	(0.7)
Acquisition of non-controlling interests	11	**(16.3)**	-
Re-issuance of treasury shares		**1.5**	-
Settlement of share awards		**(2.5)**	(2.0)
Payment of ordinary dividend	3	**(20.8)**	(18.8)
Cash (Outflows) from financing activities		**37.0**	(21.7)
Net decrease in cash and cash equivalents	6	**(60.8)**	(34.0)
Cash and cash equivalents at beginning of period	6	**132.3**	197.5
Effect of exchange rate fluctuations on cash held	6	**2.3**	(2.0)
Cash and cash equivalents at end of period	6	**73.8**	161.5

The above interim consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Condensed Interim Consolidated Financial Information (unaudited)

Note 1: Basis of preparation and accounting policies

Regus plc S.A. is a public limited company incorporated in Jersey and registered and domiciled in Luxembourg. The Company's ordinary shares are traded on the London Stock Exchange. Regus plc S.A. owns an international network of business centres which are leased to a variety of business customers.

The unaudited condensed interim consolidated financial information as at and for the six months ended 30 June 2013 included within the half yearly report:

- was prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as adopted by the European Union ("adopted IFRS"), and therefore does not include all disclosures that would otherwise be required in a complete set of financial statements. Selected explanatory notes are included to understand events and transactions that are significant to understand the changes in the Group's financial position and performance since the last Regus plc Annual Report and Accounts for the year ended 31 December 2012;
- was prepared in accordance with the Disclosure and Transparency Rules ("DTR") of the Financial Services Authority;
- comprise the Company and its subsidiaries (the "Group") and the Group's interests in jointly controlled entities;
- do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2012 has been filed with both the Luxembourg Register of Commerce and the Jersey Companies Registry. Those accounts have been reported on by the Company's auditors and the report of the auditors was (i) unqualified, and (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report. These accounts are available from the Company's website - www.regus.com; and
- the condensed consolidated interim financial information was approved by the Board of Directors on 27 August 2013.

In preparing this condensed consolidated interim financial information, the significant judgments made by management and the key sources of estimation of uncertainty were the same as those that applied to the Report and Accounts for the year ended 31 December 2012. The basis of preparation and accounting policies set out in the Report and Accounts for the year ended 31 December 2012 have been applied in the preparation of this half yearly report, except for the adoption of new standards and interpretations effective as of 1 January 2013.

The following standards, interpretations and amendments to standards were applicable to the Group for periods commencing on or after 1 January 2013:

Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income – The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and has no impact on the Group's financial position or performance.

Amendment to IAS 12 - Deferred Tax accounting for investment property at fair value - The amendment introduces a rebuttable assumption that deferred tax on investment properties measured at fair value will be recognised on a sale basis, unless an entity has a business model that would indicate the investment property will be consumed in business. The amendment also introduces the requirement that deferred tax on non-depreciable assets measured using model in IAS 16 should always be measured on a sale basis. As a result of this amendment, SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets has been withdrawn. The amendment has no impact on the Group's financial position or performance.

Amendment to IAS 19 - Employee Benefits - IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. In case of the Group, the transition to IAS 19R affected presentation only and had no material impact on the Group's financial position or performance. The amendment to the standard has no significant impact on the financial position or performance of the Group

Amendments to IFRS 1 - Government Loans - First-time adoption of international financial reporting standards aligns IFRS 1 with the IAS 20 requirements (after its revision in 2008) to prospectively fair value government loans with a below-market rate of interest. The statement has added an exception that allows a first-time adopter to use its previous GAAP carrying amount for such loans on transition to IFRS. The exception applies to recognition and measurement only. Management should use the requirements of IAS 32, 'Financial instruments: Presentation', to determine whether government loans are classified as equity or as a financial liability. The amendment to the standard has no impact on the financial position or performance of the Group. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

Amendments to IFRS 7 - Financial Instruments: Disclosures / Offsetting Financial Assets and Financial Liabilities - The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. The Group does not have any financial assets with the right of off-set. The amendment to the standard has no impact on the financial position or performance of the Group.

