25 August 2015

REGUS PLC – INTERIM RESULTS ANNOUNCEMENT – SIX MONTHS ENDED 30 JUNE 2015

Attractive returns on investment; strong revenue and profit growth

Regus, the global workplace provider, today announces its half year results for the six months ended 30 June 2015.

Key highlights:
- Improved returns on investment to 23.1%[(i)]
- Revenues up 16.4% in H1 and underlying operating profit up 62%[(ii)]
- 231 new locations added in H1, with a net capital investment of £120m
- Generated £79.9m or 8.5p per share of cash in H1 (before net growth capital expenditure, share buybacks, dividends and disposal proceeds), representing cash conversion of 123%
- Underlying earnings per share up 88% to 4.9p
- Decrease in net debt to £136.9m (0.5x net debt: LTM EBITDA)
- 12% increase in interim dividend to 1.4p (H1 2014 : 1.25p)
- Current trading in line with management expectations

£m	**H1 2015**	H1 2014	% change actual currency	% change constant currency
Revenues	**937.0**	804.7	16.4%	16.4%
Gross profit	**209.0**	178.8	17%	16%
Overheads	**(144.4)**	(139.3)	(4)%	(3)%
Underlying operating profit (Inc. JV)	**65.0**	39.9	63%	62%
Exceptional item [(iii)]	**21.3**	-		
Reported operating profit (Inc. JV)	**86.3**	39.9	116%	113%
Underlying profit before tax	**57.8**	31.0	86%	82%
Reported profit before tax	**79.1**	31.0	155%	148%
Underlying earnings per share (p)	**4.9**	2.6	88%	81%
Reported earnings per share (p)	**7.2**	2.6	177%	161%
Dividend per share (p)	**1.4**	1.25	12%	
EBITDA (Before exceptional item)	**136.3**	96.4	41%	40%
Return on Investment [(i)]	**23.1%**	20.9%		
Cash flow before net growth capex and dividends	**79.9**	45.6	75%	
Net debt	**136.9**	161.3		
Net debt : EBITDA - Last 12 months (x)	**0.5**	0.8		

(i) Calculated as: EBITDA less amortisation of partner contributions, less tax based on EBIT, less net maintenance capital expenditure / growth capital less partner contribution. Returns based on those locations open on or before 31 December 2011. Prepared on a last twelve month (LTM) basis to 30 June for 2015 and for 2014 on the 12 months to 31 December 2014.
(ii) At constant currency
(iii) Exceptional profit on sale of various portfolios of property assets

Operational highlights
- Returns on new investment benefiting from detailed country plans
- Now in 2,481 locations, across 896 towns and cities and 106 countries
- Increased investment in innovating new products and services such as Global Connect, providing free connectivity to 18 million Wi-Fi hotspots globally, and new location formats, such as Spaces, a dynamic co-working environment
- Significant investment in operating platform and process streamlining
- Further strengthened central and field management capabilities

Mark Dixon, Chief Executive of Regus, said:

“Regus delivered an excellent first half performance, giving us further confidence for the future. Our investments are delivering attractive returns, with returns on past investments improving and remaining well above our cost of capital and newer investments trading in line with our expectations. Our focus on greater operational rigour and efficiency has continued to drive economies of scale and a further reduction in overheads as a percentage of revenues. We continued to grow our network and remain encouraged by the pipeline for the remainder of the year, with visibility of net investments for the whole of 2015 of approximately £230m, the equivalent of 600 new locations globally.

The flexible work market continues to experience robust growth, and we remain ideally placed to benefit from these trends by providing more customers with the right environment to succeed. Current trading is in line with management expectations and the Board remains confident in our prospects for 2015 and beyond as we continue to enhance shareholder value. Accordingly the Board has increased the 2015 interim dividend by 12% to 1.4p per share.”

Details of results presentation
Mark Dixon, Chief Executive Officer, and Dominique Yates, Chief Financial Officer, are hosting a presentation today for analysts and investors at 9.30am. The presentation will take place at CityPoint, 1 Ropemaker Street, EC2Y 9HT.

For those unable to attend the presentation, please contact Jessica Ayres to obtain details for the webcast or conference call: jayres@brunswickgroup.com or +44 (0) 20 7396 7466

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Chief Executive Officer's review

It has been a good start to the year for the Group, with strong underlying progress; strategically, financially and operationally, reflecting the benefits from continued investment. We have grown the network, increased profit and, with our improving operational efficiency, delivered attractive returns on our investments. Our cash conversion has also remained strong.

The LTM post-tax cash return on investment achieved from locations opened on or before 31 December 2011 was 23.1%, an improvement on the returns on the same estate in 2014 of 20.9% and well above our cost of capital. The LTM post–tax cash return on investment from locations opened on or before 31 December 2012 was 20.6% (2014 : 18.0%).

Group revenues increased by 16.4% at constant currency to £937.0m (H1 2014 : £804.7m) (16.4% at actual rates). Operating profit, before the £21.3m exceptional profit on the sale of various portfolios of property assets, increased to £65.0m, up 62% at constant currency (63% at actual rates). Including the exceptional gain, our statutory operating profit more than doubled to £86.3m from £39.9m for the comparable period in 2014.

We continue to look at ways we can streamline the business and improve the efficiency of the operating platform and have made further substantial progress in improving the operational effectiveness of the business through the rigorous preparation of detailed country plans and by strengthening the depth and breadth of management at both the centre and in the field operations. Notwithstanding the 24% growth in our network over the last 12 months, total Group overheads, including increased investment in R&D, were up only 3% at constant currency. As a result, total overheads as a percentage of revenue reduced from 17.3% to 15.4%. As we continue to grow, we expect further improvements in this regard as we benefit from the inherent operational gearing in our business model.

Group income statement (before exceptional profit)

£m	H1 2015	H1 2014	Change (actual currency)	Change (constant currency)
Revenue	**937.0**	804.7	16.4%	16.4%
Gross profit (centre contribution)	**209.0**	178.8	17%	16%
Overheads (inc. R&D)	**(144.4)**	(139.3)	(4)%	(3)%
Operating profit*	**65.0**	39.9	63%	62%
Profit before tax	**57.8**	31.0	86%	82%
Taxation	**(11.9)**	(6.2)		
Profit for the period	**45.9**	24.8	85%	79%
EBITDA	**136.3**	96.4	41%	40%

*After contribution from joint ventures but before exceptional profit

We have improved the gross margin on the locations which were added during 2013 and 2014. These locations now represent a more significant part of our overall revenue generated, which increases their relative weighting on the overall Group result. We continue to achieve a strong level of gross margin on our locations that were open on or before 31 December 2012. The initial margin achieved by our new 2015 locations is on track but these are very young locations and a long way from financial maturity.

Gross margin

	Revenue £m		Gross margin %	
	H1 2015	H1 2014	H1 2015	H1 2014
Mature 12	**657.7**	639.0	**28.1%**	27.2%
New 13	**161.9**	134.3	**18.2%**	4.6%
New 14	**80.4**	15.1	**(1.9)%**	(19.9)%
Pre-15	**900.0**	788.4	**23.7%**	22.5%
New 15	**32.4**	-	**(12.3)%**	–
Closures	**4.6**	16.3	**–**	–
Group	**937.0**	804.7	**22.3%**	22.2%

Market

There is increasing awareness of the availability of and benefits that can be derived from more flexible and convenient working. This is not only driving our success as the leading global provider but it is also good for the development of the industry as a whole. Growth in our industry continues to be driven by a wide variety of factors, including technological change, globalisation and changing workforce dynamics, with growing recognition from organisations that effectively harnessing these changes can result in substantial productivity gains, alongside lower capital and operating costs. Regus' business model is firmly focused on all aspects of this structural shift towards flexible work.

