

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred your registered holding of Ordinary Shares in Regus plc (société anonyme), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



Regus plc (société anonyme)
(the "Company")

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159)

**NOTICE OF ANNUAL GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING**

Notice of the annual general meeting of the Company, to be immediately followed by an extraordinary general meeting to amend the memorandum and articles of association of the Company, to be held at 11.00 a.m. (Luxembourg time) on 19 May 2009 at 26 Boulevard Royal, L-2449 Luxembourg is set out at Part II of this circular.

Whether or not you propose to attend the annual general meeting and extraordinary general meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received not less than 48 hours before the time of the holding of the annual general meeting and extraordinary general meeting.

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DEFINITIONS

“2009 March CIP Options”	means the nil-cost options over 1,995,225 Ordinary Shares conditionally granted to Mark Dixon on 23 March 2009 pursuant to the Regus CIP, subject to certain performance conditions and conditional upon either attainment of shareholder approval at the AGM or an undertaking from Mark Dixon that upon exercise of the awards he will immediately sell the resulting Ordinary Shares;
“Act”	means the Companies Act 2006;
“AGM”	means the annual general meeting of the Company to be held on 19 May 2009 at 26 Boulevard Royal, L-2449 Luxembourg at 11.00 a.m. (Luxembourg time);
“Bear Stearns”	means Bear Stearns Limited, a company incorporated in England and Wales under registered number 06784076 whose registered office is at 78 Farley Road, Selsdon, South Croydon, Surrey, CR2 7ND;
“CIP Options”	means any options which have previously been granted to Mark Dixon pursuant to the Regus CIP;
“Code”	means the UK City Code on Takeovers and Mergers;
“Company”	means Regus plc (société anonyme), a company incorporated in Jersey with registered number 101523 and whose registered office is at 22 Grenville Street, St Helier, JE4 8PX, Channel Islands and having its place of central administration (head office) in Luxembourg at 26 Boulevard Royal, L-2449 Luxembourg and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159;
“Directors” or “Board”	mean the Executive Directors and the Non-Executive Directors;
“Dividend Source Election Form”	means the enclosed dividend source election form for completion by Shareholders for the purposes of electing whether to receive payment of dividends from a UK or Luxembourg source;
“EGM”	means the extraordinary general meeting of the Company before a Luxembourg public notary to consider proposed amendments to the Company’s memorandum and articles of association which will immediately follow the AGM;
“Estorn”	means Estorn Limited, a company incorporated in Cyprus with registered number 188003 and whose registered office is at Elenion Building, 2 nd Floor, 5 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus, of which Mark Dixon owns 100 per cent. of the issued share capital and which currently has beneficial ownership of Mark Dixon’s entire holding of Ordinary Shares;
“Equiniti”	means Equiniti (Jersey) Limited, a company incorporated in Jersey whose registered office is at PO Box 63, 11-12 Esplanade, St Helier, Jersey JE4 8PH;
“Executive Directors”	means Mark Dixon and Stephen Gleadle;
“Existing Whitewashed Option Shares”	has the meaning set out on page 18 of this document;
“First Waiver”	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mark Dixon (or any entity through which Mark Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company following re-purchases of Ordinary Shares by the Company that take Mark Dixon’s shareholding to above its

	current level (being 37.45 per cent. of issued share capital as at the date of this document) up to a maximum of 39.99 per cent. of the then issued share capital (taking into account the number of Ordinary Shares which may result from the exercise of all share options held by Mr. Dixon as at the Latest Practicable Date, except those granted under the Old Regus 2008 Value Creation Plan);
“First Waiver Resolution”	means resolution 16 set out at page 10 of this document;
“Form of Proxy”	means the enclosed proxy form for completion by those Shareholders who wish to vote on the resolutions set out in this document but who are unable to attend the AGM and EGM;
the “Group” or the “Regus Group”	means the Company together with its subsidiaries and subsidiary undertakings;
“Independent Directors”	means the Directors other than Mark Dixon;
“Independent Shareholders”	means the Shareholders other than Mark Dixon;
“Investec”	means Investec Bank plc, a company registered in England and Wales with registered number 00489604, whose registered office is at 2 Gresham Street, London, EC2V 7QP;
“issued share capital”	means, except where stated to the contrary, the issued share capital of the Company excluding treasury shares;
“Latest Practicable Date”	means 17 April 2009, being the latest practicable date prior to the publication of this document;
“LTIP”	means the Regus Long Term Incentive Plan which is an element of the Regus CIP under which stand alone nil-cost options over, or whole awards of, Ordinary Shares can be made to Directors without reference to their annual bonus, up to 100 per cent. of salary per annum;
“Merrill Lynch”	means Merrill Lynch International, a company registered in England and Wales under registered number 02312079, whose registered office is 2 King Edward Street, London, EC1A 1HQ and a subsidiary of Bank of America Merrill Lynch;
“Non-Executive Directors”	means John Matthews, Martin Robinson, Lance Browne, Ulrich Ogiermann and Douglas Sutherland;
“Old Regus”	means Regus Group Limited (formerly Regus Group plc), a company incorporated in England and Wales with registered number 04868977 and whose registered office is at 3000 Hillswood Drive, Chertsey, Surrey KT16 0RS;
“Old Regus Value Creation Plan”	means the share option plan for certain senior executives of the Group selected by the Remuneration Committee under which one-off entitlements convertible into options over Ordinary Shares are granted to such senior executives, provided that certain stretching share price targets are met;
“Old Shares”	means ordinary shares of 5 pence each in the capital of Old Regus;
“Ordinary Shares”	means ordinary shares of 1 pence each in the capital of the Company;
“Original Waivers”	has the meaning set out on page 18 of this document;
“Panel”	means The Panel on Takeovers and Mergers;
“Regus CIP”	means the Regus Co-Investment Plan under which any employee of a Group company with a minimum period of six months’ continuous service with that company will be eligible to receive awards of conditional shares or nil cost options at the discretion of the Remuneration Committee;

“Remuneration Committee”	means the remuneration committee of the Company;
“Second Waiver”	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mark Dixon (or any entity through which Mark Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company following exercise of any of the 2009 March CIP Options;
“Second Waiver Resolution”	means resolution 17 set out at page 10 of this document;
“Shareholders”	means the holders of Ordinary Shares from time to time;
“Share Option Plan”	means the Regus Share Option Plan for the grant of nil cost options to subscribe for Ordinary Shares or options to purchase Ordinary Shares from an employee benefit trust to employees and executive directors of the Regus Group and their family members or family trusts; and
“Waivers”	means the First Waiver and the Second Waiver.

PART I

LETTER FROM THE CHAIRMAN

Regus plc (société anonyme)

(the "Company")

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a société anonyme under number R.C.S. Luxembourg B 141159)

Registered Office:

22 Grenville Street, St Helier, JE4 8PX, Channel Islands

Central administration (head office):

26 Boulevard Royal, L-2449 Luxembourg

Directors

John Matthews (Chairman)

Mark Dixon (Chief Executive Officer)

Stephen Gleadle (Chief Financial Officer)

Martin Robinson (Non-Executive Director)

Lance Browne (Non-Executive Director)

Ulrich Ogiermann (Non-Executive Director)

Douglas Sutherland (Non-Executive Director)

20 April 2009

Notice of annual general meeting to be immediately followed by an extraordinary general meeting to amend the memorandum and articles of association of the Company on 19 May 2009

Dear Shareholder,

I am pleased to be writing to you with details of our annual general meeting ("**AGM**") which we are holding at 11.00 a.m. (Luxembourg time) on 19 May 2009 at 26 Boulevard Royal, L-2449 Luxembourg. The formal notice of AGM is set out on pages 9 to 13 of this document. Please note that the AGM will be immediately followed by an extraordinary general meeting at which a special resolution to amend our memorandum and articles of association will be proposed.

Luxembourg law requires the Company to prepare both consolidated financial statements and annual accounts for the Group and financial statements and annual accounts for the Company on a standalone basis. For this reason the financial statements and annual accounts for both the Group and the Company on a standalone basis have been made available on the Company's website www.regus.co.uk and can also be inspected at the locations set out at the end of this letter. You are invited to approve both sets of financial statements and annual accounts in resolutions 1 and 2 of the agenda of the AGM.

In addition to resolutions 1 to 21, which constitute the business of the AGM, the Directors are proposing resolution 22 as business that will require the holding of an extraordinary general meeting in the presence of a Luxembourg public notary to amend the memorandum and articles of association of the Company.

If you would like to vote on the resolutions but cannot come to the AGM and EGM, please fill in the Form of Proxy sent to you with this notice and return it to our registrars, Equiniti, as soon as possible. They must receive it by 11.00 a.m. (Luxembourg time) on 17 May 2009. Address details for Equiniti are set out on page 12 of this document and in the notes to the enclosed Form of Proxy.

Final dividend

Shareholders are being asked to approve a final dividend of 1.2 pence per Ordinary Share for the year ended 31 December 2008. If you approve the recommended final dividend, this will be paid on 29 May 2009 to all Shareholders who were on the register of members on 1 May 2009.