Note 1: Basis of preparation and accounting policies (continued)

New IFRS 13 - Fair Value Measurement: Establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. This disclosure has been provided in Note 7.

In addition, the following new or amended standards and interpretations that are mandatory for 2013 annual periods have not had a material impact on the Company:

- Annual Improvements to IFRSs (2009 - 2011 Cycle)
- IFRIC 20 Stripping Costs in the Production Phases of a Surface Mine
- Amendment to IFRS 1 - Exemption for severe hyperinflation and removal of fixed dates

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Seasonality

The majority of the Group's revenue is contracted and is therefore not subject to significant seasonal fluctuations. Demand based revenue (from products such as Meeting Rooms and Customer Services) is impacted by seasonal factors within the year, particularly around summer and winter vacation periods. This fluctuation leads to a small seasonal profit bias to the second half year compared to the first half. However, this seasonal bias is often hidden by other factors which drive changes in the pattern of profit delivery such as the addition of new centres or changes in demand or prices.

Going concern

After making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the accounts.

Note 2: Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including those that relate to transactions with other operating segments. An operating segment's results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The business is run on a worldwide basis but managed through four principal geographical segments; Americas; Europe, Middle East and Africa (EMEA); Asia Pacific; and the United Kingdom. The United Kingdom segment does not include the Group's non-trading holding and corporate management companies that are based in the UK and the EMEA segment does not include the Group's non-trading head office and holding companies that are based in Luxembourg. The results of business centres in each of these regions form the basis for reporting geographical results to the chief operating decision maker (the Board of Directors of the Group). All reportable segments are involved in the provision of global workplace solutions. The Group's reportable segments operate in different markets and are managed separately because of the different economic characteristics that exist in each of those markets. Each reportable segment has its own discrete senior management team responsible for the performance of the segment. The accounting policies of the operating segments are the same as those described in the Annual Report and Accounts for Regus plc for the year ended 31 December 2012. The performance of each segment is assessed on the basis of the segment operating profit which excludes certain non-recurring items (including provisions for onerous contracts and asset write-downs), exceptional gains and losses, internal management charges and foreign exchange gains and losses arising on transactions with other operating segments.

£m Six months ended 30 June	**Americas**		**EMEA**		**Asia Pacific**		**United Kingdom**		**All other segments**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Revenues from external customers	**316.2**	259.8	**165.0**	150.4	**111.2**	92.3	**151.4**	105.4	**0.9**	0.7	**744.7**	608.6
Revenues from internal customers	**0.5**	-	**0.1**	0.2	**-**	-	**0.9**	0.8	**-**	-	**1.5**	1.0
Segment revenues	**316.7**	259.8	**165.1**	150.6	**111.2**	92.3	**152.3**	106.2	**0.9**	0.7	**746.2**	609.6
Reportable segment profit before tax	**36.3**	30.8	**14.6**	13.8	**12.3**	15.1	**6.2**	3.8	**(1.5)**	(0.6)	**67.9**	62.9
Reportable segment assets	**848.4**	626.0	**332.3**	299.1	**220.4**	176.0	**487.8**	302.8	**2.0**	1.7	**1,890.9**	1,405.6
Reportable segment liabilities	**(516.2)**	(347.5)	**(380.8)**	(319.6)	**(196.5)**	(163.3)	**(510.1)**	(294.7)	**(0.8)**	(0.6)	**(1,604.4)**	**(1,125.7)**

Note 2: Operating segments (continued)

Reconciliation of reportable segment profit to published profit:

£m	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Reportable segment profit	**67.9**	62.9
Elimination of inter-segment revenue	**(1.5)**	(1.0)
Corporate overheads	**(32.4)**	(27.4)
Share of post-tax profit of joint ventures	**0.3**	(0.3)
Net finance expense	**(3.2)**	(2.0)
Published Group profit before tax	**31.1**	32.2

There have been no changes to the basis of segmentation or the measurement basis for the segment profit since 31 December 2012.