As the market continues to develop, the growth in demand for high quality, flexible and conveniently located workplaces, will continue. Our investment programme reflects these positive trends, with customers seeking workplaces in a growing variety of locations and formats.

Performance against our strategic objectives

Consistent delivery of attractive, sustainable returns
Our growth investment continues to deliver attractive and improved returns, which are well above our cost of capital. We are confident that the investment we have made so far in 2015 will follow a similar path to earlier year investments and, in due course, achieve similar strong returns. The increased diversity of our network, in both location and format, is a positive development of the last few years. Given the wide variety of format and service diversity of our locations, the best way to judge our performance is by reference to post-tax cash return on net investment data by year group. Locations opened on or before 31 December 2011 achieved a LTM post-tax cash return on investment of 23.1% (FY 2014 : 20.9% on the same estate), well above our cost of capital. Including those locations added in 2012, which are less mature, the LTM post-tax cash return was 20.6% (FY 2014 : 18.0%).

Develop national networks
We continue to see good opportunities to increase the convenience of our network and have delivered another strong period of growth. In the six months to June 2015 we opened in 46 new towns and cities, increasing our coverage from 850 to 896 cities. We added 231 new locations, increasing the size of our network by 9% since the end of 2014 to 2,481, and by 24% since June 2014. To achieve this, we invested net growth capital of £120m. As of 20 August 2015, we have visibility on growth that will entail net capital investment in 2015 of approximately £230m on approximately 600 new locations. We will update on this as we progress through the remainder of 2015. As in previous years these new investments will be a mix of organic openings and acquisitions. We believe these new investments will meet our stringent returns criteria and deliver long-term sustainable returns, well ahead of our cost of capital.

Improve operational efficiency
Against a year-on-year increase in the network of 24%, total overheads increased by only 3% at constant currency (up 4% at actual rates), reflecting our continued focus on cost control. Detailed country planning, combined with investment in key management, both in the field and at Group level, as well as enhancements to systems and processes have all helped us further improve the rigour and efficiency of the business, delivering better productivity, as well as ensuring that we deliver scale benefits as we grow. We also increased investment in R&D and in our network development function to support the future growth of the business. We expect to deliver further efficiencies and scale benefits in coming years.

Industry leading innovation
As mentioned above, we have continued to invest in R&D as we look to create new formats, improve existing ones and develop new products and services. Over the period we increased spend on R&D by 19% to £5.1m (H1 2014 : £4.3m).

Regus continues to make a significant investment in developing new formats. We are expanding our established Spaces format, which has been developed in Europe, and we will open our first sites in Asia and North America in the second half of the year. Spaces offers a dynamic community environment, with collaborative workspace, private offices and meeting rooms. We expect to see rapid extension of this format in the future. We continue to invest in developing our formats dedicated to airports, roadside and rail locations as well as hotels, retail and library and university locations. In addition to increasing our geographic coverage and providing a convenient network, these formats allow us to increase the range of service and price points the Group is able to offer, from premium to budget.

We have also continued to develop our Kora format. Operated on a standalone basis and in partnership with leading European businesses and universities, this format promotes events and spaces that connect small businesses and entrepreneurs.

As well as the continued development of additional formats, during the first half we launched “Global Connect”, providing our office customers with an IT package with free connectivity to 18 million Wi-Fi hotspots globally. This is a great added value benefit for our customers and differentiates Regus from its competitors. Complementing access to our global network of business lounges, we have also partnered with airside lounge operators to provide all our customers with access to over 800 airport lounges globally.

We have further invested in our digital platform, MyRegus and mobile apps, now supporting over 40 languages while improving the user experience and increasing functionality. Customers can manage their bookings online, make bookings and search for locations and we will continue to expand our services to offer a 24x7 platform for customer convenience. We released our WorldKey app providing a digital membership card, on to which we will build our future integrated access control and vending solutions to make it even easier for customers to access our services.

Outlook

Regus delivered an excellent first half performance, giving us further confidence for the future. Our investments are delivering attractive returns, with returns on past investments improving and remaining well above our cost of capital and newer investments trading in line with our expectations. Our focus on greater operational rigour and efficiency has continued to drive economies of scale and a further reduction in overheads as a percentage of revenues. We continued to grow our network and remain encouraged by the pipeline for the remainder of the year, with visibility of net investments for the whole of 2015 of approximately £230m, the equivalent of 600 new locations globally.

The flexible work market continues to experience robust growth, and we remain ideally placed to benefit from these trends by providing more customers with the right environment to succeed. Current trading is in line with management expectations and the Board remains confident in our prospects for 2015 and beyond as we continue to enhance shareholder value. Accordingly the Board has increased the 2015 interim dividend by 12% to 1.4p per share.

Mark Dixon
Chief Executive Officer
25 August 2015

Chief Financial Officer's review

Strong business performance and overheads control driving improved returns

Return on investment

For the last 12 months to 30 June 2015, the Group delivered a post-tax cash return of 23.1% in respect of locations opened on or before 31 December 2011 (up from 20.9% on the same estate for the 12 months to 31 December 2014). Incorporating the centres opened during 2012 (which are not yet fully mature), the Group delivered a post-tax cash return of 20.6% in respect of all locations opened on or before 31 December 2012 (the equivalent return for the 12 months to 31 December 2014 on the same estate was 18.0%).

This outstanding performance reflects the underlying progress of the business as our locations mature, as well as our continued focus on efficiency and productivity, and the economies of scale on overheads that we enjoy as the Group continues to grow.

The table below also shows the status of our centre openings by year of opening, with pleasing progress in the development of returns for centres added in 2012 and 2013 as they continue to progress towards full maturity.

Post tax cash return[1] on net investment by year group – LTM to 30 June 2015 (%)

Year of opening	07 & earlier	08	09	10	11	12	13	14	15
Post-tax cash return	24.1%	21.9%	10.4%	24.8%	19.7%	8.7%	6.9%	(13.7%)	(8.7%)[3]
Net growth investment on locations opened in year[2] £m	505.1	44.1	20.5	52.0	79.7	146.2	248.2	151.9[4]	110.0

2014 Post tax cash return on net investment by year group – 12 months to 31 December 2014

Year of opening	07 & earlier	08	09	10	11	12	13	14	15
Post-tax cash return	21.9%	18.0%	14.9%	24.3%	15.3%	4.2%	0.0%	(9.5%)[5]	-
Net growth investment on locations opened in year[2] £m	507.8	44.1	20.5	53.4	79.7	146.8	250.0	196.1	-

1 These returns are based on the post-tax cash return divided by the net growth capital investment. The post-tax return is calculated as the EBITDA achieved, less the amortisation of any partner capital contribution, less tax based on the EBIT and after deducting maintenance capital expenditure. Net growth capital investment is the growth capital after any partner contributions. We believe this provides an appropriate and conservative measure of cash return.

2 Note these amounts relate to net investment based on the year of opening of the centre. Depending on the timing of opening, some capital expenditure can be incurred in the calendar year before or after opening.

3 2015 return on net growth investment based on actual results for the six-months to 30 June 2015 on investment made in 2015 up to 30 June

4 Adjusted for disposal of property portfolios acquired in 2014 for £58.5m.

5 2014 return on investments made in 2014 is based on the results for the period that the locations were open.

