



25 August 2009

## REGUS PLC INTERIM MANAGEMENT REPORT - SIX MONTHS ENDED 30 JUNE 2009

Regus, the world's largest provider of outsourced workplaces, announces today its half yearly results for the six months ended 30 June 2009.

### FINANCIAL HIGHLIGHTS

- Revenues up by 9.8% to £557.4m (H1, 2008: £507.5m)
- Operating profit down 8.1% to £68.4m\* (H1, 2008: £74.4m)
- Cost savings achieved of £23.5m vs H2, 2008
- Basic EPS maintained at 5.7p\* (H1, 2008: 5.7p)
- Net cash up 8.7% to £229.5m\* (December 2008: £211.2m)
- Interim dividend up 33.3% to 0.8p per share (2008: 0.6p)

\* Results include exceptional net income from settlement of a legal dispute of £18.3 million

### OPERATIONAL HIGHLIGHTS

- Average available workstations increased by 7.9% to 160,835 (H1, 2008: 149,087)
- Average mature occupancy maintained above 80% (H1, 2008: 84.8%)
- A further 23 new centres opened in the six month period to 30 June 2009 (H1, 2008: 72)
- Businessworld - 50% increase in membership and ten-fold increase in revenues vs H1, 2008
- Get Started campaign – over 200 applications received to date

**Commenting on today's announcement Mark Dixon, Chief Executive of Regus plc, said:**

*"Despite the historically challenging trading conditions, we have delivered a robust first half performance with solid profits and strong cash flow generation. In addition, we have added over eleven thousand new workstations to our global network. Although we have seen an increased level of customer churn, we have also seen a large number of new customers entering Regus as they seek a cost effective solution for their business needs. We are delighted with the growth of our recession busting products whose revenues have doubled and which continue to enhance the quality of our portfolio for our clients in the long term.*

*Whilst we remain cautious on the outlook we are, as the global market leader with a strong financial position, well positioned to manage the business through an extended tough economic environment. This position gives the Board confidence to raise the interim dividend 33.3% in line with its progressive policy and to explore earnings enhancing opportunities that will add to long term shareholder value."*

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## Interim Management Report - Chief Executive's Review

### Overview

Despite a very challenging first six months the Group has continued to be a strong cash generator producing a free cash flow of £58.9 million (2008: £97.3 million). This has enabled continued controlled investment in growth and both an increase in the dividend payout to shareholders and an increase in our net cash balance from £211.2 million to a record high of £229.5 million.

As indicated above, with the benefit of the cash generation and despite the difficult macro economic conditions we have been able to identify and implement sustainable low risk growth opportunities in line with our long term strategy. Accordingly, during the half year, we have opened an additional 23 centres and expanded the total number of countries in which we operate to 76, demonstrating the continuing global appetite that our customers have for our brand. This opening programme, combined with our continued removal of underperforming centres, remains focused on enhancing the quality of our portfolio for the long term.

### Operational Review

On a regional basis, revenues and centre contribution can be analysed as follows:

(£ million)	Revenue**		Contribution**		Mature Margin*		Mature Occupancy*	
	2009	2008	2009	2008	2009	2008	2009	2008
Americas	227.0	190.5	51.4	55.7	24%	30%	80.3%	85.6%
EMEA	162.5	150.6	49.1	51.6	32%	35%	82.6%	88.0%
Asia Pacific	68.6	55.0	20.9	17.6	35%	36%	79.0%	78.3%
UK	98.5	110.5	11.1	23.6	13%	22%	80.5%	83.8%
Other	0.8	0.9	1.5	1.7				
	<b>557.4</b>	<b>507.5</b>	<b>134.0</b>	<b>150.2</b>	<b>26%</b>	<b>31%</b>	<b>80.7%</b>	<b>84.8%</b>

\* The mature business is defined as the performance from centres owned and operated at 1 January 2008.

\*\* Restated to reflect the implementation of IFRS 8, see note 2 to the financial results.