Note 3: Dividends

Equity dividends on ordinary shares paid during the period:

£m	**Six months ended 30 June 2013**	Six months ended 30 June 2012
Final dividend for the year ended 31 December 2012: 2.2 pence per share (2011: 2.00 pence per share)	**20.8**	18.8

Note 4: Goodwill and indefinite life intangible assets

As at 30 June 2013, the carrying value of the Group's goodwill and indefinite life intangible asset was £432.7 million and £11.2 million respectively (31 December 2012: £317.0 million and £11.2 million respectively). The last annual review of the carrying value of the goodwill and indefinite life intangible was performed as at 31 October 2012 and updated at 31 December 2012.

Note 5: Property, plant and equipment

During the six months ended 30 June 2013, the Group acquired assets with a cost of £108.0 million (30 June 2012: £82.2 million). Assets with a net book of value £0.4 million (30 June 2012: £0.1 million) were disposed of during the period for £0.1 million (30 June 2012: £0.1 million).

Capital expenditure authorised and contracted for but not provided for in the accounts amounted to £98.5 million (30 June 2012: £71.4 million).

Note 6: Analysis of net financial resources

£m	At 1 Jan 2013	Cash flow	Non-cash changes	Exchange movement	**At 30 June 2013**
Cash and cash equivalents	132.3	(60.8)	-	2.3	**73.8**
Gross cash	132.3	(60.8)	-	2.3	**73.8**
Debt due within one year	(4.8)	4.2	-	(0.2)	**(0.8)**
Debt due after one year	(6.8)	(79.7)	(0.1)	(0.1)	**(86.7)**
Finance leases due within one year	(0.6)	0.4	-	-	**(0.2)**
Finance leases due after one year	(0.1)	-	-	-	**(0.1)**
	(12.3)	(75.1)	(0.1)	(0.3)	**(87.8)**
Net financial assets / (liabilities)	120.0	(135.9)	(0.1)	2.0	**(14.0)**

Cash, cash equivalents and liquid investment balances held by the Group that are not available for use (''Blocked Cash'') amounted to £21.0 million at 30 June 2013 (31 December 2012: £64.7 million).

Of this balance, £19.3 million (31 December 2012: £19.9 million) is pledged as security against outstanding bank guarantees and a further £1.7 million (31 December 2012: £44.8 million) is pledged against various other commitments of the Group.

Note 7: Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts included in the consolidated statement of financial position, are as follows:

	At 30 June 2013	
	Carrying amount £m	**Fair value £m**
Financial assets:		
Trade and other receivables [1]	**285.0**	**285.0**
Total	**285.0**	**285.0**

Note 1 - Excluding prepayments, accrued income and other sundry balances which are not classified as financial assets

Financial liabilities:		
Trade and other payables [2]	**(227.1)**	**(227.1)**
Customer deposits	**(237.2)**	**(237.2)**
Obligations under finance leases	**(0.3)**	**(0.3)**
Bank loans	**(86.0)**	**(86.0)**
Other loans	**(1.5)**	**(1.5)**
Total	**(552.1)**	**(552.1)**

Note 2 – Excluding deferred income and other sundry balances are not classified as financial liabilities

Unrecognised gain	**-**

Summary of methods and assumptions:

Trade and other receivables/payables and customer deposits

For receivables/payables with a remaining life of less than one year and customer deposits, the book value approximates the fair value because of their short-term nature.

Finance lease liabilities

The fair value of finance leases has been calculated by discounting future cash flows at an appropriate discount rate which reflects current market assessments and the risks specific to such liabilities.

Loans and overdrafts

The fair value of bank loans, overdrafts and other loans approximates the carrying value because interest rates are at floating rates where payments are reset to market rates at intervals of less than one year.

Note 8: Share based payment

During the period the Group awarded nil options (2012: nil) and nil conditional share awards (2012: nil) under the Long term Incentive Plan and 1,521,470 shares were granted under the Co-Investment Plan (2012: nil). During 2013 7,741,000 options (2012: 11,047,000) were granted under the Share Option Plan.