In order to elect whether you receive payment of the proposed final dividend from the Company (resident for tax purposes in Luxembourg) or one of its subsidiaries (resident for tax purposes in the UK), please fill in the Dividend Source Election Form sent to you with this notice and return it to our registrars, Equiniti, as soon as possible and in any event by close of business on 1 May 2009. Address details for Equiniti are set out on page 12 of this document and in the notes to the enclosed Dividend Source Election Form. **Please note that if you have previously submitted a Regus "Dividend Election Form" to Equiniti, you do not need to submit the enclosed Dividend Source Election Form unless you wish to change the requested source of your dividend payments.**

Amendments to Memorandum and Articles of Association

We are asking Shareholders to approve a number of amendments to our memorandum and articles of association. An explanation of the changes between the proposed and the existing articles of association is set out in the explanatory notes in Part III of this document. These changes will be put to Shareholders at the EGM, which will immediately follow the annual general meeting.

The memorandum and articles of association, as amended, will be produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification. A draft of the memorandum and articles of association showing the proposed amendments will be available for inspection at 26 Boulevard Royal, L- 2449 Luxembourg at least 15 minutes before and during the meeting and will also be displayed on the Company's website www.regus.co.uk from the date of this letter until 19 May 2009.

Notice of General Meetings

The Shareholder Rights Directive (the "**Directive**") is intended to be implemented in the UK in August this year. One of the requirements of the Directive is that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. We are currently able to call general meetings (other than annual general meetings) on 16 days' notice or such shorter period as may be permitted by Jersey and Luxembourg law. We are proposing a resolution at the AGM so that we can continue to be able to do so after the Directive is implemented.

Rule 9 Waivers granted by the Panel in favour of Mark Dixon

Mark Dixon (a Director of the Company) held 355,141,288 Ordinary Shares (representing approximately 37.45 per cent. of the issued share capital of the Company) as at the Latest Practicable Date. Should his interest in Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the remainder of the share capital of the Company.

At an extraordinary general meeting of Old Regus held on 7 December 2007 and at the annual general meeting of Old Regus held on 20 May 2008, Old Regus shareholders approved various waivers granted by the Panel in favour of Mark Dixon in relation to the obligations he would otherwise have incurred pursuant to Rule 9 of the Code (the "**Original Waivers**"). The Panel and the Company's shareholders confirmed that the Original Waivers in respect of Mark Dixon's shareholding in Old Regus would apply equally in respect of Mark Dixon's shareholding in the Company, which he acquired as part of the scheme of arrangement between Old Regus and its shareholders which became effective on 14 October 2008.

We are now asking the Independent Shareholders to approve the terms of further waivers granted by the Panel to Mr. Dixon. An explanation of the reasons for such a request, the background to the obligation arising from Rule 9 of the Code and details of the previous approval by Old Regus shareholders of the Original Waivers (which were subsequently confirmed by the Panel and the Company to apply equally to the Company) are set out in Part IV on page 18 of this document.

General

Explanatory notes on all the business to be considered at this year's AGM appear in Part III on pages 14 to 17 of this document.

The Board considers resolutions 1 to 15 (inclusive) and 18 to 22 (inclusive) to be in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well. As at the date of this letter, the Board's shareholdings amounted, in aggregate, to 356,734,537 Ordinary Shares representing approximately 37.62 per cent. of issued share capital.

In addition, the Independent Directors, who have been so advised by Investec, consider resolutions 16 and 17 to be in the best interests of the Company and the Independent Shareholders as a whole. The Independent Directors will be voting in favour of them and unanimously recommend that you do so as well. At the date of this letter, the Independent Directors' shareholdings amounted, in aggregate, to 1,593,249 Ordinary Shares representing approximately 0.17 per cent. of issued share capital.

Yours sincerely,



John Matthews, Chairman

Inspection of documents

The following documents will be available for inspection at the Company's head office Luxembourg at 26 Boulevard Royal, L-2449 Luxembourg, the Company's registered office in Jersey at 22 Grenville Street, St Helier, Jersey JE4 8PX and at the offices of Slaughter and May at One Bunhill Row, London, EC1Y 8YY from 20 April 2009 until the end of the AGM:

- *copies of the Executive Directors' service contracts;*
- *copies of letters of appointment of the Non-Executive Directors;*
- *a copy of the memorandum and articles of association of the Company;*
- *a copy of the memorandum and articles of association of the Company marked to show the changes being proposed in resolution 22;*
- *copies of the annual report and accounts of Old Regus for the years ended 31 December 2006 and 31 December 2007;*
- *a copy of the annual report and accounts of the Company for the financial year ended 31 December 2008 which include, inter alia,:*
 - *the consolidated and standalone financial statements and annual accounts;*
 - *a list of the Directors and the réviseur d'entreprises;*
 - *a list of sovereign debt, shares, bonds and other company securities making up the portfolio;*
 - *the reports of the Board; and*
 - *the reports of the réviseur d'entreprises;*
- *the register of members of the Company, which includes a note of any Shareholders who have not paid-up their shares, with an indication of the number of their shares and their domicile (note that this information will only be available at the Company's registered office in Jersey and head office in Luxembourg and not at the offices of Slaughter and May);*
- *the facility agreement dated 19 April 2006 and the accession and amendment deed dated 28 August 2008 referred to in paragraph 8.1 of Section II of Part IV of this document; and*
- *the letter of consent from Investec to the Company dated 20 April 2009 referred to in paragraph 10 of Section II of Part IV of this document.*

PART II

NOTICE OF THE 2009 ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

Regus plc (société anonyme)

Notice is hereby given that this year's annual general meeting, to be immediately followed by an extraordinary general meeting to consider proposals to amend the memorandum and articles of association of the Company, will be held at 11.00 a.m. (Luxembourg time) on 19 May 2009 at 26 Boulevard Royal, L-2449 Luxembourg. You will be asked to consider and vote upon the resolutions set out below. Resolutions 1 to 15 (inclusive) will be proposed as ordinary resolutions, resolutions 16 and 17 (inclusive) will be proposed as ordinary resolutions to be voted upon by Independent Shareholders only and resolutions 18 to 22 (inclusive) will be proposed as special resolutions.

AGENDA

Annual general meeting

The consolidated and standalone financial statements and annual accounts of the Company for the financial year ended 31 December 2008, and the reports of the Board and the independent auditors thereon, will be laid before Shareholders for their consideration at the beginning of the annual general meeting.

Ordinary resolutions

1. To approve the consolidated financial statements and annual accounts of the Company for the financial year ended 31 December 2008.
2. To approve the standalone financial statements and annual accounts of the Company for the financial year ended 31 December 2008.
3. To approve the Directors' Remuneration Report for the financial year ended 31 December 2008.
4. To grant discharge to the Directors in respect of certain duties owed to Shareholders under Luxembourg law during the financial year ended 31 December 2008.
5. To approve the allocation of the net profit of the Company for the year ended 31 December 2008 on the following basis:
 - (A) 0.83 per cent. of the Company's net profit, being equal to approximately one tenth of the nominal value of the current issued share capital of the Company, is to be allocated to the legal reserve of the Company pursuant to article 139 of the Company's memorandum and articles of association;
 - (B) a final dividend of 1.2 pence per Ordinary Share is to be paid on Friday, 29 May 2009 to Shareholders of record on Friday, 1 May 2009 (other than to those who are paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with article 142 of the Company's memorandum and articles of association); and
 - (C) the balance of the Company's net profit is to be allocated to the Company's retained earnings account.
6. To approve the re-appointment of KPMG Audit S.à.r.l. as independent auditors of the Company to hold office until the conclusion of the annual general meeting to be held in May 2010.
7. To authorise the Directors to determine the remuneration of KPMG Audit S.à.r.l., as independent auditors.
8. To re-elect John Matthews as a director of the Company for a term of up to six years.
9. To re-elect Stephen Gleadle as a director of the Company for a term of up to six years.
10. To re-elect Martin Robinson as a director of the Company for a term of up to six years.
11. To re-elect Lance Browne as a director of the Company for a term of up to six years.
12. To re-elect Ulrich Ogiermann as a director of the Company for a term of up to six years.
13. To re-elect Douglas Sutherland as a director of the Company for a term of up to six years.

14. To resolve that, in substitution for any like authority conferred on them at a previous general meeting, the Directors of the Company be generally and unconditionally authorised to exercise all or any of the powers of the Company pursuant to the Company's memorandum and articles of association to allot and issue Relevant Securities (as defined in Article 11(H)(viii) of the Company's memorandum and articles of association) and to allot and issue shares in pursuance of an employee share scheme (including any employee share scheme of any company that is a subsidiary of the Company):
- (A) up to an aggregated nominal amount of £3,160,730.28; and
 - (B) comprising equity securities (as defined in article 11(H)(iv) of the Company's memorandum and articles of association) up to a nominal amount of £6,321,460.55 (after deducting from such limit any relevant securities allotted under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the annual general meeting of the Company to be held in May 2010, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities (or shares in pursuance of an employee share scheme) to be allotted and issued after such expiry and the Directors may allot and issue Relevant Securities (or shares in pursuance of an employee share scheme) pursuant to such offer or agreement as if the authority conferred hereby had not expired.

