Interim Results 2010 Presentation

Date: 27.08.2010

Caution statement

This presentation may contain forward looking statements, which are subject to risk and uncertainty. A variety of factors could cause our actual results to differ materially from the anticipated results expressed in such forward looking statements.

SUMMARY

Mark Dixon

Chief Executive Officer

Solid performance in difficult markets

Financial Highlights

- Revenues of £515.5m
- EBIT of £10.2m*
- EBIT (before growth costs) of £16.7m*
- Cash from Operations of £47.1m; Net Cash - £224.2m
- Earnings per share of 0.9p*
- Dividend per share of 0.85p; 6% increase

Operational Highlights

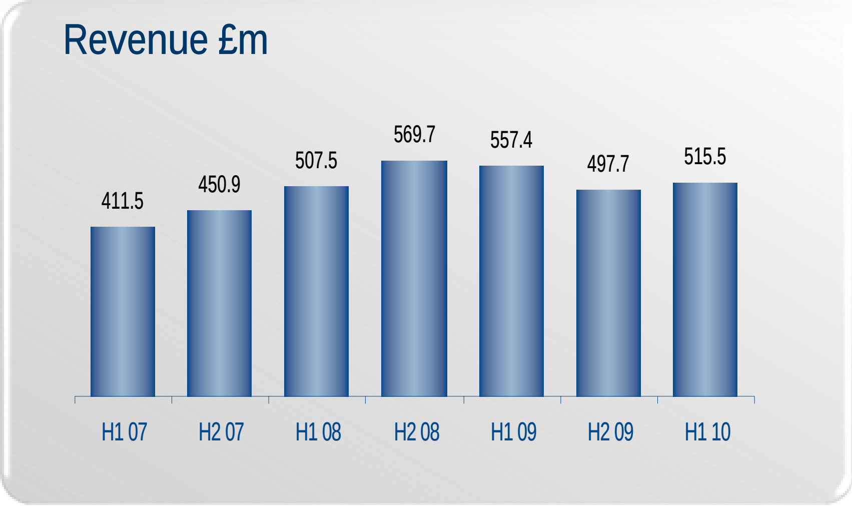
- New centres expected to increase by 15% in 2010
- Continued growth in customer numbers to c. 800k
- Critical UK restructuring completed;
  - one-off cost of c.£15.8m => £12m p.a. savings ongoing
- Several landmark corporate account contracts completed
- In a challenging economy – improved action and innovation is key

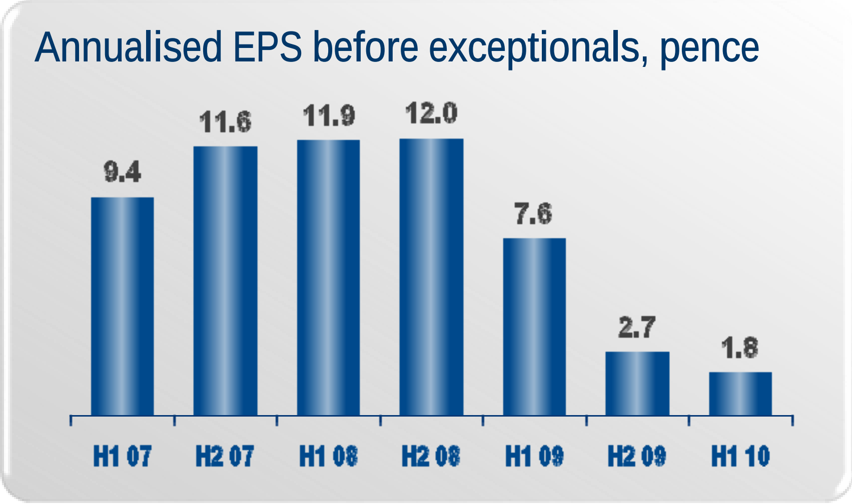
**Note: Results exclude the £15.8 million impact of the 2010 UK restructuring*