Note 9: Contingent liabilities

The Group has bank guarantees and letters of credit held with certain banks amounting to £110.3 million (31 December 2012: £101.4 million). There are no material lawsuits pending against the group.

Note 10: Related parties

The nature of related parties as disclosed in the consolidated financial statements for the Group for the year ended 31 December 2012 has not changed.

£m	**Management fees received from related parties**	**Amounts owed by related party**	**Amounts owed to related party**
2013			
Joint Ventures	**1.0**	**3.4**	**3.1**
2012			
Joint Ventures	1.0	6.9	2.4

As at 30 June 2013, £nil of the amounts due to the Group have been provided for (30 June 2012: £nil). Transactions with related parties did not have a material effect on the financial results for the six months ended 30 June 2013.

Note 10: Related parties (continued)

During the period the Group acquired goods and services from a company indirectly controlled by a director of the Company amounting to £15,730 (30 June 2012: £18,209).

Compensation paid to the key management personnel of the Group will be disclosed in the Group's Annual Report and Accounts for the year ending 31 December 2013.

Note 11: Acquisitions of subsidiaries and non-controlling interest

During the six month period ended 30 June 2013 the Group made the following acquisitions:

Name	Region	Purchase consideration £m	Percentage of equity and voting rights acquired	Date of acquisition
Equity share capital business acquisition:				
MWB Business Exchange Plc	UK	49.4	75.22	20 February 2013

The remaining 24.78% MWB Business Exchange Plc share capital was subsequently acquired on 22 March 2013 for a purchase consideration of £16.3million.

In addition to the above, a further £24.4 million of purchase consideration was paid to complete a further three business and net asset acquisitions during the six month period ended 30 June 2013.

The completion of business or net asset acquisitions is a key component of our strategic aim to expand our network.

MWB Business Exchange Plc acquisition

On 20 February 2013, the Group acquired 75.22% of MWB Business Exchange Plc. The remaining non-controlling interest ("NCI") of 24.78% was subsequently acquired on 22 March 2013. The subsequent acquisition of this NCI was accounted for under the present-access method, resulting in an equity transaction of £16.3 million. The total purchase consideration for MWB Business Exchange Plc was £65.7 million.

£m	Book value on acquisition	Provisional fair value recognised on acquisition
Net assets acquired		
Intangible assets	7.6	8.5
Property, plant and equipment	34.9	25.8
Cash	6.8	6.8
Other current and non-current assets	26.2	20.3
Current liabilities	(51.6)	(51.6)
Non-current liabilities	(23.1)	(32.3)
	0.8	**(22.5)**
Non-controlling interests (24.78%) recognised in the acquired net assets and liabilities of MWB Business Exchange Plc (1)		5.6
Goodwill arising on acquisition		66.3
Total consideration		**49.4**
Cash flow on acquisition		
Cash paid		49.4
Net cash outflow		**49.4**

Note 1 – The remaining NCI of 24.78% was subsequently acquired on 22 March 2013. This subsequent acquisition was accounted for under the present-access method, resulting in an equity transaction of £16.3 million.

The goodwill arising on the above acquisition reflects the anticipated future benefits Regus can obtain from operating the business more efficiently, primarily through increasing occupancy and the addition of value adding services. None of the above goodwill is expected to be deductible for tax purposes.

There was no contingent consideration arising on this acquisition.

The external acquisition costs associated with this transaction was £3.9 million, recorded within selling, general and administration expenses within the interim consolidated income statement.

From the date of acquisition to 30 June 2013, MWB Business Exchange has contributed a loss of £6.6m to the profit of the group. If the acquisition had taken place at the beginning of the year, the consolidated profit before tax of the Group would have been £28.9m and revenue from the continuing operations would have been £761.9m.