Developing the network

During the first six months of 2015, we invested £120m of net growth capital expenditure, adding a further 231 locations to the network. We are confident that the returns from these investments will, in due course, be attractive and in line with the returns we generate on our historic investments. This investment in developing our network continues to increase the depth and breadth of our geographic scope, thereby building further resilience into the business.

We continue to have a good pipeline of new openings. As of 20 August we had visibility on net capital expenditure for the whole of 2015 of approximately £230m, representing approximately 600 locations.

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

Disposal

As previously disclosed, during the first quarter we completed the sale of various portfolios of property assets acquired during 2014. The disposal raised £84m of cash and resulted in an exceptional profit of £21.3m after expenses. While this has obviously had a significant impact on our half year results, except where specifically mentioned, the following commentary and profit and loss analysis excludes the profit impact from this item, which we have highlighted as exceptional in the profit and loss account.

Financial Performance

Group income statement (before exceptional profit)

£m	H1 2015 Underlying	H1 2014	Actual Underlying %	Constant Underlying %
Revenue	**937.0**	804.7	16.4%	16.4%
Gross profit (centre contribution)	**209.0**	178.8	17%	16%
Overheads (including R&D)	**(144.4)**	(139.3)	(4)%	(3)%
Joint ventures	**0.4**	0.4		
Operating profit	**65.0**	39.9	63%	62%
Net finance costs	**(7.2)**	(8.9)		
Profit before tax	**57.8**	31.0	86%	82%
Taxation	**(11.9)**	(6.2)		
Effective tax rate	**20.6%**	20.0%		
Profit for the period	**45.9**	24.8	85%	79%
Basic EPS (p)	**4.9**	2.6	88%	81%
Depreciation & amortisation	**71.3**	56.5		
EBITDA	**136.3**	96.4	41%	40%

Revenue

Group revenues increased 16.4% at constant currency to £937.0m (H1 2014 : £804.7m), an increase of 16.4% at actual rates. This increase reflects good underlying like-for-like growth as well as the contribution from additional locations. Mature revenues (from 1,805 like-for-like locations added on or before 31 December 2013) grew a healthy 5.9% at constant currency to £819.6m (H1 2014: £773.3m), up 6.0% at actual rates. Mature occupancy was 82.1% (H1 2014: 78.7%).

Gross profit

Group gross profit improved 16% at constant currency rates to £209.0m (H1 2014 : £178.8m), up 17% at actual rates. The slight increase in Group gross margin from 22.2% to 22.3% has been achieved despite the dilution from a relatively large number of immature locations resulting from the significant investment in growing the network over recent years (see table below). The mature gross margin improved from 23.3% to 26.2%.

Gross margin

£m	Mature centres H1 2015	New centres H1 2015	Closed centres H1 2015	Total H1 2015
Revenue	819.6	112.8	4.6	937.0
Cost of sales	(605.1)	(118.3)	(4.6)	(728.0)
Gross profit (centre contribution)	214.5	(5.5)	-	209.0
Gross margin	26.2%	(4.9)%	0.0%	22.3%

£m	Mature centres H1 2014	New centres H1 2014	Closed centres H1 2014	Total H1 2014
Revenue	773.3	15.1	16.3	804.7
Cost of sales	(593.1)	(18.1)	(14.7)	(625.9)
Gross profit (centre contribution)	180.2	(3.0)	1.6	178.8
Gross margin	23.3%	(19.9)%	9.8%	22.2%

Continued improved overhead efficiency

We have further built on the strong progress made in recent years in relation to overhead efficiency, benefiting from our detailed planning exercise and investment in management, systems and processes. As a consequence, in spite of significant growth, total overheads (including R&D expenditure) grew only 3% at constant currency to £144.4m (up 4% at actual rates). As a percentage of revenues, total overheads declined from 17.3% in the first half of 2014 to 15.4% in the corresponding period this year. We continue to maintain a strong focus on overhead discipline and anticipate further scale benefits.

Investment in R&D increased 19% from £4.3m in the first half of 2014 to £5.1m for the first six months of 2015.

Operating profit (before exceptional item)

As a result of the strong control on overheads, the incremental gross profit almost completely falls through to augment the Group operating profit, which increased 63% to £65.0m (H1 2014 : £39.9m). Consequently, the underlying Group operating margin increased from 5.0% in 2014 to 6.9% in 2015 for the half year.

Net Finance Costs

The Group's net finance costs decreased from £8.9m to £7.2m, reflecting a favourable result on foreign exchange movements on intercompany balances compared with 2014. During this half year the Group incurred the additional cost of the €210m Schuldschein debt security which we issued in May 2014 but this was largely offset through subsequent lower utilisation of the Revolving Credit Facility.

Within the overall net finance costs, the Group also incurred a notional, non-cash, interest charge of £0.8m (H1 2014: £0.9m) relating to the accounting treatment of fair value adjustments on various acquisitions made in past years. In addition there were also other non-cash costs of £0.7m (H1 2014: £0.5m) relating to the amortisation of upfront charges on the establishment of our various borrowing facilities.

Tax

We expect this year's underlying effective tax rate to be approximately 20.6%. However, because the exceptional gain on the disposal of the property portfolios was tax-free, the Group's reported tax rate in the first 6 months of 2015 was 15.0% (H1 2014 : 20.0%).

Earnings per share

Statutory Group earnings per share increased significantly in the first 6 months to 7.2p (H1 2014 : 2.6p). Excluding the positive contribution from the exceptional item, underlying Group earnings per share increased 88% to 4.9p, reflecting the strong growth in underlying Group operating profit.

The weighted average number of shares in issue for the first 6 months was 937,073,509 (H1 2014 : 946,377,122). The weighted average number of shares for diluted earnings per share was 956,686,475 (H1 2014 : 969,775,995). During the six month period, the Group purchased 9,543,800 shares at a cost of approximately £24.5m designated to be held in treasury to satisfy future exercises under various Group long term incentive schemes. Over the same period, the Group reissued 925,060 shares from treasury to satisfy such exercises.

Cash flow and funding

Group cash generation continues to be strong. Cash generated before the investment in growth capital expenditure, dividends and share repurchases, and excluding the exceptional £80m disposal proceeds after expenses, increased 75% in the first 6 months of 2015 to £79.9m (H1 2014 : £45.6m), reflecting the strong growth in underlying Group operating profit and very strong cash conversion.

Group net debt reduced from £138.0m at 31 December 2014 to £136.9m at 30 June 2015. This decrease is after taking the growth capital expenditure and disposal proceeds into account, and after paying the 2014 final dividend of £25.8m and spending approximately £27.6m between buying our own shares as a further hedge against the cost of the exercise of options by our employees across our various option and LTIP plans, as well as cash settling the exercise of some of those options. This represents a Group net debt : EBITDA leverage ratio of 0.5 times (calculated using last 12 months' EBITDA), which is well inside our internal 1.5 times limit and reflects our continued prudent approach to the Group's capital structure.

During the period, we extended our key £320m Revolving Credit Facility, which is now committed until 2020 and which has further improved our debt maturity profile. Together with the Schuldschein debt security which we issued last year, the Group has plenty of financial headroom to continue to execute on its strategy.