Regus

Solid performance

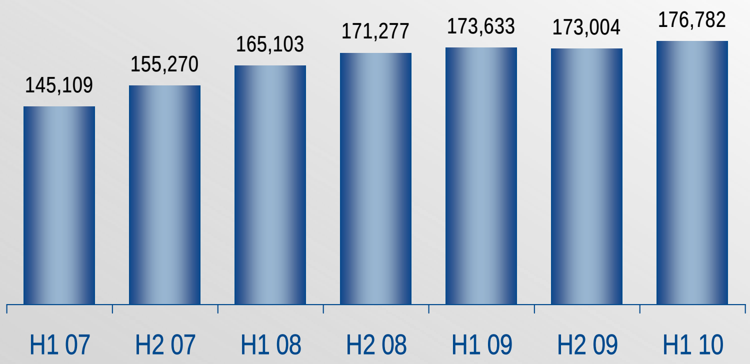
Actual exchange rates





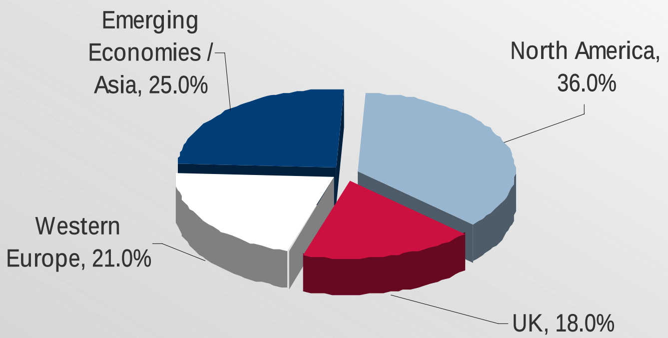
Solid performance

Total available workstations

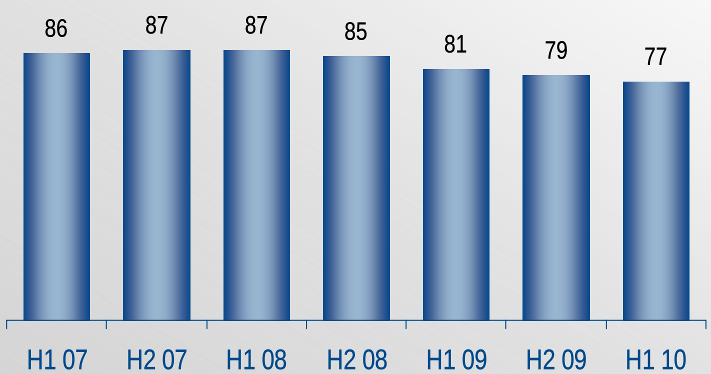


*Actual available workstations including non consolidated

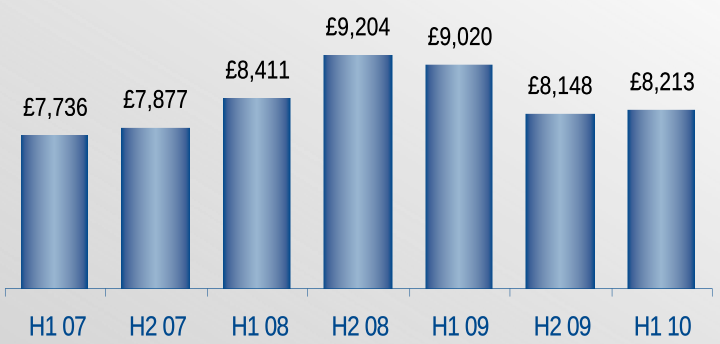
H1 2010 revenues by region



Average Mature occupancy



Annualised Mature REVPOW



FINANCIALS

Stephen Gleadle
Chief Financial Officer

Summary income statement

Actual exchange rates

£ million	2010	2009	Change
Revenue	**515.5**	**557.4**	**(41.9)**
Centre contribution	105.5	134.0	(28.5)
Overheads	(96.2)	(83.9)	(12.3)
Joint ventures	0.9	1.3	(0.4)
EBIT pre-exceptional	**10.2**	**51.4**	**(41.2)**
Exceptional receipt	0.0	18.3	(18.3)
Restructuring & Reorganisation	(15.8)	0.0	(15.8)
Net interest	(0.5)	(0.7)	0.2
Tax	(1.4)	(14.3)	12.9
Earnings	**(7.5)**	**54.7**	**(62.2)**
Basic EPS (pence)	0.9p*	3.8p*	(2.9)

* Result excludes exceptional items

Revenue & centre contribution

	Revenue £ million	Contribution £ million	Margin (%)
2009	**557.4**	**134.0**	**24.0%**
Impact of exchange rate movement	5.7	2.2	
2009 at 2010 exchange rates	**563.1**	**136.2**	**24.2%**
Mature business	(49.5)	(28.6)	
Added 2009	7.6	2.1	
Added 2010	4.5	(2.7)	
