

16 December 2004



REGUS GROUP PLC

PRE CLOSE TRADING UPDATE

Regus Group plc ("Regus"), the leading provider of global outsourced offices, provides the following pre-close update on trading for the year ending 31 December 2004.

Regus has continued to see improved trading across the Group during the second half of 2004, although revenues in our largest market, the US, were affected by the weaker dollar. In particular, Q4 2004 (our first quarter incorporating HQ Global Workplaces) is delivering strong revenues, profitability and cash generation. Revenues for the 11 months to 30 November 2004 (at actual exchange rates) were £277.3 million. The company expects to have zero net debt at the year end.

In the US, the performance and integration of HQ Global Workplaces is proceeding well. The target of realising \$20m of annualised synergies will be achieved ahead of plan. Strong sales growth, in particular through improving price and service revenues, provides a solid platform for growth in 2005.

In EMEA revenues have seen a steady increase. However, overall performance has been impacted by the more challenging conditions in two of our larger countries, the Netherlands and Germany, which continue to see lower than average occupancy. Management is working actively to improve margins through a variety of actions.

Asia continues to perform well. New centres have been added in Korea with three new centres planned in India and Hong Kong.

Within a tough competitive environment in the UK, our 42% associate, Regus UK Limited, will make an EBIT loss in 2004, of which our share is expected to be in the region of £3m to £4m. However, the UK business has seen an upturn during the second half of 2004 and is currently trading at EBIT breakeven.

Regus is performing well as we exit 2004. The forward order book currently stands at a record level and we have strong momentum as we move into 2005.

Commenting on today's announcement, Mark Dixon, Chief Executive, said:

"Regus' performance improved substantially during 2004 and we are on track to meet our revenue targets for the year. Enquiries remain strong, costs are under control and we enter 2005 off a solid Q4 2004 base. Our focus going forward will be on completing the synergies work of the acquisition of HQ as well as the organic growth of Regus' existing business with the selective opening of new centres."

Regus Group plc will announce its full year results for the twelve months ended 31 December 2004 mid to late March 2005.

For further information, please contact:

Regus Group plc

John Matthews, Chairman

Mark Dixon, Chief Executive

Tel: +44 1932 895135

Financial Dynamics

David Yates / Richard Mountain

Tel: + 44 20 7269 7291