Cash flow

£m	**H1 2015**	H1 2014
Group EBITDA	**136.3**	96.4
Working capital	**16.7**	6.2
Less: growth related partner contributions	**(24.5)**	(15.2)
Maintenance capital expenditure	**(32.8)**	(28.0)
Taxation	**(9.8)**	(9.3)
Finance costs	**(6.3)**	(4.6)
Other items	**0.3**	0.1
Cash flow before growth capital expenditure, share repurchases, dividends and exceptional disposal proceeds	**79.9**	45.6
Gross growth capital expenditure	**(144.5)**	(136.3)
Less: growth related partner contributions	**24.5**	15.2
Net growth capital expenditure	**(120.0)**	(121.1)
Total net cash flow from operations	**(40.1)**	(75.5)
Exceptional disposal proceeds	**84.0**	-
Less: costs of disposal	**(4.0)**	-
Corporate financing activities	**(27.6)**	(6.4)
Dividend	**(25.8)**	(23.7)
Opening net cash/debt	**(138.0)**	(57.2)
Exchange movements	**14.6**	1.5
Closing net debt	**(136.9)**	(161.3)

Foreign Exchange

The Group's results are exposed to translation risk from the movement in currencies. In the first half key individual currency exchange rates have moved, as shown in the table below. The movements were, however, mixed with sterling weakening against the US dollar and strengthening against the Euro and Japanese Yen. Consequently the overall impact on the Group's reported results was limited in the first half. Accordingly, the movement in exchange rates in the period increased reported revenue, gross profit and operating profit by £0.2m, £0.8m and £0.5m respectively over the corresponding period last year.

If current spot rates persist this will create more of a headwind in relation to the translation of our second half results.

		At 30 June			Half year average	
Per £ sterling	2015	2014	%	2015	2014	%
US dollar	1.57	1.70	(8)%	1.53	1.67	(8)%
Euro	1.41	1.25	13%	1.38	1.22	13%
Japanese yen	193	173	12%	184	171	8%

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 on pages 20-23 and 36 and 37 of the 2014 Annual Report and Accounts.

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 months ended 30 June 2015 from those described in note 30 to the 2014 Annual Report and Accounts (page 87).

Dividends

A final dividend of 2.75p per share for 2014 was paid by Regus on 29 May 2015 following shareholder approval (2013 : 2.5p).

In line with Regus' progressive dividend policy, the Board has increased the 2015 interim dividend by 12% to 1.4p per share (H1 2014 : 1.25p). The interim dividend will be paid on Friday, 2 October 2015 to shareholders on the register at the close of business on Friday, 4 September 2015.

Dominique Yates
Chief Financial Officer
25 August 2015

Condensed Consolidated Financial Information

Interim consolidated income statement (unaudited)

£m	Notes	**Six months ended 30 June 2015** Before exceptional items	**Exceptional items (Note 3)**	**Total**	Six months ended 30 June 2014 Before exceptional items	Exceptional items (Note 3)	Total
Revenue	2	**937.0**	**-**	**937.0**	804.7	-	804.7
Cost of sales		**(728.0)**	**-**	**(728.0)**	(625.9)	-	(625.9)
Gross profit (centre contribution)		**209.0**	**-**	**209.0**	178.8	-	178.8
Selling, general and administrative expenses		**(139.3)**	**21.3**	**(118.0)**	(135.0)	-	(135.0)
Research and development expense		**(5.1)**	**-**	**(5.1)**	(4.3)	-	(4.3)
Share of post-tax profit of equity accounted investees, net of tax		**0.4**	**-**	**0.4**	0.4	-	0.4
Operating profit		**65.0**	**21.3**	**86.3**	39.9	-	39.9
Finance expense		**(7.4)**	**-**	**(7.4)**	(9.1)	-	(9.1)
Finance income		**0.2**	**-**	**0.2**	0.2	-	0.2
Net finance expense		**(7.2)**	**-**	**(7.2)**	(8.9)	-	(8.9)
Profit before tax for the period	2	**57.8**	**21.3**	**79.1**	31.0	-	31.0
Tax charge		**(11.9)**	**-**	**(11.9)**	(6.2)	-	(6.2)
Profit for the period		**45.9**	**21.3**	**67.2**	24.8	-	24.8
Profit attributable to:							
Equity shareholders of the parent		**45.9**	**21.3**	**67.2**	24.8	-	24.8
Non-controlling interests		**-**	**-**	**-**	-	-	-
Profit for the period		**45.9**	**21.3**	**67.2**	24.8	-	24.8

Interim consolidated statement of comprehensive income (unaudited)

£m	**Six months ended 30 June 2015**	Six months ended 30 June 2014
Profit for the period	**67.2**	24.8
Other comprehensive income:		
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges – effective portion of changes in fair value	**0.7**	(0.5)
Foreign currency translation differences for foreign operations	**(15.8)**	(10.5)
Items of other comprehensive income that are or may be reclassified to profit or loss in subsequent periods	**(15.1)**	(11.0)
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit liability	**-**	-
Income tax effect	**-**	-
Items of 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	**(15.1)**	(11.0)
Total comprehensive income for the period, net of tax	**52.1**	13.8
Total comprehensive income attributable to:		
Equity shareholders of the parent	**52.1**	13.8
Non-controlling interests	**-**	-
Total comprehensive income for the period	**52.1**	13.8

Earnings per ordinary share (EPS):	Before exceptional items: **Six months ended 30 June 2015**	Before exceptional items: Six months ended 30 June 2014	After exceptional items: **Six months ended 30 June 2015**	After exceptional items: Six months ended 30 June 2014
Basic (p)	**4.9**	2.6	**7.2**	2.6
Diluted (p)	**4.8**	2.6	**7.0**	2.6

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	Hedging 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 2014		**9.5**	**(4.1)**	**6.6**	**-**	**10.5**	**15.3**	**476.4**	**514.2**	**-**	**514.2**
Total comprehensive income for the period:											
Profit for the period		-	-	-	-	-	-	24.8	24.8	-	24.8
Other comprehensive income:											
Cash flow hedges – effective portion of changes in fair value	8	-	-	-	(0.5)	-	-	-	(0.5)	-	(0.5)
Foreign currency translation differences for foreign operations		-	-	(10.5)	-	-	-	-	(10.5)	-	(10.5)
Total other comprehensive income, net of income tax		-	-	(10.5)	(0.5)	-	-	-	(11.0)	-	(11.0)
Total comprehensive income for the period		-	-	(10.5)	(0.5)	-	-	24.8	13.8	-	13.8
Transactions with owners, recorded directly in equity:											
Share based payments		-	-	-	-	-	-	1.2	1.2	-	1.2
Ordinary dividend paid	4	-	-	-	-	-	-	(23.7)	(23.7)	-	(23.7)
Purchase of treasury shares in Regus plc		-	(6.6)	-	-	-	-	-	(6.6)	-	(6.6)
Settlement of share awards		-	1.2	-	-	-	-	(1.0)	0.2	-	0.2
Balance at 30 June 2014		**9.5**	**(9.5)**	**(3.9)**	**(0.5)**	**10.5**	**15.3**	**477.7**	**499.1**	**-**	**499.1**
Balance at 1 January 2015		**9.5**	**(19.9)**	**12.7**	**(2.7)**	**10.5**	**15.3**	**512.0**	**537.4**	**-**	**537.4**
Total comprehensive income for the period:											
Profit for the period		-	-	-	-	-	-	67.2	67.2	-	67.2
Other comprehensive income:											
Cash flow hedges – effective portion of changes in fair value	8	-	-	-	0.7	-	-	-	0.7	-	0.7
Foreign currency translation differences for foreign operations		-	-	(15.8)	-	-	-	-	(15.8)	-	(15.8)
Total other comprehensive income, net of income tax		-	-	(15.8)	0.7	-	-	-	(15.1)	-	(15.1)
Total comprehensive income for the period		-	-	(15.8)	0.7	-	-	67.2	52.1	-	52.1
Transactions with owners, recorded directly in equity:											
Share based payments		-	-	-	-	-	-	1.5	1.5	-	1.5
Ordinary dividend paid	4	-	-	-	-	-	-	(25.8)	(25.8)	-	(25.8)
Purchase of treasury shares in Regus Plc		-	(24.5)	-	-	-	-	-	(24.5)	-	(24.5)
Settlement of share awards		-	0.7	-	-	-	-	(3.8)	(3.1)	-	(3.1)
Balance at 30 June 2015		9.5	(43.7)	(3.1)	(2.0)	10.5	15.3	551.1	537.6	-	537.6