Closures	(10.2)	(1.5)	
2010	**515.5**	**105.5**	**20.5%**

Regional analysis

Actual exchange rates

	Revenue		Contribution		Mature margin (%)	
£ million	2010	2009	2010	2009	2010	2009
Americas	215.4	227.0	46.8	51.4	23%	24%
EMEA	142.2	162.5	35.1	49.1	26%	31%
Asia Pacific	68.3	68.6	19.3	20.9	29%	30%
UK	88.9	98.5	3.0	11.1	4%	11%
Other	0.7	0.8	1.3	1.5	-	-
	515.5	**557.4**	**105.5**	**134.0**	**21%**	**25%**

Regus

Impact of Growth

- Growth of 44 centres

- Income statement impact:
  - H1 growth costs c. £6.5m
    - Contribution loss per workstation £450
    - Marketing cost per workstation £180
    - Plus growth teams and other overheads £2.6m
  - Underlying EBIT £16.7m

- Cashflow impact:
  - H1 new centre capex c. £11.3m
    - Capex per workstation c. £3,000

Interest and tax

£ million

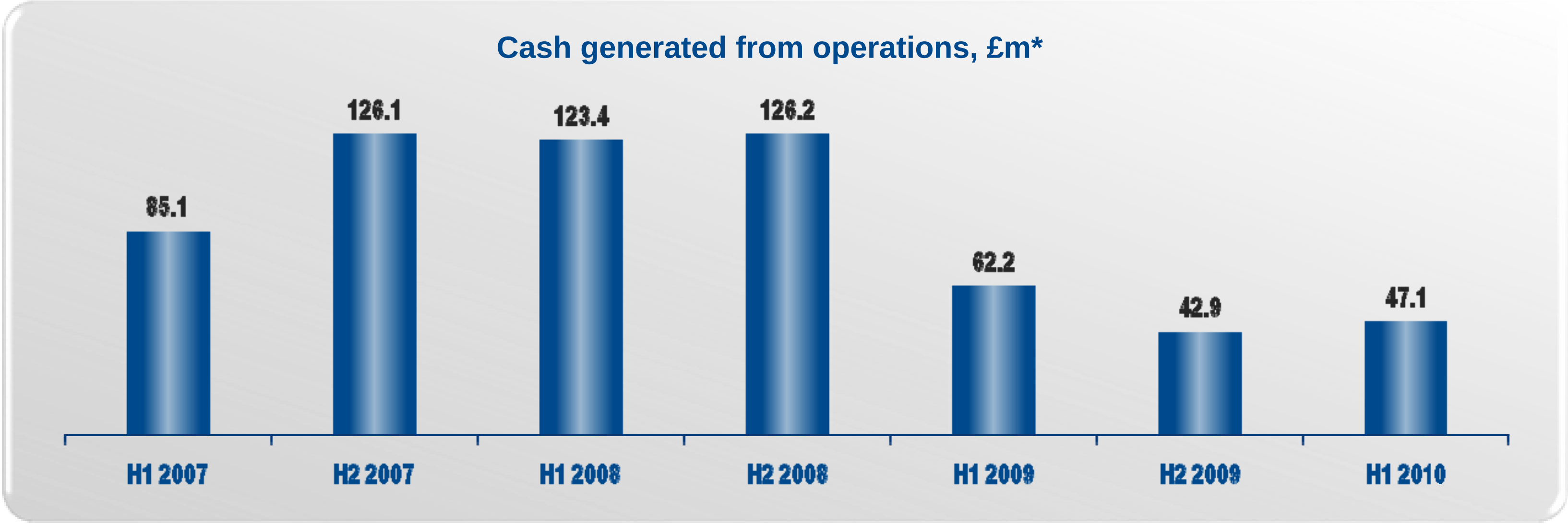
Interest	2010	2009	Change
Interest payable on bank loans and overdrafts	(0.5)	(0.9)	0.4
Interest receivable	0.9	1.3	(0.4)
Finance lease	(0.1)	(0.1)	-
Non cash - Deferred finance costs	-	(0.5)	0.5
Non cash - UK acquisition related	(0.8)	(0.5)	(0.3)
Net Interest	**(0.5)**	**(0.7)**	**0.2**
Tax			
Corporation tax credit (charge)	13.9	(11.5)	25.4
Deferred tax	(15.3)	(2.8)	(12.5)
Tax charge	**(1.4)**	**(14.3)**	**12.9**