### OVERALL

The Group's strategy of controlled and disciplined growth has resulted in an increase in total capacity (including non-consolidated workstations) of 1.4% to 173,633 workstations in the first six months of the year and the number of actual workstations by 1.6% to 161,603 workstations worldwide. The Group has opened 23 new centres since December with the total number of centres now standing at 981. The new centres include 10 centres in emerging markets reflecting the Group's strategy of focusing on diverse growth opportunities and 70% of new centres opened were on variable or flexible lease deals reflecting the focus on low risk opportunities.

### AMERICAS

Our business in the Americas comprises Canada, USA and South America, encompassing 490 centres across 14 countries. Our main business in the USA operates 407 centres. At actual exchange rates, the region delivered revenues of £227.0 million - up 19.2% on 2008 and average mature occupancy of 80% during the period (2008: 86%). During the first half, we added 10 centres which contributed to the increase in the average number of consolidated workstations from 68,944 in 2008 to 72,290 in 2009. We opened our first centre in the new market of Paraguay.

Through the remainder of 2009 we will continue to focus on tight cost controls, the implementation of our "SmartWorking" initiative focusing on providing efficient "best-in-class" customer service, and

selling the value of our flexible product offerings in this uncertain economic time. We will also look to exploit the softening commercial real estate market through the continued execution of our calculated growth strategy.

#### **EMEA**

Our business in EMEA encompasses 243 centres across 43 countries. The region delivered revenues of £162.5 million - up 7.9% on 2008 and achieved an average mature occupancy of 83% (2008: 88%). During the half year we opened six new centres which contributed to the increase in the average number of consolidated workstations from 31,331 in 2008 to 34,174 in 2009. Of the newly opened centres two were in Eastern Europe and two were in the Middle East.

We will continue to focus expansion into new emerging markets across the region whilst consolidating our market leading position in more mature markets.

#### **ASIA PACIFIC**

Our business in Asia operates in 113 centres across 16 countries. The region delivered revenues of £68.6 million - up 24.7% on 2008 and achieved an average mature occupancy of 79% (2008: 78%). During the half year we opened three new centres, which increased the average number of consolidated workstations from 19,127 in 2008 to 21,305 in 2009. We opened our first centre in the new market of Macau.

In Asia the focus in the first half has been on improving the performance of the core business from which we can take advantage of the growth opportunities we are now actively pursuing as well as those we expect to present themselves over the next 18 months and beyond.

#### **UK**

Our business in the UK encompasses 135 centres. Conditions during the first half of 2009 continued to be extremely challenging with renewed pressure on key performance indicators. Set against this backdrop, the region delivered revenues of £98.5 million - down 10.9% on 2008 and achieved an average mature occupancy of 81% (2008: 84%). During the half year, we opened four centres which contributed to the increase in the average number of consolidated workstations from 29,685 in 2008 to 33,066 in 2009.

We will continue to pursue low risk growth opportunities to expand our business within the UK.

### **Strategy and objectives**

In a rapidly changing external environment, our strategic approach remains fundamentally unchanged – that of continued profit and cash generation through controlled and disciplined capacity growth.

We believe that despite current tough trading conditions, there will continue to be attractive opportunities and we are taking steps to ensure we will be ready to take advantage of these. The strengths inherent in our business which enable us to capitalise on these opportunities lie in three primary areas;

- firstly, a clear understanding of our business model, strategy and skills and how to manage these best to drive shareholder value;
- secondly, a continued process of innovatively developing our products, our systems, our processes and our technology to ensure we remain adaptable and flexible in addressing our customers needs now and in the future, and
- thirdly, our people, who continue to be critical in enhancing our customers' experiences.

None of these can, or will, be taken for granted and we remain confident in our ability to continue to develop in all three areas.

### **Brand and product development**

Our message has consistently been that the Regus suite of products and services can cater to everyone, whether they be a home business, a start-up, a small or medium enterprise or a large corporate. Regardless of business need, we have a product to suit.