15. To authorise the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 20 prior to the conclusion of the annual general meeting of the Company to be held in May 2010, if the Directors of the Company resolve to hold as treasury shares any shares so purchased or contracted to be purchased.
16. To resolve that the waiver granted by the Panel of the obligation which may otherwise arise pursuant to Rule 9 of the Code for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders for all of their Ordinary Shares as a result of market purchases of Ordinary Shares by the Company, pursuant to the authority granted under resolution 20 below, that would increase Mr. Dixon's shareholding to a level above his current interest (representing approximately 37.45 per cent. of issued share capital as at the date of this document) up to a maximum interest equating to 39.99 per cent. of the then issued share capital (taking into account the number of Ordinary Shares which may result from the exercise of all share options held by Mr. Dixon as at the Latest Practicable Date, except those granted under the Old Regus 2008 Value Creation Plan) be and is hereby approved.
17. To resolve that the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9 of the Code, for Mark Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders of the Company for all of their Ordinary Shares as a result of the exercise by Mr. Dixon of any of the 2009 March CIP Options (pursuant to which Mr. Dixon's interest in the shares of the Company could potentially increase from 355,141,288 such shares (representing approximately 37.45 per cent. of such shares in issue at the date of this document) to a maximum of 357,136,513 such shares (representing up to a maximum of approximately 37.58 per cent. of such shares)) be and is hereby approved.

In accordance with the requirements of the Code, Mr. Dixon will not be voting, in respect of resolutions 16 and 17, his interest in 355,141,288 shares in the Company, representing approximately 37.45 per cent. of the Company's current issued share capital. The vote in respect of resolutions 16 and 17 will be held by means of a poll vote.

Special resolutions

18. To resolve that a general meeting other than an annual general meeting may be called on not less than 16 clear days' notice or such shorter period as may be permitted by the Applicable Companies Laws (as defined in the Company's memorandum and articles of association).
19. To resolve that the secretary (as defined in the Company's memorandum and articles of association) or any Director of the Company be authorised to:
 - (A) make, from time to time, all necessary amendments to the provisions of the Company's memorandum and articles of association which state the Company's issued share capital to reflect changes in the Company's issued share capital; and
 - (B) make (or cause to be made) all necessary:
 - (i) entries in the Company's records and accounts; and
 - (ii) all other formalities, actions, deeds and filings in Jersey or Luxembourg, in connection with each such amendment to the Company's memorandum and articles of association.
20. To resolve that the Board be generally and unconditionally authorised pursuant to article 57 of the Companies (Jersey) Law 1991, article 49-2 of the Luxembourg Companies Laws (as defined in the Company's memorandum and articles of association) and the Company's memorandum and articles of association, to make market purchases of Ordinary Shares, provided that:
 - (A) the maximum number of Ordinary Shares authorised to be purchased is 94,821,908 (representing approximately 10 per cent. of the Company's issued share capital at the date hereof) further provided that no purchase shall be made from time to time if such purchase would exceed 10 per cent. of the nominal value of the issued share capital (including shares held in treasury) of the Company at that time;
 - (B) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is £0.01;
 - (C) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be the higher of:
 - (i) an amount equal to five per cent. above the average of the middle market quotations for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time that the purchase is carried out; and
 - (D) the authority hereby conferred shall expire on the conclusion of the annual general meeting of the Company to be held in May 2010 (except that the Company may make a contract to purchase Ordinary Shares under this authority before the expiry of this authority, which will or may be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares in pursuance of any such contract as if such authority had not expired).
21. To resolve that the Directors be empowered pursuant to the Company's memorandum and articles of association to allot and issue equity securities (as defined in article 11(H)(iv) of the Company's memorandum and articles of association) wholly for cash pursuant to the authority conferred by resolution 14 above, and/or where such allotment and issue constitutes an allotment and issue of equity securities by virtue of Article 11(H)(i) of the Company's memorandum and articles of association, as if Article 12 did not apply to such allotment and issue, provided that this power:
 - (A) shall expire on the conclusion of the annual general meeting of the Company to be held in May 2010, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the Directors may allot and issue equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired;

- (B) shall be limited to:
- (i) the allotment and issue of equity securities in connection with a rights issue, open offer or pre-emptive offer in favour of holders of Ordinary Shares (excluding any shares held by the Company as treasury shares) where the equity securities respectively attributable to the interests of such holders of Ordinary Shares on a fixed record date are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares subject to any exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and/or to deal with legal or practical problems arising under the laws of, or requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever; and
 - (ii) the allotment and issue of equity securities wholly for cash otherwise than pursuant to paragraph (A) above up to an aggregate nominal amount of £475,485 (representing approximately 5 per cent. of the Company's issued ordinary share capital, including treasury shares, as at the date hereof).

AGENDA

Extraordinary general meeting

22. To resolve by special resolution that the amendments to article 54, article 90(A), article 132 and the French translation of the memorandum and articles of association of the Company, as indicated on the copy of the memorandum and articles of association presented to the meeting and initialled by the chairman, be and are hereby approved.

20 April 2009

By order of the Board

Tim Regan, Company Secretary

Registered Office:

22 Grenville Street, St Helier, JE4 8PX, Channel Islands

Registered in Jersey No. 101523

Central administration (head office):

26 Boulevard Royal, L-2449 Luxembourg

Registered in Luxembourg No. R.C.S. Luxembourg B 141159

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the AGM and EGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Equiniti on 0871 384 2030. To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL no later than 11.00 a.m. on 17 May 2009.
2. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and EGM and voting in person if he/she wishes to do so.
3. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
5. Any person to whom this notice is sent who is a person nominated under Article 62 of the Company's articles of association to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

6. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6.00 p.m. (Luxembourg time) on 17 May 2009 (or, in the event of any adjournment, 6.00 p.m. (Luxembourg time) on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 17 April 2009 (being the last business day prior to the publication of this Notice), excluding treasury shares, the Company's issued share capital consists of 948,219,083 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 17 April 2009 are 948,219,083.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 11.00 a.m. on 17 May 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
13. A shareholder which is a corporation and which wishes to be represented at the meeting by a person with authority to speak and vote (a "**corporate representative**") must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. Under Jersey law it is not possible for a body corporate to appoint more than one corporate representative.
14. As provided in article 82 of the Company's memorandum and articles of association, voting on all resolutions set out in this notice (which are Substantive Resolutions) will be conducted by way of a poll rather than on a show of hands.
15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
16. If you submit more than one valid proxy appointment in respect of the same share, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. Except as provided above, members who have general queries about the AGM and EGM should call our shareholder helpline on 0871 384 2030 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice or any related documents (including the chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

PART III

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 15 inclusive are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 and 17 are proposed as ordinary resolutions to Independent Shareholders only. These mean that for each of these resolutions to be passed, more than half of the votes cast, by Independent Shareholders only, must be in favour of this resolution. Resolutions 18 to 22 inclusive are proposed as special resolutions. This means that for each of those resolutions to be passed at the first call of either the AGM or EGM at which the relevant resolution is proposed, a quorum of members representing at least 50 per cent. of the issued share capital must be present in person or by proxy and at least two-thirds of the votes cast must be in favour of the resolution.

Annual general meeting

Resolutions 1 to 3: Directors' reports, financial statements and annual accounts

The Directors are required to present to the AGM the Directors' and auditors' reports and the financial statements and annual accounts of both the Company and the Group for the year ended 31 December 2008. In these resolutions 1 to 3, Shareholders are invited to approve the reports and accounts for the financial year ended 31 December 2008. This also includes the approval of the Directors' Remuneration Report in resolution 3. All listed companies are required to put their remuneration report to a vote by shareholders. The remuneration report is set out at pages 33 to 39 of the Company's annual report for the year ended 31 December 2008.

Resolution 4: Discharge of the Directors for the financial year ended 31 December 2008

In resolution 4, Shareholders are invited to "grant discharge to" the directors of the Company in respect of the performance of certain duties owed to the Company under Luxembourg law during the financial year ended 31 December 2008. The proposal of such a resolution to "grant discharge to" the directors of a company at each annual general meeting at which the directors' reports, financial statements and annual accounts are laid and approved is customary under Luxembourg law. By approving this resolution 4, shareholders confirm that, based on the Directors' reports and the financial statements for the year ended 31 December 2008, the Directors have carried out their mandate to the Company successfully and can therefore be "granted discharge" in respect of the previous financial year. The Directors will then be deemed to have complied with the various duties imposed on them by Luxembourg company law, and which were owed to Shareholders during the year to 31 December 2008, based on the Directors' reports and the financial statements for the year ended 31 December 2008.