Cash flow

£ million	2010	2009	Change
Cash from operations	47.1	62.2	(15.1)
Other income	0.0	0.2	(0.2)
Cash in	**47.1**	**62.4**	**(15.3)**
Maintenance capex	(9.2)	(6.8)	(2.4)
Interest and tax	(8.6)	(15.2)	6.6
Free cash flow	**29.3**	**40.4**	**(11.1)**
New centre openings	(14.0)	(16.6)	2.6
Share Buybacks, settlement of share awards and Dividends	(19.2)	(12.3)	(6.9)
Exceptional (cost)/receipt	(4.2)	18.5	(22.7)
Other	(3.3)	0.2	(3.5)
Cash out	**(40.7)**	**(10.2)**	**(30.5)**
Change in cash & cash equivalents	**(11.4)**	**30.2**	**(41.6)**
Opening Cash	245.1	219.5	25.6
FX	0.6	(12.2)	12.8
Closing balance – cash & cash equivalents	**234.3**	**237.5**	**(3.2)**

Continued focus on cash

- Robust cash position maintained - £224.2m
- Generating consistent cash levels - at difficult point of cycle
- Sound position to fund continued growth



** 2009 /2010 Results exclude exceptional net income and costs*

Summary balance sheet

@ Actual exchange rates

£ million	2010	2009	Change
Non-current assets	656.2	639.7	16.5
Working capital	(280.9)	(285.9)	5.0
Net cash	224.2	229.5	(5.3)
Other non-current liabilities	(102.6)	(98.6)	(4.0)
Net assets	**496.9**	**484.7**	**12.2**

Summary

Against the backdrop of a fragile trading environment, we have:

- continued to remain cash generative
- controlled our costs
- continued to take advantage of growth opportunities

We remain well placed for the long term:

- balance sheet has remained strong through the cycle
- strategy remains on track – we are executing our growth plans
- poised to benefit from recovery