Note 11: Acquisitions of subsidiaries and non-controlling interest (continued)

Other small acquisitions

£m	Book value on acquisition	Provisional fair value recognised on acquisition
Net assets acquired		
Intangible assets	-	-
Property, plant and equipment	8.0	5.4
Cash	1.8	1.8
Other current and non-current assets	2.9	4.5
Current liabilities	(3.5)	(7.5)
Non-current liabilities	(9.7)	(11.9)
	(0.5)	**(7.7)**
Goodwill arising on acquisition		**32.1**
Total consideration		**24.4**
Cash flow on acquisition		
Cash paid		**24.4**
Net cash outflow		**24.4**

The goodwill arising on the above acquisitions reflects the anticipated future benefits Regus can obtain from operating the businesses more efficiently, primarily through increasing occupancy and the addition of value adding services. £3.0 million of the above goodwill is expected to be deductible for tax purposes.

There was no contingent consideration arising on the above acquisitions.

The external acquisition costs associated with these transactions were £0.6 million, recorded within selling, general and administration expenses within the interim consolidated income statement.

During the six month period ended 30 June 2012 the Group made a number of small acquisitions for a total consideration of £4.2m.

£m	Book value on acquisition	Final fair value recognised on acquisition
Net assets acquired		
Intangible assets	-	0.3
Property, plant and equipment	1.1	1.3
Cash	0.1	0.1
Other current and non-current assets	0.3	0.3
Current liabilities	(0.6)	(0.6)
Non-current liabilities	(0.4)	(0.4)
	0.5	**1.0**
Goodwill arising on acquisition		3.2
Total consideration		**4.2**
Cash flow on acquisition		
Cash paid		4.2
Net cash outflow		**4.2**

The goodwill arising on the above acquisitions reflects the anticipated future benefits Regus can obtain from operating the businesses more efficiently, primarily through increasing occupancy and the addition of value adding services. £1.7 million of the above goodwill is expected to be deductible for tax purposes.

There was no contingent consideration arising on the above acquisitions.

The external acquisition costs associated with these transactions were £0.1 million, recorded within selling, general and administration expenses within the interim consolidated income statement.

Note 12: Events after the balance sheet date

There were no significant events occurring after 30 June 2013 affecting the condensed interim financial information of the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

This interim management report is the responsibility of, and has been approved on 27 August 2013 by, the directors of Regus plc (Société Anonyme). We confirm that to the best of our knowledge this unaudited condensed set of financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency Rules.

The Directors did not engage the Group's auditor, KPMG Luxembourg S.à.r.l., to perform a formal review of the unaudited condensed set of financial information in the half-yearly report for the six months ended 30 June 2013.

The Directors of Regus Plc are listed in the Group's Annual Report and Accounts for the year ended 31 December 2012.

A list of current Directors is maintained on the Regus plc website: http://www.regus.com/investors/our-senior-team.aspx

By order of the Board

Mark Dixon	Dominique Yates
Chief Executive Officer	Chief Financial Officer

27 August 2013

Other Information

Segmental analysis – management basis (unaudited)