There have been continued increases in our Businessworld membership programme during the period, rising to 240,000 members. This strong growth has been assisted by a number of significant partnership deals, including major global brands such as Virgin Atlantic, Sky, Sixt, Malaysia Airlines and Business traveller magazine. These relationships have expanded the awareness and user base of the programme substantially, whilst providing a unique commercial endorsement of Regus.

We have also recently introduced the “Regus-to-go” concept in the UK, encompassing 15 distinct products with various levels of access to Regus services and facilities. These “office-in-a-box” products are designed to cater to all business needs regardless of location or budget, and, further to a successful trial period, will be sold in selected WH Smith stores and online with Office Depot. As in keeping with our historical product innovations, we continue to focus on the increasing mobility of the global workforce, and this product should prove well placed to serve the burgeoning start-up and home working community in particular.

At a time when cost containment is ever more critical to our customers, our solutions remain an effective and instantaneous cost-savings strategy, with the added benefits to business of no capital investment and flexibility levels significantly greater than a conventional lease.

### **Systems and technology**

We have continued to leverage the benefits of our internally developed global inventory and reservation system whilst at the same time implementing ongoing improvements to meet specific real-time business needs. These have included

- the development of transactional web sites which provide an online booking and tracking facility for our Businessworld and Meeting Room clients to view, book and buy online real-time;
- implementation of automated credit card payment processing for all major credit/debit cards in the UK and US, with our system managing automated payment taking for invoices. This has resulted in lower commission costs, reduced administration and improved service quality; and
- the global roll out of point of sale software to each of our centres which allows “single swipe” recognition of our Businessworld customers and the subsequent provision of services to them.

We are also continuing to increase the level of automated integration of supplier data into our internal infrastructure, further improving our revenue capture.

### **People and processes**

Our 5,365 team members have been at the forefront of managing our day-to-day business through the current uncertain trading environment and we continue to recognise that the success of Regus is dependant on our ability to attract, develop, motivate and retain talented staff.

We have recently launched “Reguscareers.com” in the United States, and are currently finalising roll-out of this for our other regions. This interactive web-site seeks to, amongst other things,

- highlight the key benefits of working at Regus;
- give a clearer “day-in-the-life-of” overview for a number of roles throughout the Company;
- provide career building guidance for potential and existing employees;

and will provide a significant new resource to attract new talent. In addition, to this, we have continued with our ongoing programme of training and development, with courses covering:

- the introduction of a new suite of global “Smartworking” materials for centre and area staff to drive forward consistency of approach and best practice in customer service;
- a specific focus on skills development for Area Directors, Area Operations and Commercial Directors; and
- specific HR application training including time & labour recording and recruitment modules.

We remain firm in our conviction that our competitive advantage resides in our employees and that effective people practices and shareholder value are fundamentally and inextricably linked.

### **Responding to Market conditions**

We have maintained and delivered on our commitment to take decisive action on our cost base, and savings of £23.5 million when compared to the second half of 2008 are ahead of our expectations.

The focus on increasing the number of flexible leases in our portfolio has continued, alongside rent renegotiations wherever possible on more conventional arrangements.

We will continue to adjust our overall cost base and headcount appropriately to reflect changes in market conditions during the second half of 2009. Cost reduction measures will continue to be implemented, notably where less resilient markets are performing below expectation.

As communicated earlier in the year, we have continued the accelerated implementation of plans to consolidate certain central and regional administrative functions into several newly established Regional Service centres. Although it is too early to see the direct impact of cost savings from these activities, we remain confident that these will deliver their expected financial benefits in the next financial year and thereafter, as well as increasing efficiency levels in the more short term horizon.

### **Dividend**

In line with our progressive dividend policy and reflective of the solid half year results, the Board has resolved today to pay an interim dividend of 0.8p. The interim dividend will be paid on Friday 9 October 2009, to shareholders on the register at the close of business on Friday 11 September 2009.

### **Outlook**

With continuing uncertainty around future economic activity – a position which is projected to continue over the short to medium term - we remain cautious about the Group’s short term outlook. Challenges remain and further decisive management action will be required to protect and develop shareholder value.