STRATEGY AND OUTLOOK

Mark Dixon

Chief Executive Officer

Group strategy highlights

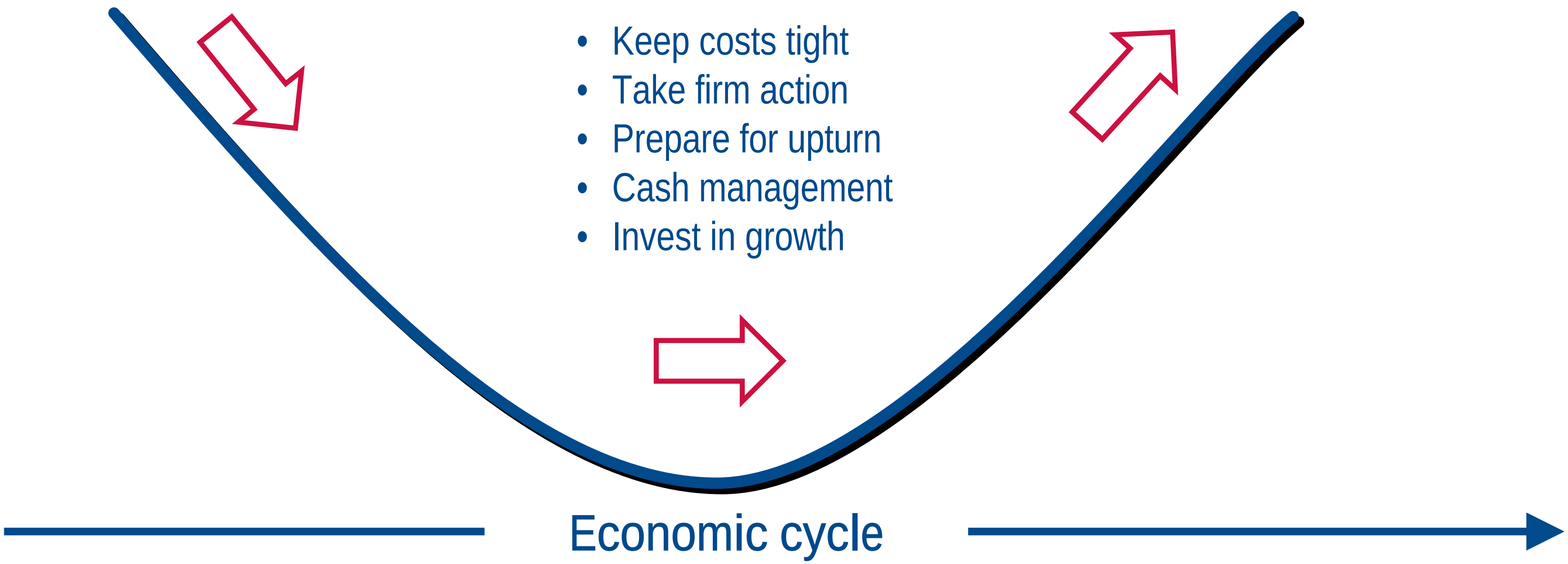
- Global leader ; More than 1,000 centres in over 80 countries
- Managing the cycle effectively; we continue to generate cash
- Maximum focus on margin recovery
- Continued investment in growth
- Critical restructure of the UK completed
- Continued investments in our operating system
- Refreshed management structure and approach - 2011

Managing the cycle effectively

- Cost reduction
- Product innovation
- Cash preservation
- Growth reduction

- Leverage operational gearing
- Maximise upturn
- Cash generation
- Maximise growth pipeline

- Keep costs tight
- Take firm action
- Prepare for upturn
- Cash management
- Invest in growth



Margin recovery – Cost and efficiency

- c.£100m annual savings v H2 2008
- Smartworking programme to deliver more savings in 2011
    - 1000 -> 4 -> 1 centralised accounting and transaction processing
    - Staff freed to focus on the customer; customer satisfaction up 5%

  } 60% complete
- Continued investment in systems
    - Titan – 80% automated
    - Businessworld – 95% automated
    - PeopleSoft – 50% applied
- Streamlining – Global Treasury clearing system
    - Better control of cash
    - Improved cash application and availability

