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**PRESS RELEASE**

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**Trading update**

Chertsey, UK, 7 July 2005, Regus Group plc, (LSE: RGU)

Regus Group plc ("Regus"), the leading global provider of office outsourcing, issues the following trading update for the six months ended 30 June 2005.

*All numbers are stated on a pro forma basis including HQ and at constant rates. EMEA represents Europe, Middle East and Africa (excluding our UK Associate).*

Trading in the second quarter has continued in line with the Board's expectations with good progress in both profit and cash generation.

Unaudited revenues for the first six months are expected to be approximately 7.6% up on the first six months of 2004.

In the first six months, Revenue Per Available Workstation (REVPAW) increased by 9.3% over the same period last year driven by month on month revenue increases.

The Group has seen growth in revenues and enhanced margins across all three regions. In particular EMEA has progressed well by increasing its revenues whilst reducing costs. Organic revenue growth in the Asia Pacific region has been supplemented by new centre openings in China, India, Japan and Korea in the first half and the Americas continue to benefit from the acquisition of HQ.

Commenting on the first six months performance, Chief Executive Mark Dixon said: "Regus' performance continues to improve in line with the Board's expectations. Enquiries remain strong, demonstrated by our healthy 12 month forward order book which was 15.3 % higher at 30 June 2005 than at the same date last year on a comparable basis. We enter the second half of 2005 well positioned to achieve our objectives for the full year. The Group will open new centres in the second half of the year in Asia Pacific and the Americas, which are expected to start contributing to the Group next year."

Regus will announce its interim results for the six months ended 30 June 2005 during the week commencing 12 September 2005.

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