(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 21,502,195 (30 June 2014: 7,165,004) ordinary shares of the Group that were acquired for the purposes of the Group's various employee share option plans. During the period 9,543,800 (30 June 2014: 3,500,000) shares were purchased and 925,060 (30 June 2014: 1,592,376) were utilised to satisfy the exercise of share options by employees. At 25 August 2015, 21,414,696 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 2015 (unaudited)**	As at 30 June 2014 (unaudited)	As at 31 December 2014*
Non-current assets				
Goodwill	5	**557.9**	**465.6**	497.2
Other intangible assets		**49.9**	**54.7**	52.7
Property, plant and equipment		**769.0**	**681.6**	718.8
Deferred tax assets		**36.6**	**33.0**	40.0
Other long term receivables		**52.3**	**41.3**	49.3
Investments in joint ventures		**1.1**	**2.0**	0.7
		1,466.8	**1,278.2**	1,358.7
Current assets				
Trade and other receivables		**512.3**	**413.7**	440.1
Corporation tax receivable		**15.1**	**13.4**	12.5
Assets held for sale	3	**-**	**-**	62.6
Cash and cash equivalents	7	**79.4**	**72.2**	72.8
		606.8	**499.3**	588.0
Total assets		**2,073.6**	**1,777.5**	1,946.7
Current liabilities				
Trade and other payables (incl. customer deposits)		**(721.1)**	**(598.2)**	(670.2)
Deferred income		**(229.9)**	**(193.3)**	(205.3)
Corporation tax payable		**(15.4)**	**(9.1)**	(10.3)
Obligations under finance leases	7	**(0.1)**	**-**	-
Bank and other loans	7	**(2.1)**	**(1.5)**	(1.4)
Provisions		**(2.0)**	**(0.8)**	(2.6)
Liabilities held for sale	3	**-**	**-**	(2.1)
Total current liabilities		**(970.6)**	**(802.9)**	(891.9)
Net current liabilities		**(363.8)**	**(303.6)**	(303.9)
Total assets less current liabilities		**1,103.0**	**974.6**	1,054.8
Non-current liabilities				
Other payables		**(323.2)**	**(234.8)**	(292.9)
Non-current derivative financial liabilities		**(18.3)**	**(1.8)**	(7.7)
Obligations under finance leases	7	**-**	**(0.1)**	(0.1)
Bank and other loans	7	**(214.1)**	**(231.9)**	(209.3)
Deferred tax liability		**(0.9)**	**(0.1)**	(2.2)
Provisions		**(7.6)**	**(6.0)**	(4.3)
Provision for deficit in joint ventures		**(1.1)**	**(0.6)**	(0.7)
Retirement benefit obligations		**(0.2)**	**(0.2)**	(0.2)
		(565.4)	**(475.5)**	(517.4)
Total liabilities		**(1,536.0)**	**(1,278.4)**	(1,409.3)
Total assets less liabilities		**537.6**	**499.1**	537.4
Total equity				
Issued share capital		**9.5**	**9.5**	9.5
Treasury shares		**(43.7)**	**(9.5)**	(19.9)
Foreign currency translation reserve		**(3.1)**	**(3.9)**	12.7
Hedging reserve		**(2.0)**	**(0.5)**	(2.7)
Revaluation reserve		**10.5**	**10.5**	10.5
Other reserves		**15.3**	**15.3**	15.3
Retained earnings		**551.1**	**477.7**	512.0
Total shareholders' equity		**537.6**	**499.1**	537.4
Non-controlling interests		**-**	**-**	-
Total equity		**537.6**	**499.1**	537.4
Total equity and liabilities		**2,073.6**	**1,777.5**	1,946.7

* Based on the audited financial statements for the year ended 31 December 2014.

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 2015**	Six months ended 30 June 2014
Profit before tax for the period		**79.1**	31.0
Adjustments for:			
Net finance expense		**7.2**	8.9
Share of profit on equity-accounted investees, net of income tax		**(0.4)**	(0.4)
Depreciation charge		**63.7**	50.9
(Profit) / Loss on disposal of property, plant and equipment		**(0.8)**	0.1
Amortisation of intangible assets		**7.6**	5.6
(Gain) / Loss on disposal of intangible assets		**-**	-
(Decrease) / Increase in provisions		**0.2**	(0.1)
Share based payments		**1.5**	1.2
Other non-cash movements		**(4.9)**	(1.2)
Operating cash flows before movements in working capital		**153.2**	96.0
Increase in trade and other receivables		**(68.0)**	(33.1)
Increase in trade and other payables		**80.7**	39.3
Cash generated from operations (before exceptional items)		**165.9**	102.2
Profit on disposal of assets-held-for-sale	3	**(21.3)**	-
Cash generated from operations (after exceptional items)		**144.6**	102.2
Interest paid		**(6.5)**	(4.8)
Tax paid		**(9.8)**	(9.3)
Net cash inflows from operating activities		**128.3**	88.1
Investing activities			
Purchase of subsidiary undertakings (net of cash acquired)	12	**(54.9)**	(72.2)
Dividends received from joint ventures		**-**	0.5
Proceeds on the sale of assets-held-for-sale	3	**84.0**	-
Proceeds on sale of property, plant and equipment	6	**4.7**	0.2
Purchase of property, plant and equipment	6	**(117.1)**	(84.9)
Purchase of intangible assets		**(5.3)**	(7.2)
Interest received		**0.2**	0.2
Cash (Outflows) from investing activities		**(88.4)**	(163.4)
Financing activities			
Net proceeds from issue of loans	7	**186.6**	173.5
Repayment of loans	7	**(166.2)**	(78.9)
Repayment of principal under finance leases	7	**-**	-
Re-issuance of treasury shares		**0.7**	1.2
Purchase of treasury shares		**(24.5)**	(6.6)
Settlement of share awards		**(3.8)**	(1.0)
Payment of ordinary dividend	4	**(25.8)**	(23.7)
Cash inflows from financing activities		**(33.0)**	64.5
Net increase / (decrease) in cash and cash equivalents	7	**6.9**	(10.8)
Cash and cash equivalents at beginning of period	7	**72.8**	84.7
Effect of exchange rate fluctuations on cash held	7	**(0.3)**	(1.7)
Cash and cash equivalents at end of period	7	**79.4**	72.2

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 2015 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 2014;
- 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;
- does 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 2014 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 25 August 2015.

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 2014. The basis of preparation and accounting policies set out in the Report and Accounts for the year ended 31 December 2014 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 2015, which did not have a material effect on the Group financial statements, unless otherwise indicated.