Regus

Margin recovery – UK turnaround

- Regus remains clear market leader in the UK
- Achieved significant rent reductions and improved structure
  - Closed two centres
  - Will save £12m+ per annum
  - One off exceptional cost of £15.8m
- Revenue stabilising with signs of improvement.
- Seeking to achieve cash breakeven in Autumn; return to positive margins in 2011
- Continue to add new centres where the deals are attractive and the business case compelling
  - e.g. Horsham, Brighton, Plymouth, Bolton

Margin recovery - Revenue

- Sales force – upgrade/ enhanced training = efficiency and performance lifted
- Yield management, improved management, planning and forecasting
- New channels – corporate accounts, retail
  - Agreement just signed with Microsoft Netherlands
  - Retail product to be included in all Microsoft SME business solutions
  - Recently launched pocket packs into all WHSmith travel locations (168 stores)
- Marketing
  - Increased spend;
  - Experimentation in TV and Radio

Regus iPhone Application

A massive global market

- IDC predict 1.2 billion mobile workers globally by 2013, almost a third of the workforce
  - 1% of this market would provide us with 12 million Businessworld card holders
- Regus believes there to be c.735million office desks in the world
  - 0.1% of this market would result in 735,000 w/s
- In the throes of a working revolution - changing the way organisations function
- More and more organisations are moving to flexible working, embracing Agility @ work
- This is a permanent, structural change
- We continue to gear up a specialist team to release this potential

Home & Mobility segment – explosive growth

- Exciting high growth complimentary business
- Significant uplift in Businessworld members – now 475k

- Total customer numbers now 800k
- Product team strengthened
  - Grow membership numbers
  - Grow revenue per member

Regus

Case Study - Yell

- 18 sales offices across UK supporting 700-800 sales people
- Rarely used as technology enables anywhere working
- Offices closed and workforce provided Businessworld cards – transitioned in one month
- Saved £1.5million per annum, a 60% reduction in total cost
- Regus supports all requirements; from call handling and mail pick up to meeting rooms and VC
- Highly flexible, low risk approach which will flex with Yell's changing needs
- Yell already experiencing measurable increases in productivity

"The agreement with Regus…is cost effective, low risk, flexible and sustainable. It will increase productivity as less time is spent commuting and working in poorly equipped places such as hotels and cafes."
Simon Taylor, Head of Property, Yell plc

Case study - GE

- Regus supporting GEs real estate strategy – flexible component managed within Regus global footprint
- Improve GEs utilisation of people to desks
- Mitigate risk in GE real estate portfolio & lower GEs total costs of occupancy
- Expand GEs network of “as needed” workspaces - efficiency and productivity gains
- Deliver mobile program for home/mobile associates
- Massive potential – reviewing 140 small offices across US; 40 of which due for renewal in next 6-12 months

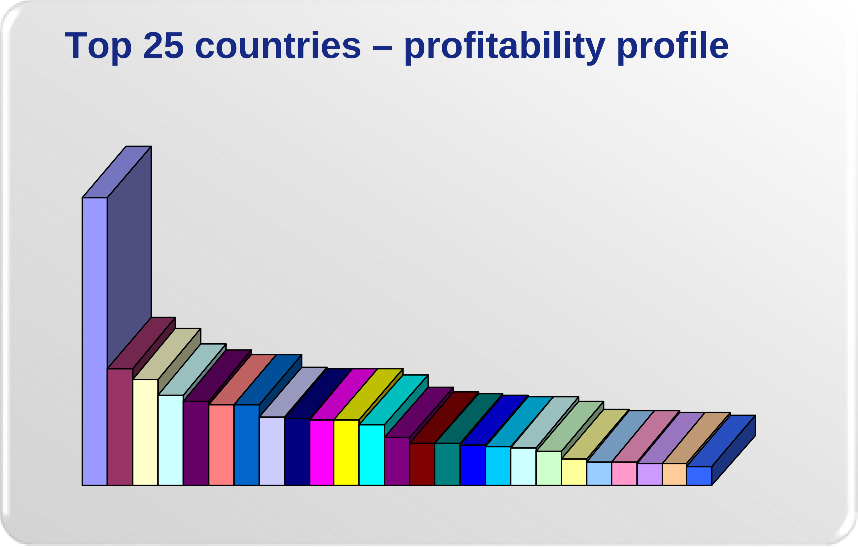
“Expanding our partnership with Regus allows us to continue to successfully execute against our strategy of transforming and right-sizing our global real estate portfolio.”