Resolution 5: Declaration of final dividend

Final dividends must be approved by Shareholders. The Board has recommended a final dividend of 1.2 pence per Ordinary Share, payable on 29 May 2009 to Shareholders of record on 1 May 2009. This final dividend is additional to the 0.6 pence per ordinary share paid by Regus Group Limited (then Regus Group plc) in October 2008.

An income access scheme has been implemented so that, subject to the Company's memorandum and articles of association, Shareholders will be entitled to elect to receive either UK-sourced dividends or Luxembourg-sourced dividends. Shareholders who do not elect (or who are not deemed to have elected) to receive UK-sourced dividends through the income access share arrangements are reminded that their dividends will be Luxembourg-sourced and will generally be subject to Luxembourg withholding tax at the rate of 15 per cent. A Dividend Source Election Form is enclosed with this document. Your attention is drawn to the explanatory notes to the Dividend Source Election Form. Please note that you do not need to take any action in relation to the income access scheme if you have previously submitted a Regus "Dividend Election Form" to our registrars, Equiniti, unless you now wish to change the required source of your dividend payments.

Resolutions 6 and 7: Re-appointment and remuneration of auditors

The independent auditors of the Company must be appointed at each general meeting at which the accounts are approved. Resolution 6 proposes the re-appointment of the Company's existing independent

auditors, KPMG Audit S.à.r.l., for a further year. Resolution 7 gives the directors authority to determine the auditors' remuneration.

Resolution(s) 8 to 13: Re-election of Directors

Under the Company's memorandum and articles of association, none of the Directors are required to retire at this year's AGM. However, in line with the principles of the Combined Code on corporate governance, those Directors who held office for the last two annual general meetings as directors of Old Regus will retire and offer themselves for re-election at this year's annual general meeting, as will those Directors who were appointed as Directors of the Company during the implementation of the Company's migration to Luxembourg in 2008 and whose appointments have not yet been approved by Shareholders. Accordingly, the following directors will retire and offer themselves for re-election this year: John Matthews, Stephen Gleadle, Martin Robinson, Lance Browne, Ulrich Ogiermann and Douglas Sutherland.

Brief details of all the Directors, including those retiring and offering themselves for re-election, are found at pages 22 to 23 of the Company's annual report for the year ended 31 December 2008.

Resolution 14: Directors' authority to allot shares

Pursuant to Article 11 of the Company's memorandum and articles of association, the Directors require the authority of the Shareholders in general meeting to allot unissued shares of the Company and this resolution seeks to renew that authority.

Paragraph (A) of this resolution would give the directors the authority to allot Ordinary Shares up to an aggregate nominal amount equal to £3,160,730.28 (representing 316,073,028 Ordinary Shares of £0.01 each). This amount represents approximately one third of the issued share capital (excluding treasury shares) of the Company as at 17 April 2009, being the Latest Practicable Date.

In line with recent guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the Directors authority to allot Ordinary Shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to £6,321,460.55 (representing 632,146,055 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two thirds of the issued share capital (excluding treasury shares) of the Company as at 17 April 2009, being the Latest Practicable Date.

The authorities sought under paragraphs (A) and (B) of this resolution will expire on 20 May 2010 (the last date by which the Company must hold an annual general meeting in 2010). The Directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (A), to satisfy options under the Company's share option schemes.

Resolution 15: Authority to hold repurchased shares in treasury

Resolution 20 seeks authority for the Company to repurchase its own shares on market. Under Jersey law, any shares so repurchased (or, as the case may be, contracted to be repurchased) are automatically cancelled on repurchase unless Shareholders have authorised the holding of shares in treasury by the Company. Under Luxembourg law, shares repurchased in accordance with Article 49-2 of the Luxembourg Companies Law are automatically held in treasury and can only be cancelled by way of shareholder resolution. Accordingly, this resolution 15 seeks authority for the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 20.

As at the date of this notice, 2,750,739 Ordinary Shares are held by the Company in treasury, which amounts to 0.29 per cent. of the issued share capital of the Company (excluding treasury shares). The Company may at any one time hold in treasury shares amounting, in aggregate, to a maximum of 10 per cent. of the issued share capital of the Company (including treasury shares).

Resolutions 16 and 17: Approval of Rule 9 waivers

Pursuant to Rule 9 of the Code and the Waivers granted by the Panel, which are conditional upon Independent Shareholder approval, we are asking the Independent Shareholders to approve the terms of the Waivers in favour of Mark Dixon for the reasons set out in Part IV of this document.

Resolution 18: Notice of general meetings

This resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive (the "Directive"). The regulation implementing the Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings

(other than an annual general meeting) on 16 clear days' notice (or such shorter time as may be permitted by the Applicable Companies Laws, as defined in the Company's memorandum and articles of association) and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 16 days' notice (or such shorter time as may be permitted by the Applicable Companies Laws, as defined in the Company's memorandum and articles of association). Resolution 18 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 16 days' notice (or such shorter time as may be permitted by the Applicable Companies Laws, as defined in the Company's memorandum and articles of association) after August 2009.

Resolution 19: Approval for secretary to amend the Company's memorandum and articles of association

Under Luxembourg law, a company must state not only its authorised share capital but also its issued share capital in its articles of association. To comply with Luxembourg law in this regard, on a quarterly basis the Company updates the statement of its issued share capital which appears in its memorandum and articles of association to reflect any increase in the number of the Company's Ordinary Shares in issue (as a consequence of the exercise of options or otherwise). This update is made by the Directors or Company Secretary requesting that a Luxembourg public notary make the necessary amendment and file the amended memorandum and articles of association with the Luxembourg RCS (Trade and Companies Registry). The amended memorandum and articles of association will also be filed with the Jersey Companies Registry. As under Jersey law any amendment to the memorandum and articles of association of the Company requires a special resolution, Shareholders are asked to pass this special resolution 19 to approve the updating and filing of amended memoranda and articles of association from time to time in Jersey during the forthcoming year so that the issued share capital statement can be updated on a quarterly basis, if required.

Resolution 20: Authority to purchase own shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 20 seeks authority from Shareholders to make such purchases in the market. The Directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources. The Directors would do so only when, in the light of prevailing market conditions, they believe that the effect of such purchases is in the best interests of shareholders generally and would result in an increase in earnings per share. Any shares purchased under this authority will be held in treasury (until such time as shareholders approve their cancellation in accordance with Luxembourg law).

Resolution 20 specifies the maximum number of shares which may be purchased (representing 10 per cent, of the Company's issued share capital as at the date of this notice) and the minimum and maximum prices at which they may be bought. The authority given by resolution 20 will last until the conclusion of next year's annual general meeting (unless otherwise revoked or varied by the Company in general meeting). The Directors intend to seek renewal of this power at subsequent annual general meetings.

The total number of options to subscribe for the Company's Ordinary Shares as at 16 April 2009 (being the last practicable date for these purposes) was 57,889,645. This represents 6.11 per cent. of the issued share capital of the Company at that date. If the Company were to buy back the maximum number of Ordinary Shares permitted pursuant to the passing of this resolution, then the total number of options to subscribe for shares outstanding as at 16 April 2009 (being the last practicable date for these purposes) would represent 6.78 per cent. of the issued share capital of the Company reduced by the number of shares held in treasury.

As at the date of this Notice, 2,750,739 Ordinary Shares are held by the Company in treasury.

Resolution 21: Directors' power to disapply pre-emption rights

Under Article 12 of the Company's memorandum and articles of association, the Directors require the authority of shareholders in a general meeting to waive the application of any statutory pre-emption rights applicable to the Company under Luxembourg law and to disapply the pre-emption rights set out in article 12(B) so that they can allot authorised but unissued shares in the Company for cash otherwise than to existing holders of Ordinary Shares pro rata to their holdings or, alternatively, should appropriate circumstances arise, allot shares in connection with a rights issue (subject to some limited exclusions). The power under the authority granted pursuant to resolution 21 shall be limited to the allotment of equity securities up to an aggregate nominal value of £475,485, being 5 per cent. of the issued share capital of the Company as at the Latest Practicable Date. At the present time there is no intention to exercise this power.

Extraordinary general meeting

Resolution 22: Amendments to the Company's memorandum and articles of association

It is proposed in resolution 22 that certain changes be made to the memorandum and articles of association of the Company (the "**Amended Articles**"). These are changes of a minor, clarifying nature. Shareholders are reminded that on migration to Luxembourg in 2008 the Company adopted a complex and unusual memorandum and articles of association governed by both Jersey and Luxembourg law, as well as some provisions of English law applicable to a company listed on the London Stock Exchange.

The first change is to amend article 54 "Annual General Meetings" so that from 2010 each annual general meeting of the Company will be held at 2 p.m. (rather than 11 a.m.) on the third Tuesday in May. The change to the time of the meeting will facilitate Shareholders' attendance, should they wish to travel to Luxembourg from overseas and return on the same day.

The second change is that two typographical errors in article 90(A) "Receipt of Proxies" (that is, the letter '(A)' in the numbering of the article and the word "or" from the line "use at the same meeting or the one which is last received" will be deleted) be corrected. This change is for clarification only and will not affect the intended operation of this article.

