INTERIM MANAGEMENT STATEMENT – 29 October 2013

Regus plc, the global workplace provider, today announces an update on current trading.

Another period of good performance

The financial performance of Regus' Mature Centres business remained strong in the third quarter of 2013 and has made further progress against strengthening comparatives.

In the third quarter, Group turnover increased to £386.6m compared with £307.3m in the corresponding period last year, an increase of 25.5% at constant currency rates (25.8% at actual rates). For the nine months ended 30 September 2013, Group turnover increased to £1,131.4m compared with £916.0m for the same period last year; an improvement of 22.4% at constant currency rates (23.5% at actual rates). As at 30 September 2013, the Group had a total of 1,687 centres and 288,406 workstations (including non-consolidated[1]) compared with 1,605 centres and 277,216 workstations at 30 June 2013.

We previously expected to add at least 350 new centres this year. Having successfully identified and completed more investment opportunities than we had originally anticipated, we now expect to add between 420 and 440 new centres to our network in 2013. While this will lead to additional opening costs and initial operating losses which will impact the Group's full year results, we remain confident that our strategy to make significant investments this year will drive future revenues, profit and cash flow.

The strength of our mature business continues to provide cash flow to fund this future growth and, in addition, the Group has extended its financing headroom during the quarter.

Set out below is an update on the three interlinked parts of our business – Mature, New and Third Place – which all continue to make good progress.

Mature Centres performance remains strong

Our Mature Centres business (centres opened on or before 31 December 2011) makes up almost 70% of our global portfolio of centres. Their performance remains strong, with third quarter revenue of £302.9m; an increase of 2.9% at constant currency (up 3.2% at actual exchange rates). This like-for-like increase reflects a good level of occupancy, as well as growth in Revenue Per Occupied Workstation (REVPOW). In the quarter, REVPOW increased to £1,920; a 4.3% (£79) improvement at constant currency rates and up 4.7% (£86) at actual rates.

Our mature business remained highly cash generative in the third quarter.

New Centres programme accelerating

We added 89 centres in the third quarter of 2013, bringing the total number of new centres so far this year to 292 compared with 121 at the same point last year. We now have 533 new centres (centres opened on or after 1 January 2012). In total, these centres contributed £83.5m to revenue in the three months ended 30 September 2013 compared with £11.1m in the corresponding period last year. Most importantly, our new centres continue to develop as anticipated, generating returns above our hurdle rates.

Following the completion of the MWB acquisition on 20 February 2013, the business is now fully integrated into the Group and we remain on track to deliver the expected financial benefit of adding at least £15m to our Group operating profit in 2014.

We expect the fourth quarter to represent the heaviest quarter of new centre additions, which is consistent with previous years. Consequently we now expect to add between 420 and 440 new centres in total in 2013, which is ahead of our original target of at least 350 new centres.

Third Place continues to move forward

Our early stage Third Place programme continues to move forward. After a busy first half when we extended our relationship with Shell to cover 69 locations in and around Berlin and signed agreements with UK motorway service station operators Welcome Break and Moto, we signed an agreement with Roadchef during the third quarter. As a consequence Regus now has a formal relationship with the four major UK motorway service station operators. Although our Third Place business model remains in the development phase, we are encouraged with the progress made to date. There is strong interest across a broad range of sectors and geographies which we believe will further enhance the convenience of our network of workplaces for all our customers, whose number reached 1.5 million in September.

Increased financial resources and mature cash flows underpin growth

Cash flow from the Mature Centres business remains strong, which allowed us to invest £75m in our growth programme in the three months ended 30 September 2013. This takes the total capital expenditure investment in growth since January 2013 to £241m. As a result, our net debt position increased by £18m in the quarter to £32m at 30 September 2013. Whilst the incremental new centre additions highlighted above will increase the Group year-end net debt position, we will continue to maintain a robust and conservative capital structure.

To ensure that the Group maintains appropriate financial headroom, we have recently amended and extended our revolving credit facility by £120m to £320m. As well as increased support from our existing banking partners, we were pleased to extend our relationship with a number of new lenders. The enlarged facility has a final maturity date in September 2017, with conditions that are substantially unchanged.

Summary

Overall, we are pleased with the development and performance of our business - in particular the continued strong profitability and cash flows generated by our mature centres. We remain confident in the prospective performance of our new centres and we maintain a firm grip on overheads and continue to benefit from scale advantages. We continue to see good opportunities to invest in the business to drive future profitable growth and shareholder value. Given the scale of the opportunity presented by the fundamental changes in the way people and businesses work, we now plan to invest more in growth this year which will bring us closer to our short-term target of 2,000 centres during 2014. However, as always, we are ready to scale back our growth plans if market conditions dictate that it would be prudent to do so.

Looking forward to the remainder of 2013, we remain confident that our Mature Centres business will deliver a strong result, in line with our expectations, although the increased number of new centre openings will impact the Group's overall statutory results.

Conference call details

Regus will be hosting a call for analysts and investors at 08.00am GMT this morning. The dial in details are as follows:

Dial in number:	+44 (0) 1452 555566
Conference ID:	86188340

There will also be a replay facility available after the call for 7 days:

Dial in number:	+44 (0) 1452 550000
Playback ID:	86188340

[1] Consolidated workstations as at 30 September 2013 were 274,684 (30 June 2013: 264,101 workstations)

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About Regus

Regus is the global workplace provider.

Its network of more than 1,600 business centres in 100 countries provides convenient, high-quality, fully serviced spaces for people to work, whether for a few minutes or a few years. Companies like Google, Toshiba and GlaxoSmithKline choose Regus so that they can work flexibly and make their businesses more successful.

The key to flexible working is convenience and so Regus is opening wherever its 1.5million members want support – city centres, suburban districts, shopping centres and retail outlets, railway stations, motorway service stations and even community centres.

Founded in Brussels, Belgium, in 1989, Regus is based in Luxembourg and listed on the London Stock Exchange. For more information, please visit **www.regus.com**