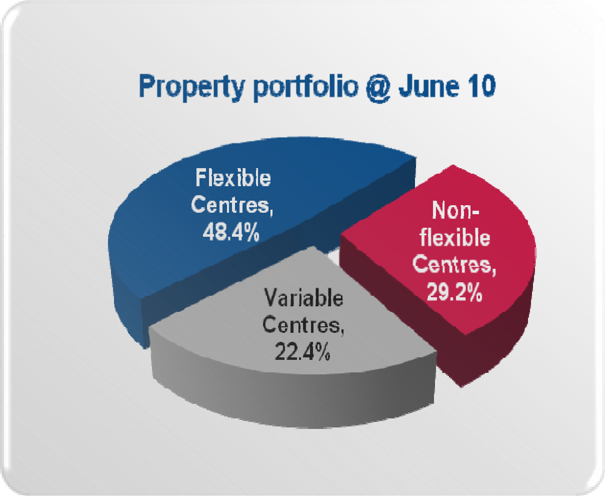
Stephanie Fulbright, Director - Real Estate Services Operation GE

Regus

1000 Centres and growing

- Up to 15% centre; 10% capacity expected 2010
- New countries include Ghana, Tanzania and Lithuania amongst others
- Low-risk, attractive ROIC
- New location, concession opportunities
- Renewed focus on emerging markets
- New 2011 management structure – should lift development potential

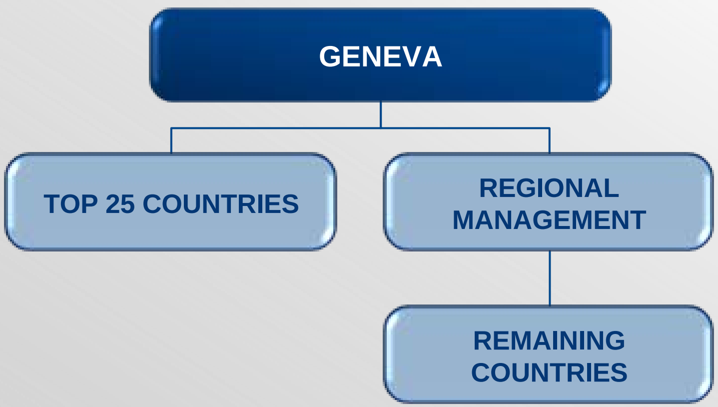




Strengthening the management structure

- Reinforced management in our top 25 countries
- Several key recruits completed
- Opening R&D centre in Geneva
- Strengthening the board

Country reporting lines



Geneva location

Strengthening the Board

Douglas Sutherland

Non-Executive Chairman

Former Arthur Andersen partner

Former CFO Skype & CFO Securewave

Lance Browne

Senior Independent Non-Exec Director

Vice chairman of Standard Chartered Bank (China) Ltd)

Ulrich Ogiermann

Independent Non-Exec Director

President / CEO Cargolux International Airlines

Elmar Heggen

Independent Non-Exec Director

CFO RTL Group

Alex Sulkowski

Independent Non-Exec Director

Former Arthur Andersen and E&Y tax partner

Managing partner, Atoz Tax Advisors

Looking forward

- Maintain focus on cash generation and profitability
- Robust cash position and balance sheet
- Ready to capitalise on opportunities:
  - A scalable model
  - A growth industry – significant potential
  - A global platform – multiple opportunities
  - Management team in place to execute