The third change is that article 132 "Voting" will be amended to remove the requirement that the Chairman must not be resident in the UK for tax purposes in order to have the casting vote at a meeting of the Board so that John Matthews, the current Chairman of the board who is resident in the UK for tax purposes, can continue to have the casting vote in the event of an equality of votes at a meeting of the Board. The words "provided that the Chairman is not resident in the United Kingdom for tax purposes" will be deleted from the second sentence of article 132 in the Amended Articles.

The final change is the restatement of the French translation of the Company's memorandum and articles of association to correct certain typographical, formatting and consistency errors within the translation previously adopted. The English text of the Amended Articles will continue to prevail over the French translation.

The Amended Articles showing all the changes are available for inspection as noted in the Chairman's letter on page 8 of this document.

PART IV
APPROVAL OF RULE 9 WAIVERS
SECTION I — BACKGROUND

1. Background

- 1.1 Mark Dixon (a Director of the Company) held 355,141,288 Ordinary Shares (representing approximately 37.45 per cent. of the Ordinary Shares) at the Latest Practicable Date. Should his interest in the Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the remainder of the share capital of the Company.
- 1.2 At a general meeting of Old Regus held on 7 December 2007 and at the annual general meeting of Old Regus held on 20 May 2008, Old Regus shareholders approved various waivers (the “**Original Waivers**”) granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Old Shares where the increase occurred as a result of:
- (A) a re-purchase by Old Regus of Old Shares in which Mr. Dixon did not participate pro rata to his interest; or
- (B) Mr. Dixon exercising any of the options held by him in respect of Old Shares (except those granted under the Old Regus 2008 Value Creation Plan).
- 1.3 At a general meeting and court meeting of Old Regus held on 24 September 2008, Old Regus shareholders approved a scheme of arrangement pursuant to which the entire issued ordinary share capital of Old Regus was cancelled and then restored and issued to the Company. In consideration of this cancellation, Old Regus shareholders (including Mark Dixon) were issued with Ordinary Shares in the Company pro rata to their holdings of Old Shares. All existing options for Old Shares were rolled over into options for Ordinary Shares in the Company. In addition, it was agreed that the Company would operate the same share buy back policy as Old Regus. Prior to the coming into effect of Old Regus’ scheme of arrangement on 14 October 2008, the Panel and the Company confirmed that the Original Waivers in respect of Mark Dixon’s shareholding in Old Regus would apply equally to his shareholding in the Company. Therefore, the Original Waivers in respect of share options held by Mark Dixon (except those granted under the Old Regus 2008 Value Creation Plan) remain in force and are unaffected by any resolution proposed at this year’s AGM.
- 1.4 If resolution 20 (authority to purchase own shares) is approved, the Original Waiver passed at the annual general meeting of Old Regus on 20 May 2008 in respect of shares re-purchased by Old Regus will expire (just as the Original Waiver passed at the general meeting of Old Regus on 7 December 2007 in respect of shares re-purchased by Old Regus expired at the annual general meeting held on 20 May 2008). As a result, Mr. Dixon would again be in a position where, were he not to participate pro rata to his interests in any further re-purchase by the Company of its own shares, his interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer under Rule 9 of the Code. The approval of the Independent Shareholders is therefore being sought, by means of the First Waiver Resolution (to be taken on a poll at the AGM) for the First Waiver which the Panel has granted (subject to such approval). Further to the agreement between Mr. Dixon and the Board which is explained at paragraph 1.5 below, the terms of the First Waiver are such that it only applies to increases in Mr. Dixon’s interest in Ordinary Shares as a result of the Company’s purchases of its own shares for so long as his aggregate interest in Ordinary Shares remains at less than or equal to 39.99 per cent. of issued share capital.
- 1.5 This year, the Board and Mr. Dixon have agreed that to the extent that a re-purchase by the Company of Ordinary Shares (in which Mr. Dixon does not participate pro rata to his interest) pursuant to the authority granted by resolution 20 would result in Mr. Dixon’s interest in Ordinary Shares becoming more than 39.99 per cent. (taking into account the number of Ordinary Shares which may result from the exercise of all share options held by Mr. Dixon as at the Latest Practicable Date, except those granted under the Old Regus 2008 Value Creation Plan, (the “**Existing Whitewashed Option Shares**”)), Mr. Dixon will make arrangements to participate in the re-purchase of Ordinary Shares pro rata to ensure that his interest remains at 39.99 per cent. or less. The Board and Mr. Dixon acknowledge that if such arrangements are not put in place and the Board proposes to make further re-purchases of Ordinary Shares pursuant to the authority granted by resolution 20, a further waiver would need to be sought from the Panel in respect of increases in

Mr. Dixon's interest in Ordinary Shares to a level above 39.99 per cent., which waiver would be subject to the approval of Independent Shareholders.

- 1.6 In addition, on 23 March 2009 Mr. Dixon was granted options under the Regus CIP in respect of 1,995,225 Ordinary Shares (the "**2009 March CIP Options**") conditional upon either attainment of shareholder approval at the Company's annual general meeting or an undertaking from Mark Dixon that upon exercise of the awards he will immediately sell the resulting shares. The 2009 March CIP Options will be capable of exercise on 23 March 2012 provided that Mr. Dixon remains in continuous service with the Company until that date and to the extent that the performance conditions attached to the 2009 March CIP Options have been satisfied. Mr. Dixon has yet to exercise the 2009 March CIP Options but, were he to do so at some point in the future and not arrange for the immediate sale of the underlying Ordinary Shares he is entitled to receive, his interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer under Rule 9 of the Code. The approval of the Independent Shareholders is therefore being sought, by means of the Second Waiver Resolution (to be taken on a poll at the AGM) for the Second Waiver which the Panel has granted (subject to such approval).

2. Reasons for the Waivers

- 2.1 Under Rule 9 of the Code, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights but does not hold shares carrying more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired by any such person. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer.

Share Purchases

- 2.2 Under Rule 37 of the Code, any increase in the percentage holding of a shareholder which results from a company purchasing its own shares will also be treated as an acquisition for the purposes of Rule 9 of the Code.
- 2.3 If Mr. Dixon does not participate pro rata to his interest in the Ordinary Shares in any future repurchases by the Company of its own shares pursuant to the authority to be granted under resolution 20, he will become interested in a greater percentage of Ordinary Shares representing between 30 and 50 per cent. of the Company's voting share capital and will therefore be subject to the provisions of Rule 9 of the Code. As a result, the Independent Directors consulted with the Panel which agreed, subject to a poll vote of the Independent Shareholders on the First Waiver Resolution, that it would waive any obligation that would otherwise arise under Rule 9 as a result of market purchases of Ordinary Shares by the Company, pursuant to the authority to be granted under resolution 20, that would take Mr. Dixon's interest in Ordinary Shares to a level above his current interest representing approximately 37.45 per cent. of issued share capital as at the date of this document) up to a maximum interest of 39.99 per cent. of the then issued share capital (taking into account the Existing Whitewashed Option Shares). Please refer to paragraph 1.5 of this Section I of Part IV for an explanation of why the First Waiver has been limited to increases that would take Mr. Dixon's interest in Ordinary Shares up to a maximum of 39.99 per cent. of the then issued share capital.

2009 March CIP Options

- 2.4 Note 10 on Rule 9 of the Code provides that the exercise of share options will be considered to be an acquisition of an interest in shares. However, the Panel will normally grant a waiver from the obligation to make a mandatory offer in such circumstances provided, inter alia, that the waiver is approved by a vote of Independent Shareholders at the time such share options are granted or the grant of such share options is made conditional upon such Independent Shareholder approval.
- 2.5 The Panel has agreed to grant Mark Dixon such a waiver in respect of the 2009 March CIP Options so as to waive the requirement for Mr. Dixon to make a mandatory offer pursuant to Rule 9 of the Code upon exercise of any of the 2009 March CIP Options, subject to the waiver being approved by Independent Shareholders by way of the Second Waiver Resolution. The Panel has agreed to grant the Second Waiver on the basis that the Independent Directors, who have been so advised by Investec, believe that it is in the best interests of the Company and the Independent Shareholders as a whole to approve the Second Waiver at this time, and provided that, inter alia, the Second Waiver Resolution is approved by the Independent Shareholders.

Independent advice

2.6 Investec have provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Code, in relation to the granting of the Waivers. As part of its advice to the Independent Directors in connection with each of the Waivers, Investec referred to the following factors which the Directors took into account in making their recommendation:

- (A) Investec believes that Mr. Dixon's continued shareholding, together with the Regus CIP, form an important part of the investment case for Shareholders, since they align management's interests with Shareholders' interests;
- (B) given Mr. Dixon's position as CEO of the Company, Investec believes that Shareholders should welcome the long-term participation by Mr. Dixon in the equity of the Company, including any shares which he may receive under the Regus CIP; and
- (C) Investec believes that the maximum increase in Mr. Dixon's shareholding resulting from the receipt of Ordinary Shares on exercise of the 2009 March CIP Options will not be material from a control perspective.