	Americas 2013	EMEA 2013	Asia Pacific 2013	UK 2013	All other segments 2013	Total 2013
Mature[1]						
Workstations[4]	84,248	39,202	30,843	35,667	-	189,960
Occupancy (%)	86.5	81.8	83.0	82.7	-	84.2
Revenue (£m)	273.9	154.2	93.5	103.5	0.9	626.0
Contribution (£m)	87.7	41.5	29.4	20.5	0.7	179.8
REWPOW	3,760	4,811	3,654	3,511	-	3,913
2012 Expansions[2]						
Workstations[4]	20,364	3,909	12,517	1,092	-	37,882
Occupancy (%)	70.6	71.6	53.9	80.6	-	65.5
Revenue (£m)	37.2	9.0	17.3	2.9	-	66.4
Contribution (£m)	(0.6)	(0.2)	(1.0)	0.2	-	(1.6)
2013 Expansions[2]						
Workstations[4]	4,519	1,047	1,390	11,311	-	18,267
Occupancy (%)	50.9	33.3	9.4	81.0	-	65.4
Revenue (£m)	5.1	1.1	0.4	45.0	-	51.6
Contribution (£m)	(4.4)	(1.0)	(1.4)	10.9	-	4.1
Closures						
Workstations[4]	34	259	-	-	-	293
Occupancy (%)	74.0	78.8	-	-	-	78.1
Revenue (£m)	0.0	0.7	-	-	-	0.7
Contribution (£m)	(0.2)	(0.4)	-	-	-	(0.6)
Totals						
Workstations[4]	109,165	44,417	44,750	48,070	-	246,402
Occupancy (%)	82.0	79.7	72.6	82.2	-	79.9
Revenue (£m)	316.2	165.0	111.2	151.4	0.9	744.7
Contribution (£m)	82.5	39.9	27.0	31.6	0.7	181.7
Unallocated contribution (£m)	-	-	-	-	-	(1.1)
REVPAW (£)	2,897	3,715	2,485	3,150	-	3,022
Period end workstations[5]						
Mature	84,677	39,575	30,839	36,736	-	191,827
2012 Expansions	20,705	4,205	12,041	592	-	37,543
2013 Expansions	12,663	2,660	3,386	16,022	-	34,731
Totals	118,045	46,440	46,266	53,350	-	264,101

Segmental analysis – management basis (unaudited) (continued)

	Americas	EMEA	Asia Pacific	UK	All other segments	Total
	2012	2012	2012	2012	2012	2012
Mature[1]						
Workstations[4]	**84,254**	**38,550**	**30,265**	**36,377**	**-**	**189,446**
Occupancy (%)	**86.5**	**81.5**	**81.3**	**82.5**	**-**	**83.9**
Revenue (£m)	**253.0**	**145.2**	**90.6**	**101.6**	**0.7**	**591.1**
Contribution (£m)	**73.3**	**38.7**	**28.4**	**16.6**	**0.7**	**157.7**
REWPOW	**3,471**	**4,622**	**3,682**	**3,385**	**-**	**3,721**
2012 Expansions[2]						
Workstations[4]	**2,508**	**1,022**	**1,665**	**627**	**-**	**5,822**
Occupancy (%)	**44.2**	**33.8**	**26.9**	**83.4**	**-**	**41.6**
Revenue (£m)	**2.3**	**1.4**	**1.2**	**1.7**	**-**	**6.6**
Contribution (£m)	**(2.6)**	**(1.4)**	**(1.4)**	**-**	**-**	**(5.4)**
Closures[3]						
Workstations[4]	**882**	**860**	**216**	**1,191**	**-**	**3,149**
Occupancy (%)	**78.9**	**73.6**	**87.4**	**68.8**	**-**	**74.2**
Revenue (£m)	**4.5**	**3.8**	**0.5**	**2.1**	**-**	**10.9**
Contribution (£m)	**1.4**	**0.6**	**0.2**	**(1.7)**	**-**	**0.5**
Totals						
Workstations[4]	**87,644**	**40,432**	**32,146**	**38,195**	**-**	**198,417**
Occupancy (%)	**85.2**	**80.1**	**78.5**	**82.0**	**-**	**82.5**
Revenue (£m)	**259.8**	**150.4**	**92.3**	**105.4**	**0.7**	**608.6**
Contribution (£m)	**72.1**	**37.9**	**27.2**	**14.9**	**0.7**	**152.8**
Unallocated contribution (£m)	**-**	**-**	**-**	**-**	**-**	**0.4**
REVPAW (£)	**2,964**	**3,720**	**2,871**	**2,760**	**-**	**3,067**

Notes:

1. The mature business comprises centres opened on or before 31 December 2011.
2. Expansions include new centres opened and acquired businesses.
3. A closure for the 2012 comparative data is defined as a centre closed during the period from 1 January 2012 to 30 June 2013.
4. Workstation numbers are calculated as the weighted average for the period.
5. Workstations available at period end.