The following standards, interpretations and amendments to standards were applicable to the Group for periods commencing on or after 1 January 2015:

IAS 19	Defined benefit Plans: Employee Contributions – Amendments to IAS 19
IAS 40	Investment Property – Amendments to IAS 40
IFRS 3	Business Combinations – Contingent consideration arrangements
IFRS 3	Business Combinations – Joint arrangements
IFRS 8	Operating Segments – Amendments to IFRS 8
IFRS 13	Fair Value Measurement – Amendments to IFRS 13
Various	Annual Improvements (2010 – 2012 Cycle)
Various	Annual Improvements (2011 – 2013 Cycle)

In addition, the following new or amended standards and interpretations that are mandatory for 2016 annual periods (and future years) are not expected to have a material impact on the Company:

IAS 16	Revaluation method – proportionate restatement of accumulated depreciation – Amendments to IAS 16	1 January 2016
IAS 38	Revaluation method – proportionate restatement of accumulated amortisation – Amendments to IAS 38	1 January 2016
IFRS 11	Accounting for Acquisitions of interests in Joint operations – Amendments to IFRS 11	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018

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 2014. 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	
	2015	**2014**	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Revenues from external customers	**381.7**	324.1	**199.6**	179.2	**139.2**	113.5	**215.7**	187.2	**0.8**	0.7	**937.0**	804.7
Revenues from internal customers	**0.2**	0.1	**0.2**	0.6	**-**	1.3	**0.6**	0.6	**-**	-	**1.0**	2.6
Segment revenues	**381.9**	324.2	**199.8**	179.8	**139.2**	114.8	**216.3**	187.8	**0.8**	0.7	**938.0**	807.3
Reportable segment profit before tax	**52.5**	35.1	**19.0**	9.4	**13.2**	13.9	**42.4**	28.8	**(5.9)**	(3.7)	**121.2**	83.5
Reportable segment assets	**1,078.2**	809.2	**447.6**	338.6	**280.1**	223.7	**684.1**	559.1	**1.8**	1.8	**2,491.8**	1,932.4
Reportable segment liabilities	**(930.8)**	(683.2)	**(513.1)**	(425.1)	**(259.3)**	(206.0)	**(624.1)**	(571.5)	**(0.3)**	(0.4)	**(2,327.6)**	(1,886.2)

Reconciliation of reportable segment results to published statements:

£m	**Six months ended 30 June 2015**	Six months ended 30 June 2014
Reportable segment profit	**121.2**	83.5
Elimination of inter-segment revenue	**(1.0)**	(2.6)
Corporate overheads	**(55.6)**	(41.4)
Share of post-tax profit of joint ventures	**0.4**	0.4
Net finance expense	**(7.2)**	(8.9)
Published Group profit before tax (before exceptional items)	**57.8**	31.0

			At 30 June 2015
£m	Assets	Liabilities	Net assets/(liabilities)
Reportable segment results	2,491.8	(2,327.6)	164.2
Corporate overheads (excluding amounts due to/from reportable segments)	(537.0)	1,059.4	522.4
Corporate overhead assets and liabilities			
Cash	49.7	-	49.7
Deferred taxation	21.5	-	21.5
Bank and other loans	-	(203.5)	(203.5)
Other	47.6	(64.3)	(16.7)
Published Group total	**2,073.6**	**(1,536.0)**	**537.6**

			At 30 June 2014
£m	Assets	Liabilities	Net assets/(liabilities)
Reportable segment results	**1,932.4**	(1,886.2)	46.2
Corporate overheads (excluding amounts due to/from reportable segments)	**(309.5)**	866.4	556.9
Corporate overhead assets and liabilities			
Cash	**41.4**	-	41.4
Deferred taxation	**19.3**	-	19.3
Bank and other loans	**-**	(223.4)	(223.4)
Other	**93.9**	(35.2)	58.7
Published Group total	**1,777.5**	(1,278.4)	499.1

There have been no changes to the basis of segmentation or the measurement basis for the segment since 31 December 2014.

Note 3: Disposal of assets-held-for-sale

During 2014 the Group completed a project to dispose of the assets and liabilities of specific non-core operations to release the related capital originally invested in these operations. The sale of these assets and liabilities, which were previously classified as assets held for sale, completed during February 2015 for a consideration of £84.0 million and an exceptional profit of approximately £21.3 million after expenses.

The major classes of assets and liabilities disposed of by the Group are as follows:

£m	
Assets	
Goodwill	10.4
Property, plant and equipment	49.5
Assets held for sale	**59.9**
Liabilities	
Trade and other payables	(1.2)
Liabilities held for sale	**(1.2)**
Net assets held for sale	58.7
Disposal related costs	4.0
Proceeds on disposal	84.0
Profit on disposal	**21.3**

Note 4: Dividends

Equity dividends on ordinary shares paid during the period:

£m	**Six months ended 30 June 2015**	Six months ended 30 June 2014
Final dividend for the year ended 31 December 2014: 2.75 pence per share (2013: 2.5 pence per share)	**25.8**	23.7

Note 5: Goodwill and indefinite life intangible assets

As at 30 June 2015, the carrying value of the Group's goodwill and indefinite life intangible asset was £557.9 million and £11.2 million respectively (31 December 2014: £497.2 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 2014 and will be reassessed during the last quarter of 2015.

Note 6: Property, plant and equipment

During the six months ended 30 June 2015, the Group acquired assets with a cost of £117.1 million (30 June 2014: £84.9 million). Assets with a net book of value £3.9 million (30 June 2014: £0.3 million) were disposed of during the period for £4.7 million (30 June 2014: £0.2 million).

Capital expenditure authorised and contracted for but not provided for in the accounts amounted to £36.3 million (30 June 2014: £30.6 million).

Note 7: Analysis of net financial resources

£m	At 1 Jan 2015	Cash flow	Non-cash changes	Exchange movement	**At 30 June 2015**
Cash and cash equivalents	72.8	6.9	-	(0.3)	79.4
Gross cash	72.8	6.9	-	(0.3)	79.4
Debt due within one year	(1.4)	(0.6)	-	(0.1)	(2.1)
Debt due after one year	(209.3)	(19.8)	-	15.0	(214.1)
Finance leases due within one year	-	-	(0.1)	-	(0.1)
Finance leases due after one year	(0.1)	-	0.1	-	-
	(210.8)	(20.4)	-	14.9	(216.3)
Net financial assets / (liabilities)	**(138.0)**	**(13.5)**	-	**14.6**	**(136.9)**

Cash and cash equivalent balances held by the Group that are not available for use (''Blocked Cash'') amounted to £17.0 million at 30 June 2015 (31 December 2014: £17.4 million).

Of this balance, £12.9 million (31 December 2014: £13.5 million) is pledged as security against outstanding bank guarantees and a further £4.1 million (31 December 2014: £3.9 million) is pledged against various other commitments of the Group.

Note 8: 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 2015	
	Carrying amount £m	Fair value £m
Cash and cash equivalents	**79.4**	**79.4**
Trade and other receivables (1)	**397.6**	**397.6**
Financial assets	**477.0**	**477.0**

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

Trade and other payables (2)	**(288.9)**	**(288.9)**
Customer deposits	**(308.0)**	**(308.0)**
Obligations under finance leases	**(0.1)**	**(0.1)**
Bank loans & other corporate borrowings	**(214.1)**	**(214.1)**
Other loans	**(2.1)**	**(2.1)**
Derivatives used for cash flow hedging (3)	**(18.3)**	**(18.3)**
Financial liabilities	**(831.5)**	**(831.5)**

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

Note 3 – Including interest rate and cross currency swaps. Derivatives used for cash flow hedging are categorised as level 2 when measuring the fair value

Unrecognised gain	**-**

The carrying amount of financial assets and liabilities not measured at fair value is considered to be a reasonable approximation of fair value.