2.7 This advice was provided by Investec to the Independent Directors of the Company only and in providing such advice Investec has taken into account the Independent Directors' commercial assessments as well as the confirmations of his future intentions that Mr. Dixon has provided to the Company as set out in paragraph 5 of this Section I of this Part IV.

3. Maximum potential holding

3.1 Pursuant to the Code, it is necessary to provide an illustration of Mr. Dixon's maximum potential interest in Ordinary Shares based on certain assumptions.

Share Purchases

3.2 Assuming (i) use by the Company of the authority granted under resolution 20 to the level permitted by the First Waiver Resolution; (ii) no pro rata participation or other sales of interests in Ordinary Shares by Mr. Dixon in connection with any share re-purchases or otherwise; (iii) full exercise by Mr. Dixon of all options held by him as at the Latest Practicable Date (except those granted under the Old Regus 2008 Value Creation Plan); and (iv) no other person exercising any options or any other rights to subscribe for Ordinary Shares, Mr. Dixon's maximum potential interest in the Ordinary Shares would be as set out in the following table:

<u>Mark Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Maximum potential number of Ordinary Shares in issue</u>	<u>Mark Dixon's maximum potential interest in Ordinary Shares</u>
355,141,288/37.45%	948,219,083	903,539,512	361,325,451/39.99%

2009 March CIP Options

3.3 Assuming (i) full exercise by Mr. Dixon of all the 2009 March CIP Options (together with all other options held by Mr. Dixon as at the Latest Practicable Date (except those granted under the Old Regus 2008 Value Creation Plan))¹; (ii) use by the Company of the authority granted under resolution 20 to the level permitted by the First Waiver Resolution; (iii) no pro rata participation or other sales of interests in Ordinary Shares by Mr. Dixon in connection with any share re-purchases or otherwise; and (iv) no other person exercising any options or any other rights to subscribe for interests in the Ordinary Shares, Mr. Dixon's maximum potential interest in Ordinary Shares would be as set out in the following table:

<u>Mark Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Maximum potential number of Ordinary Shares in issue</u>	<u>Mark Dixon's maximum potential interest in Ordinary Shares</u>
355,141,288/37.45%	948,219,083	903,539,512	361,325,451/39.99%

4. Further information on the Waivers and the Resolutions

Share Purchases under resolution 20

4.1 The First Waiver relating to the authority granted under resolution 20 would apply, provided the First Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in the

¹ The total number of Ordinary Shares represented by Mr. Dixon's share options as at the Latest Practicable Date is 6,184,163 (1,995,225 of these being under the 2009 March CIP Options).

percentage interest in Ordinary Shares held by Mr. Dixon resulting from market purchases of such number of Ordinary Shares by the Company that would take Mr. Dixon's shareholding to a level above his current interest (representing approximately 37.45 per cent. of issued share capital as at the date of this document) provided that at all times his interest remains equal to or less than 39.99 per cent. (taking into account the Existing Whitewashed Option Shares). It would not apply in respect of further increases in Mr. Dixon's interest in Ordinary Shares beyond 39.99 per cent. as a result of re-purchases under the authority granted under resolution 20 nor in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Mr. Dixon).

- 4.2 Following any re-purchases of its own shares by the Company in which Mr. Dixon does not participate pro rata to his interests in Ordinary Shares, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and any further increase in that interest in Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution, the Second Waiver Resolution or pursuant to the Original Waivers) will be subject to the provisions of Rule 9 of the Code.
- 4.3 The First Waiver has been limited to repurchases of such number of Ordinary Shares that would take Mr. Dixon's shareholding to maximum level equating to 39.99 per cent. (taking into account the Existing Whitewashed Option Shares), as explained in paragraph 1.5 above. Any increase in Mr. Dixon's interest beyond this 39.99 per cent. limit will not be covered by the First Waiver Resolution and will therefore be subject to the provisions the Code.
- 4.4 The authority under resolution 20 and the First Waiver will (unless varied, revoked or renewed) both expire at the conclusion of the next annual general meeting of the Company. It has been the Company's regular practice to seek Shareholders' approval at each annual general meeting for the Company to be authorised to purchase its own shares. The Independent Directors envisage that Shareholder approval for a further purchase authority may be sought at the annual general meeting of the Company in 2010. At that time, the Independent Directors will consider whether to seek a further waiver by the Panel of any obligation of Mr. Dixon under Rule 9 of the Code to make a general offer to the Shareholders of the Company to purchase their shares as a result of an increase in his percentage interest in Ordinary Shares arising from the purchase by the Company of its own shares pursuant to such further authority. Any further waiver granted by the Panel would again be conditional upon Independent Shareholder approval at that time.
- 4.5 If the Independent Shareholders do not approve the First Waiver Resolution and/or the number of shares repurchased by the Company under the authority granted by resolution 20 would take Mr. Dixon's shareholding to above 39.99 per cent. (taking into account the Existing Whitewashed Option Shares) prior to the annual general meeting in 2010, the Board will not make use of the authority (or, as the case may be, the additional authority) to be granted under resolution 20 unless arrangements can be put in place to ensure that Mr. Dixon's percentage interest in the Ordinary Shares will not increase as a result of any future purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and Mr. Dixon's percentage interest in the Ordinary Shares as at the Latest Practicable Date, any purchases by the Company of its own shares from Shareholders other than Mr. Dixon could result in Mr. Dixon having to make a mandatory offer to all Shareholders under Rule 9 of the Code.

2009 March CIP Options

- 4.6 The Second Waiver relating to the 2009 March CIP Options will apply, provided the Second Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in Mr. Dixon's percentage interest in Ordinary Shares resulting from the exercise of any 2009 March CIP Options. It will not apply in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Mr. Dixon). Following the exercise by Mr. Dixon of any 2009 March CIP Options, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent. of such voting rights and any further increase in that interest in such Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution or Second Waiver Resolution) will be subject to the provisions of Rule 9 of the Code.

- 4.7 The Second Waiver will expire in respect of each 2009 March CIP Option on the earlier of the date on which each 2009 March CIP Option is exercised or the date on which each 2009 March CIP Option expires.
- 4.8 As required by the Code, voting on resolutions 16 and 17 at the AGM will be by means of a poll of Independent Shareholders.

5. Mark Dixon's intentions

- 5.1 Mr. Dixon has confirmed to the Company that he is not proposing, following any increase in his percentage interest in Ordinary Shares as a result of re-purchases by the Company of its own shares or as a result of the exercise of his 2009 March CIP Options, to seek any change in the composition of the Board or to the general nature or any other aspect of the Company's business.
- 5.2 Mr. Dixon has also confirmed that his intentions regarding the future of the Company's (and its subsidiaries') businesses, his intentions regarding the locations of the Company's (and its subsidiaries') places of business and his intentions regarding the continued employment of their employees and management, including any material change in conditions of employment, will not be altered as a result of the proposals set out in this document, nor will there be any redeployment of the fixed assets of the Company (or any of its subsidiaries) as a result of such proposals.
- 5.3 Mr. Dixon has not taken part in any decision of the Independent Directors relating to the proposals set out in this document, since it is his interest in Ordinary Shares which is the subject of the Waivers. Mr. Dixon has confirmed he shall not vote on resolutions 16 and 17. Additionally, Mr. Dixon has confirmed that, if the First Waiver is approved by the Independent Shareholders, he will not participate in Board decisions in relation to any further re-purchases by the Company of its own shares pursuant to the authority granted by resolution 20.

6. Recommendation by Independent Directors

The Independent Directors, who have been so advised by Investec, consider the Waivers to be in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, Investec has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of both the First Waiver Resolution and the Second Waiver Resolution at the AGM, as they intend to do in respect of their own beneficial shareholdings (representing approximately 0.17 per cent. of issued share capital as at the date of this document). Mr. Dixon will not be voting his interest in 355,141,288 Ordinary Shares, representing approximately 37.45 per cent. of the Company's current issued share capital, in relation to the First Waiver Resolution or Second Waiver Resolution. In addition, Mark Dixon has not participated in the Board's consideration of the Waivers.