There has been no change in the classification of financial assets and liabilities, the methods and assumptions used in determining fair value and the categorization of financial assets and liabilities within the fair value hierarchy from those disclosed in the annual report for the year ended 31 December 2014.

In the period to 30th June 2014, Regus issued debt securities for a total amount of EUR210.0 million using the German “Schuldschein” framework for debt issuance. These securities consisted of EUR 165.0 million of three year notes and EUR 45.0 million of five year notes, and were sold to a number of banks and institutional investors. These securities are subject to covenants which are similar to our banking facilities.

The underlying interest obligation on these debt securities is floating rate and in Euro, however, as part of the Group’s balance sheet management and to protect against a future increase in interest rates, EUR 165.0 million was swapped into a fixed rate GBP liability with an average fixed rate of 1.708%, and EUR 45.0 million was swapped into a fixed rate Euro liability with a fixed rate of 0.815%. While providing the Group with protection against higher interest rates, given the positive yield curve, the immediate impact of this hedging is a modest increase in financing expense.

The proceeds of the EUR 210.0 million securities were substantially all used to reduce borrowings on the Group’s £320.0 million medium term bank facility, which remains fully available.

Note 9: Share based payment

During the period the Group awarded nil options (2014: nil) and nil conditional share awards (2014: nil) under the Long term Incentive Plan and 1,039,760 shares were granted under the Co-Investment Plan (2014: 809,610 shares). During 2015 1,906,565 options (2014: 1,845,500) were granted under the Share Option Plan.

Note 10: Contingent liabilities

The Group has bank guarantees and letters of credit held with certain banks amounting to £111.5 million (31 December 2014: £115.2 million). There are no material lawsuits pending against the Group.

Note 11: Related parties

The nature of related parties as disclosed in the consolidated financial statements for the Group for the year ended 31 December 2014 has not changed.

£m	Management fees received from related parties	Amounts owed by related party	Amounts owed to related party
2015			
Joint Ventures	**1.1**	**3.9**	**4.1**
2014			
Joint Ventures	0.9	4.8	4.7

As at 30 June 2015, £nil of the amounts due to the Group have been provided for (31 December 2014: £nil). Transactions with related parties did not have a material effect on the financial results for the six months ended 30 June 2015.

Note 11: 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 £nil (30 June 2014: £48,230).

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 2015.

Note 12: Acquisitions of subsidiaries and non-controlling interest

Current period acquisitions

During the six month period ended 30 June 2015 the Group made a number of small acquisitions for a total consideration of £81.8m.

£m	Book value on acquisition	Provisional fair value recognised on acquisition
Net assets acquired		
Intangible assets	16.2	16.7
Property, plant and equipment	19.2	20.3
Cash	25.4	25.4
Other current and non-current assets	17.7	19.7
Current liabilities	(48.4)	(48.4)
Non-current liabilities	(3.8)	(3.8)
	26.3	**29.9**
Goodwill arising on acquisition		51.9
Total consideration		**81.8**
Less: Deferred consideration		1.5
		80.3
Cash flow on acquisition		
Cash paid		80.3
Net cash outflow		**80.3**

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. £11.1 million of the above goodwill is expected to be deductible for tax purposes.

If the above acquisitions had occurred on 1 January 2015, the revenue and net retained profit arising from these acquisitions would have been £56.3 million and £1.6 million respectively. In the year the equity acquisitions contributed revenue of £43.8 million.

There was £1.5 million contingent consideration arising on the above acquisitions.

The external acquisition costs associated with these transactions were £1.5 million, recorded within selling, general and administration expenses within the interim consolidated income statement.

Prior period acquisitions

During the six month period ended 30 June 2014 the Group made a number of small acquisitions for a total consideration of £82.9m.

£m	Book value on acquisition	Provisional fair value recognised on acquisition	Final fair value recognised on acquisition
Net assets acquired			
Intangible assets	-	1.2	1.2
Property, plant and equipment	56.4	53.7	53.7
Cash	5.5	5.5	5.5
Other current and non-current assets	7.4	7.4	7.4
Current liabilities	(14.3)	(14.3)	(14.3)
Non-current liabilities	(6.7)	(6.7)	(6.7)
	48.3	**46.8**	**46.8**
Goodwill arising on acquisition		32.2	36.1
Total consideration		**79.0**	**82.9**
Less: Deferred consideration		1.3	5.2
		77.7	77.7
Cash flow on acquisition			
Cash paid		77.7	77.7
Net cash outflow		**77.7**	**77.7**

Note 12: Acquisitions of subsidiaries and non-controlling interest (continued)

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. £9.8 million of the above goodwill is expected to be deductible for tax purposes.

There was £5.2 million contingent consideration arising on the above acquisitions.

The external acquisition costs associated with these transactions were £2.2 million, recorded within selling, general and administration expenses within the interim consolidated income statement.

Note 13: Events after the balance sheet date

There were no significant events occurring after 30 June 2015 affecting the condensed interim financial information of the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors approved this document on 25 August 2015.

The Directors confirm that to the best of their knowledge this unaudited condensed interim consolidated 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.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing this Interim Management Report.

The Directors of Regus Plc are listed in the Group's Annual Report and Accounts for the year ended 31 December 2014.

A list of current Directors is maintained on the Regus plc website: http://www.regus.com/aboutus/leadership.htm

By order of the Board

Mark Dixon	Dominique Yates
Chief Executive Officer	Chief Financial Officer

25 August 2015

This half yearly announcement 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.

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Report of the Réviseur d'Entreprises agree on the review of the condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Regus plc ("the Company") as at June 30, 2015, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2015 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Luxembourg, 25 August 2015

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Stephen Nye

Other Information

Segmental analysis – management basis (unaudited)

	Americas 2015	**EMEA 2015**	**Asia Pacific 2015**	**UK 2015**	**All other segments 2015**	**Total 2015**
Mature[1]						
Workstations[4]	125,762	54,528	52,356	51,439	-	284,085
Occupancy (%)	82.4	78.6	84.7	82.6	-	82.1
Revenue (£m)	357.6	161.9	120.7	178.6	0.8	819.6
Contribution (£m)	94.3	42.4	34.6	44.1	0.4	215.8
REWPOW	3,451	3,778	2,722	4,203	-	3,514
2014 Expansions[2]						
Workstations[4]	12,606	15,686	16,676	4,475	-	49,443
Occupancy (%)	52.2	60.7	55.0	75.2	-	57.9
Revenue (£m)	19.0	27.4	16.7	17.3	-	80.4
Contribution (£m)	(4.7)	0.8	(1.9)	4.3	-	(1.5)
2015 Expansions[2]						
Workstations[4]	5,524	3,975	3,404	4,380	-	17,283
Occupancy (%)	44.6	53.6	24.2	89.2	-	53.9
Revenue (£m)	4.7	9.6	1.5	16.6	-	32.4
Contribution (£m)	(3.7)	(1.1)	(3.0)	3.8	-	(4.0)
Closures						
Workstations[4]	161	291	176	2,303	-	2,931
Occupancy (%)	43.5	57.0	67.0	75.1	-	71.1
Revenue (£m)	0.4	0.7	0.3	3.2	-	4.6
Contribution (£m)	(0.7)	(0.1)	(0.7)	1.5	-	-
Totals						
Workstations[4]	144,053	74,480	72,612	62,597	-	353,742
Occupancy (%)	78.2	73.4	75.0	82.3	-	77.3
Revenue (£m)	381.7	199.6	139.2	215.7	0.8	937.0
Contribution (£m)	85.2	42.0	29.0	53.7	0.4	210.3
Unallocated contribution (£m)	-	-	-	-	-	(1.3)
REVPAW (£)	2,650	2,680	1,917	3,446	-	2,649
Period end workstations[5]						
Mature	126,272	55,966	53,244	52,507	-	287,989
2014 Expansions	12,691	11,997	16,892	4,744	-	46,324
2015 Expansions	10,436	6,792	7,451	11,624	-	36,303
Totals	149,399	74,755	77,587	68,875	-	370,616