SECTION II — ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors accept responsibility for the information contained in this document, save that:
- (A) Mark Dixon, who has not participated in the Board's consideration of the Waivers, takes no responsibility for the paragraph on page 22 entitled "Recommendation by Independent Directors" or for the Board's recommendation; and
- (B) the only responsibility accepted by the Independent Directors in respect of the information in this document relating to Mark Dixon has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Mark Dixon accepts responsibility for the information contained in this document which relates to him. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Directors of the Company and their functions are as follows:

<u>Name</u>	<u>Function</u>
John Matthews	Chairman
Mark Dixon	Chief Executive Officer
Stephen Gleadle	Chief Financial Officer
Martin Robinson	Senior Independent Non-Executive Director
Lance Browne	Independent Non-Executive Director
Ulrich Ogiermann	Independent Non-Executive Director
Douglas Sutherland	Independent Non-Executive Director

3. Interests and dealings

Directors of the Company

- 3.1 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them (within the meaning of Part 22 of the Act) in Ordinary Shares (all of which are beneficial unless stated) required to be notified pursuant to Part 22 of the Act and related regulations, or which are required to be entered in the register maintained under Part 22 of the Act, were as set out below:

<u>Director</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of current issued Ordinary Shares</u>
John Matthews	1,005,771	0.11%
Mark Dixon	355,141,288	37.45%
Stephen Gleadle	121,500	0.01%
Martin Robinson	215,978	0.02%
Lance Browne	—	0.00%
Ulrich Ogiermann	—	0.00%
Douglas Sutherland	250,000	0.03%

- 3.2 As at the close of business on the Latest Practicable Date, the beneficial interests of the Directors in options granted under the Share Option Plan were as set out below:

<u>Director</u>	<u>Grant date</u>	<u>Interest in options and awards over Ordinary Shares</u>	<u>Exercise price (pence)</u>	<u>Date from which exercisable</u>	<u>Expiry date</u>
Mark Dixon	08/09/2004	1,708,108	64.75	08/09/2007	08/09/2014

3.3 As at the close of business on the Latest Practicable Date, details of options over Ordinary Shares granted to the Directors under the Regus CIP, all for nil consideration, were as set out below:

<u>Director</u>	<u>Interest in options and awards over ordinary shares</u>	<u>Grant date</u>	<u>Exercise price (pence)</u>	<u>Exercise date</u>	<u>Expiry date</u>
Mark Dixon					
CIP — Investment shares	179,396	21/03/2007	0.0000	21/03/2010	21/03/2017
CIP — Matching shares	717,584	21/03/2007	0.0000	21/03/2010	21/03/2017
CIP — Investment shares	316,770	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Matching shares	1,267,080	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Investment shares*	399,045	23/03/2009	0.0000	23/03/2012	22/03/2019
CIP — Matching shares*	1,596,180	23/03/2009	0.0000	23/03/2012	22/03/2019
	4,476,055				
Stephen Gleadle					
CIP — Investment shares	87,832	21/03/2007	0.0000	21/03/2010	21/03/2017
CIP — Matching shares	351,328	21/03/2007	0.0000	21/03/2010	21/03/2017
CIP — Investment shares	155,279	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Matching shares	621,116	18/03/2008	0.0000	18/03/2011	18/03/2018
CIP — Investment shares	229,007	23/03/2009	0.0000	23/03/2012	22/03/2019
CIP — Matching shares	916,028	23/03/2009	0.0000	23/03/2012	22/03/2019
	2,360,590				

3.4 As at the close of business on the Latest Practicable Date, the beneficial interest of the Directors in options over Ordinary Shares granted under the LTIP, all for nil consideration and with no expiry date, were as set out below:

<u>Director</u>	<u>Interest in options over Ordinary Shares</u>
Stephen Gleadle	325,203

3.5 As at the close of business on the Latest Practicable Date, details of options over Ordinary Shares granted to the Directors under the 2008 Value Creation Plan, all for nil consideration and with no expiry date, were as set out below:

<u>Director</u>	<u>Interest in options over Ordinary Shares</u>
Mark Dixon	3,500,000
Stephen Gleadle	3,000,000

3.6 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, his immediate family or persons connected to him (within the meaning of Part 22 of the Act and related regulations) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant Regus securities, save as disclosed in paragraphs 3.1 to 3.5 above and 3.7 below.

3.7 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, his immediate family or persons connected with him (within the meaning of Part 22 of the Act) had any dealings (including borrowing or lending) in relevant Regus securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date, save that:

- (A) on 2 September 2008, Mr. Dixon transferred a margin loan of £7,700,000 from Bear Stearns to Merrill Lynch. As a result, Mr. Dixon's pledge of 164,621,391 Ordinary Shares as collateral for draw downs on his loan from Bear Stearns (which pledge was made on 3 April 2008) was released. Also on 2 September 2008, Mr. Dixon granted Merrill Lynch collateral in respect of the transferred margin loan of £7,700,000 by way of a lien over 26,500,000 Ordinary Shares (or, if higher, 8 days worth of trading based on the 3 month average daily trading volume);

* The grant of these awards was announced on 24 March 2009 as being conditional upon either attainment of shareholder approval at the Company's annual general meeting or an undertaking from Mark Dixon that upon exercise of the awards he will immediately sell the resulting shares.

- (B) on 10 October 2008, Mr. Dixon transferred beneficial ownership to his entire shareholding in Old Regus (at that time being 359,058,783 Old Regus ordinary shares) (the “**Shares**”) to Estorn, a Cyprus-incorporated company which is wholly-owned by Mr. Dixon. The consideration for the transfer of the Shares was a loan note issued by Estorn to Mr. Dixon for an amount equal to the fair market value of the Shares as at 10 October 2008. Under his arrangements with Estorn, Mr. Dixon retains the right to exercise the votes attaching to the Shares. Merrill Lynch continues to act as nominee shareholder for and on behalf of Estorn;
- (C) on 24 September 2008, a scheme of arrangement between Old Regus and its shareholders was approved at a court meeting and general meeting of Old Regus. On 14 October 2008, the scheme of arrangement became effective and the entire issued ordinary share capital of Old Regus was cancelled and then restored and issued to the Company. In consideration of this cancellation, Old Regus shareholders (including Mr. Dixon) were issued with Ordinary Shares in the Company pro rata to their holdings of Old Shares;
- (D) on 23 March 2009, Mark Dixon exercised his right to acquire the following shares in the capital of the Company at nil cost:
 - (i) 269,918 Ordinary Shares awarded to him as nil cost options by the Company under the LTIP on 3rd November 2005; and
 - (ii) 812,587 Ordinary Shares awarded to him as nil cost options by the Company under the Regus CIP on 21st March 2006.

Any increase in Mr. Dixon’s shareholding as a result of the exercise of the options to acquire Ordinary Shares referred to at sub-paragraphs (i) and (ii) above was included within the Original Waivers. No obligations therefore arose pursuant to Rule 9 of the Code in respect of the increase in Mr. Dixon’s shareholding by 1,082,505 on 23 March 2009. As at 23 March 2009, Mr. Dixon held an interest, in aggregate, of 360,141,288 Ordinary Shares;

- (E) on 23 March 2009, Mr. Dixon transferred the 1,082,505 Ordinary Shares acquired by him on 23 March 2009 to Estorn. The consideration for this transfer was a loan note issued by Estorn to Mr. Dixon for an amount equal to the fair market value of the 1,082,505 Ordinary Shares as at 23 March 2009. Under his arrangements with Estorn, Mr. Dixon retains the right to exercise the votes attaching to all Ordinary Shares held by Estorn; and
- (F) on 17 April 2009, Estorn disposed of 5,000,000 Ordinary Shares for total cash consideration of £3,750,000 (being £0.75 per each Ordinary Share sold). Following this disposal, Mr. Dixon’s interest was reduced to 355,141,288 Ordinary Shares (representing approximately 37.45 per cent. of issued share capital as at the date of this document).

3.8 As at the close of business on the Latest Practicable Date, none of the Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant Regus securities, save as disclosed in paragraphs 3.1 to 3.5 and 3.7 above.

Others

3.9 As at the close of business on the Latest Practicable Date:

- (A) neither any subsidiary of the Company nor any pension fund or employee benefit trust of the Company had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in relevant Regus securities; and
- (B) no associate of the Company (as such term is defined in paragraph 1 of the definition of “associate” in the Code) nor any pensions funds, employee benefit trusts or connected advisers (including any person controlling, controlled by or under the same control as them) of such associates is aware of having any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in relevant Regus securities.

3.10 As at the close of business on the Latest Practicable Date, neither Investec nor any other connected adviser of the Company (including any person controlling, controlled by or under the

same control as it) has any interests, rights to subscribe or short positions in relevant Regus securities.

- 3.11 In this paragraph 3, references to “**relevant Regus securities**” are to Ordinary Shares and securities convertible into, rights to subscribe for, derivatives referable to and agreements to sell or any delivery obligations in respect of, or rights to require another person to purchase or take delivery of Ordinary Shares.

4. Arrangements in connection with the proposal

- 4.1 Mr. Dixon has not entered into any agreement, arrangement or understanding (i) with any of the Independent Directors which has any connection with or dependence upon the proposals set out in this Part IV; or (ii) for the transfer of any Ordinary Shares acquired by Mr. Dixon. In addition, the Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in this Part IV between Mr. Dixon and any person interested or recently interested in Ordinary Shares, any other recent director of the Company or Investec (or any person who is, or is presumed to be, acting in concert with Investec).

5. Directors’ service contracts

- 5.1 Details of the service contracts currently in place between the Company and the Executive Directors are set out below:

<u>Executive director</u>	<u>Date of contract</u>	<u>Term</u>	<u>Notice period</u>
Mark Dixon	18 August 2008	—	12 months
Stephen Gleadle	18 August 2008	—	12 months

- 5.2 Details of the letters of appointment currently in place between the Company and the Non-Executive Directors are set out below:

<u>Non-executive director</u>	<u>Date of letter</u>	<u>Term</u>	<u>Notice period</u>
John Matthews	27 August 2008	3 years	6 months
Martin Robinson	27 August 2008	3 years	6 months
Lance Browne	27 August 2008	3 years	6 months
Ulrich Ogiermann	27 August 2008	3 years	6 months
Douglas Sutherland	27 August 2008	3 years	6 months
Martin Robinson	27 August 2008	3 years	6 months

- 5.3 The aggregate emoluments, excluding pensions, of the Directors for the year ended 31 December 2008 are set out below:

<u>Executive director</u>	<u>Salary £’000</u>	<u>Fees £’000</u>	<u>Benefits £’000</u>	<u>Bonus £’000</u>	<u>Total £’000</u>
Mark Dixon	522.8	—	101.7	449.5	1,074.0
Stephen Gleadle	300.0	—	19.0	288.0	607.0
<u>Non-Executive director</u>					
John Matthews	—	237.2	—	—	237.2
Martin Robinson	—	47.6	—	—	47.6
Lance Browne	—	16.4	—	—	16.4
Ulrich Ogiermann	—	13.8	—	—	13.8
Douglas Sutherland	—	15.9	—	—	15.9

Maximum individual bonuses payable to the Executive Directors were capped at 300 per cent. of basic annual salary for the year ended 31 December 2008. A standard bonus of up to 100 per cent. of basic salary was available if financial and personal measures and targets were met, of which a maximum 50 per cent. was payable in cash, with 50 per cent. deferred to purchase Ordinary Shares in the form of nil-cost options. Such options being awarded under the Regus CIP, together with further nil-cost options which may be exercised after a three-year period subject to certain conditions. In addition, if the Company’s operating profit exceeded external forecasts based on a consensus of analysts’ estimates, an additional discretionary bonus of up to 200 per cent. of salary was payable in cash. For the year ended 31 December 2008, the standard bonus paid was 100 per cent. of basic salary, 50 per cent. of which was paid in cash and the remaining 50 per cent. deferred to purchase investment shares under the Regus CIP. For this same period, the total discretionary bonus paid to Executive Directors was 36 per cent. of basic salary, which was paid in cash. For the year ending 31 December 2009, the cap on the maximum bonus payable to the Executive Directors has been reduced from 300 per cent. to 200 per cent. of basic salary.

- 5.4 None of the Executive Directors' service contracts is for a fixed term. Each service contract is to continue until terminated by the relevant Executive Director or the Company and incorporates a provision for termination or a compensation payment in lieu of notice. An Executive Director's compensation payment in lieu of notice would comprise 12 months' salary at his then current base pay, with the Executive Director remaining eligible to receive bonuses. The compensation payment is payable where the requisite 12 months' notice is not given to the Executive Director. In the unlikely event that the contract is terminated for cause, such as gross misconduct, the Company may terminate the contract with immediate effect, in which case no compensation payment would be payable. The Executive Director's rights in respect of any options or awards granted to him under any employee share scheme of the Company will be determined in accordance with the rules of the relevant scheme. Pension entitlements are dealt with in accordance with the terms and conditions of the applicable pension scheme and do not form part of the contractual compensation payment. Each of the service contracts may be re-executed during the term of the Executive Director's appointment to take account of variations in terms and conditions as well as changes in best practice.
- 5.5 The letters of appointment provide that a new Non-Executive Director is appointed for a specified term, being an initial three-year period. Subsequent re-appointment is subject to endorsement by the Board and the approval of Shareholders. Either the Non- Executive Director or the Company may terminate the appointment by giving the other party six months' notice.
- 5.6 Except as set out in paragraph 5.3 above, there have been no new Directors' service contracts or letters or terms of appointment or amendments to existing Directors' service contracts or letters or terms of appointment within the period of six months prior to the date of this document.

6. Information on Mark Dixon

- 6.1 Mark Dixon of L'Estoril, 31 Avenue Princesse Grace, MC 98000, Monaco founded the Regus Group in 1989 and has been Chief Executive for over 18 years. Prior to Regus, Mr. Dixon established businesses in the retail and wholesale food industries.

7. Financial and other information on the Company

- 7.1 The Regus Group is the world's largest provider of outsourced workplaces. For the year to 31 December 2008, the Group delivered post-tax earnings of £114.9 million and increased its net cash balance by over 100 per cent. from £101.4 million to £211.2 million. The Directors anticipate that market conditions will be challenging during 2009. However, the Directors believe that the Regus Group has the potential to outperform its competition by maximising revenue and cash growth whilst keeping a tight control on costs, and maintaining focus on its core strategy. That is, the Group's global footprint, strong balance sheet and cash generation ensure that Regus is well positioned to take advantage of appropriate opportunities to increase shareholder value as they arise.
- 7.2 As set out in Section III of this Part IV, this document incorporates by reference:
- (A) the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit S.à.r.l. thereon, for the year ended 31 December 2008;
 - (B) the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit Plc thereon, for the year ended 31 December 2007; and
 - (C) the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Audit Plc thereon, for the year ended 31 December 2006.
- 7.3 For the three years ended 31 December 2008, 31 December 2007 and 31 December 2006, the Company (and for the years to 31 December 2007 and 31 December 2006, Old Regus) reported the following dividend per share information:

	<u>Dividend</u> (£m)	<u>Dividend per share</u> (pence)
2006	5.9	0.6
2007	9.5	1.0
2008 (subject to shareholder approval at the AGM)*	17.1	1.8

* Includes the interim dividend paid by Regus Group Limited, formerly Regus Group plc, in October 2008 of 0.6 pence per share.

7.4 There have been no material changes in the financial or trading position of the Company since 31 December 2008 (the date of its most recent published accounts).

8. Material contracts

During the period beginning two years preceding the date of this document and ending on the Latest Practicable Date, the Company and its subsidiaries have not entered into any material contracts otherwise than in the ordinary course of business save for the following:

8.1 on 19 April 2006, Old Regus entered into a five year £100 million revolving credit and letter of credit facility and a £50 million acquisition term loan facility supplied by mandated lead arrangers The Royal Bank of Scotland plc and Lloyds TSB Bank plc and, as arranger, National Australia Bank. On 28 August 2008, the Company, Old Regus, certain subsidiaries of Old Regus, Lloyds TSB Bank plc and the Royal Bank of Scotland plc (and certain other financial institutions) entered into an accession and amendment deed to, among other things, amend the change of control provisions in the facility agreement in light of the scheme of arrangement to interpose the Company as the new holding company of the Group and, pursuant to this deed, the Company acceded to the facility agreement as a borrower and guarantor.

9. Middle market quotations

Set out in the table below are the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange PLC., for the first business day of each of the six months set out in the table below and as at 16 April 2009 (being the last practicable date for these purposes):

<u>Date</u>	<u>Price per Ordinary Share (pence)</u>
3 November 2008	46.50
1 December 2008	50.75
2 January 2009	51.50
2 February 2009	47.50
2 March 2009	48.50
1 April 2009	76.25
16 April 2009	79.25

10. Consent

Investec has given and has not withdrawn its written consent to the issue of this document with the references to it in the form and context in which they appear.

SECTION III — INFORMATION INCORPORATED BY REFERENCE

The table below sets out the various sections of those documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Code. These documents will also be available at the Company's website, www.regus.co.uk, at the hyper-links set out in the table below, from the date of this document. In addition, each document will be available for inspection at the locations set out on page 8 of this document.

<u>Document</u>	<u>Section</u>	<u>Page number in such document</u>
2008 Group Financial Statements		
(see http://www.regus.co.uk/aboutus/financial/report.htm)		
	Consolidated income statement	41
	Consolidated balance sheet	42
	Consolidated cash flow statement	43
	Consolidated statement of changes in equity	44
	Accounting policies	45
	Notes to the consolidated financial statements	45
	Independent auditor's report	40
2007 Group Financial Statements		
(see http://www.regus.co.uk/assets/en-us/ReportAndAccounts2007.pdf)		
	Consolidated income statement	44
	Consolidated balance sheet	45
	Consolidated cash flow statement	46
	Consolidated statement of changes in equity	47
	Accounting policies	48
	Notes to the consolidated financial statements	48
	Independent auditor's report	42
2006 Group Financial Statements		
(see http://www.regus.co.uk/assets/en-us/reports/ReportAndAccounts2006.pdf)		
	Consolidated income statement	36
	Consolidated balance sheet	37
	Consolidated cash flow statement	38
	Consolidated statement of changes in equity	39
	Accounting policies	40
	Notes to the consolidated financial statements	40
	Independent auditor's report	35

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to our registrar, Equiniti, either by calling 0871 384 2030 or writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.14 of the Code.

Except as set forth above, no other portion of these documents is incorporated by reference into this document.