Segmental analysis – management basis (unaudited) (continued)

	Americas 2014	EMEA 2014	Asia Pacific 2014	UK 2014	All other segments 2014	Total 2014
Mature[1]						
Workstations[4]	126,024	53,697	52,261	50,872	-	282,854
Occupancy (%)	78.2	77.5	76.3	83.7	-	78.7
Revenue (£m)	318.7	171.8	111.3	170.8	0.7	773.3
Contribution (£m)	73.4	38.8	31.7	37.9	0.6	182.4
REWPOW	3,234	4,128	2,791	4,011	-	3,474
2014 Expansions[2]						
Workstations[4]	2,367	2,670	2,339	3,811	-	11,187
Occupancy (%)	38.9	42.3	19.1	74.1	-	47.5
Revenue (£m)	2.6	4.5	0.8	7.2	-	15.1
Contribution (£m)	(2.3)	(1.3)	(1.9)	2.5	-	(3.0)
Closures[3]						
Workstations[4]	1,193	1,227	716	4,552	-	7,688
Occupancy (%)	65.4	64.5	73.1	75.2	-	71.7
Revenue (£m)	2.8	2.9	1.4	9.2	-	16.3
Contribution (£m)	(0.3)	0.1	0.4	1.4	-	1.6
Totals						
Workstations[4]	129,584	57,594	55,316	59,235	-	301,729
Occupancy (%)	77.3	75.6	73.8	82.4	-	77.4
Revenue (£m)	324.1	179.2	113.5	187.2	0.7	804.7
Contribution (£m)	70.8	37.6	30.2	41.8	0.6	181.0
Unallocated contribution (£m)	-	-	-	-	-	(2.2)
REVPAW (£)	2,501	3,111	2,052	3,160	-	2,667

Notes:

1. The mature business comprises centres opened on or before 31 December 2013.
2. Expansions include new centres opened and acquired businesses.
3. A closure for the 2014 comparative data is defined as a centre closed during the period from 1 January 2014 to 30 June 2015.
4. Workstation numbers are calculated as the weighted average for the period.
5. Workstations available at period end.

Post-tax cash return on net investment

The following table provides the post-tax cash return on net investment on a 12 month rolling basis. Additional information is also provided to reconcile some of the key numbers used in the return calculation back to results presented in the half year announcement. The methodology and rationale for the calculation are discussed in the Chief Financial Officer's review on page 6 of this announcement.

Description	2011 Aggregation	2012 Expansions	2013 Expansions	2014 Expansions	2015 Expansions	Closed	Total
Revenue	1,150.6	161.8	313.5	128.9	32.6	21.0	1,808.4
Centre Contribution	339.0	32.8	51.2	(3.0)	(5.9)	(0.8)	413.3
(Profit)/loss on disposal of assets	(2.0)	-	0.1	-	-	0.1	(1.8)
Underlying centre contribution	**337.0**	**32.8**	**51.3**	**(3.0)**	**(5.9)**	**(0.7)**	**411.5**
Selling, general and administration expenses(1)	(154.7)	(27.6)	(53.1)	(37.6)	(8.5)	(3.2)	(284.7)
EBIT	**182.3**	**5.2**	**(1.8)**	**(40.6)**	**(14.4)**	**(3.9)**	**126.8**
Depreciation and amortisation	66.0	16.4	31.4	16.4	2.5	2.7	135.4
Amortisation of partner contributions	(16.9)	(2.7)	(6.5)	(4.2)	(0.6)	(0.3)	(31.2)
Amortisation of acquired lease fair value adjustments	(3.0)	-	(2.0)	(0.5)	-	-	(5.5)
Non-cash items	**46.1**	**13.7**	**22.9**	**11.7**	**1.9**	**2.4**	**98.7**
Taxation (2)	**(36.5)**	**(1.0)**	**0.4**	**8.1**	**2.9**	**0.8**	**(25.3)**
Adjusted net cash profit	**191.9**	**17.9**	**21.5**	**(20.8)**	**(9.6)**	**(0.7)**	**200.2**
Maintenance capital expenditure	46.1	9.0	5.8	-	-	-	60.9
Partner contributions	(16.4)	(3.8)	(1.5)	-	-	-	(21.7)
Net maintenance capital expenditure	**29.7**	**5.2**	**4.3**	**-**	**-**	**-**	**39.2**
Post-tax cash return	**162.2**	**12.7**	**17.2**	**(20.8)**	**(9.6)**	**(0.7)**	**161.0**
Growth capital expenditure (3)	796.1	169.4	310.8	201.1	129.9	-	1,607.3
Partner contributions (4)	(94.7)	(23.2)	(62.6)	(49.2)	(19.9)	-	(249.6)
Net investment	**701.4**	**146.2**	**248.2**	**151.9**	**110.0**	**-**	**1,357.7**
Post-tax cash return on net investment	**23.1%**	**8.7%**	**6.9%**	**(13.7%)**	**(8.7%)**	**-**	**11.9%**

(1) Including research and development expenses

(2) Based on EBIT at the Group's long term effective tax rate of 20%

(3) The 2013 and 2014 expansions include £5.1m and £124.5m of capital expenditure respectively arising in the 12 month period ending June 2015

(4) The 2013 and 2014 expansions include £1.5m and £35.1m of partner contributions respectively arising in the 12 month period ending June 2015

(5) Refer to the Group Income Statement on page 10

(6) Refer to the Group Cash Flow Statement on page 13

2015	**H2 2014**	**H1 2015**	**Total**
EBIT Reconciliation	**£m**	**£m**	**£m**
EBIT	63.0	63.8	126.8
Profit on disposal of assets	1.0	0.8	1.8
Share of profit on joint ventures (5)	0.4	0.4	0.8
Operating profit (before exceptional items) (5)	**64.4**	**65.0**	**129.4**

2015	
Partner Contributions	**£m**
Opening partner contributions	147.6
• Current	29.1
• Non-current	118.5
Acquired in the period	1.3
Received in the period	78.2
• 2012 expansions and before	20.2
• 2013 expansions(4)	3.0
• 2014 expansions(4)	35.1
• 2015 expansions	19.9
Utilised in the period	(31.2)
Exchange differences	7.4
Closing partner contributions	**203.3**
• Current	34.9
• Non-current	168.4

2015	**H2 2014**	**H1 2015**	**Total**
Capital Expenditure	**£m**	**£m**	**£m**
Maintenance capital expenditure	28.1	32.8	60.9
Growth capital expenditure	115.0	144.5	259.5
• 2013 expansions(3)	5.1	-	5.1
• 2014 expansion s(3)	105.6	18.9	124.5
• 2015 expansions	4.3	125.6	129.9
Total capital expenditure	**143.1**	**177.3**	**320.4**
Analysed as			
• Purchase of subsidiary undertakings	18.8	54.9	73.7
• Purchase of property, plant and equipment (6)	120.5	117.1	237.6
• Purchase of intangible assets (6)	3.8	5.3	9.1