However, the incremental benefit of new revenue opportunities generated by our recession busting product initiatives, alongside the continued development of our international footprint of locations, will assist us in stabilising the top line. We also continue to monitor costs closely and these will be managed to a level which ensures that they remain appropriate for forecast activity levels.

Notwithstanding current market conditions, we are maintaining appropriate investment levels for the future in people, processes and systems and will continue to pursue vigorously appropriate growth opportunities in line with our strategy. Our strong cash position and balance sheet today provides a solid platform from which we can continue to take a proactive and pragmatic approach to managing through the current downturn and positioning the business for growth tomorrow.

Mark Dixon  
Chief Executive  
25 August 2009

## Interim Management Report - Financial Review

### Introduction

Despite the challenging trading conditions experienced across all of our markets, the weakening of sterling compared to the first half of last year has driven a 9.8% increase in total revenue and 4.4% on a like-for-like centre basis. While our operating profit declined 8.1% for reasons explained below the business has remained strongly cash generative. Compared to December our net cash position has increased by 8.7% from £211.2 million to £229.5 million after investing £16.6 million on growth and £11.4 million on dividends. The closing cash balance was also impacted by a £12.2 million reduction in the value of our foreign currency holdings due the strengthening of sterling since the start of the year and the receipt of £18.5 million of exceptional net income from the settlement of a previously disclosed legal dispute.

### Revenue and gross profit (centre contribution)

Revenue for the Group rose 9.8% to £557.4 million (H1, 2008: £507.5 million) but gross profit (centre contribution) decreased 10.8% to £134.0 million (H1, 2008: £150.2 million).

This movement can be analysed as follows:

(£ million)	Revenue	Gross profit	Margin %
<b>30 June 2008</b>	<b>507.5</b>	<b>150.2</b>	<b>29.6%</b>
Impact of exchange rates	90.6	28.4	
<b>30 June 2008 at constant exchange rates</b>	<b>598.1</b>	<b>178.6</b>	<b>29.9%</b>
Change in mature business	(66.9)	(48.0)	
Centres added in 2008	28.1	6.2	
Centres added in 2009	1.0	(1.1)	
Centres closed	(2.9)	(1.7)	
<b>30 June 2009</b>	<b>557.4</b>	<b>134.0</b>	<b>24.0%</b>

Sterling weakened in value between the first half of 2008 and the first half of 2009 against both the US dollar and the euro by an average of 24% and 12% respectively. This increased our revenue by £90.6 million and contribution by £28.4 million. Excluding the favourable exchange impact, revenues fell by 6.8% and contribution by 25% on a constant currency basis.

Our mature or “like for like” business decreased its revenues by £66.9 million and contribution by £48.0 million driven by reductions in both occupancy and price partially offset by cost savings.

Centres added in 2008 contributed £28.1 million of revenue and £6.2 million of contribution, reflecting the improving occupancy and ability to reduce the normal start up losses as centres mature.

New centres added by organic growth in 2009 contributed £1.0 million of revenue but reduced contribution by £1.1 million due to the normal start up losses incurred in establishing new centres.

The year on year impact of centre closures was to reduce revenue by £2.9 million and contribution by £1.7 million.

Taking all this together contribution margins reduced from 29.6% to 24.0%.

### Administration expenses

Administrative expenses increased by £8.1 million to £83.9 million in the first half of 2009 compared to the first half of 2008. As a percentage of revenue they have remained broadly unchanged at 15.0% (H1, 2008: 14.9%).

This increase can be broadly analysed:

£million	
<b>30 June 2008</b>	75.8
Impact of exchange rates	10.8
<b>30 June 2008 at constant exchange rates</b>	86.6
Impact of "Smartworking" programme	9.8
Underlying cost savings	(12.5)
<b>30 June 2009</b>	83.9

During the first half of 2009, the Group accelerated the "Smartworking" programme which is centralising certain functions and processes previously carried out by centre staff. This has caused an increase in administrative costs offset by reductions in centre costs.

### Cost reduction initiatives

The Group is ahead of its target to deliver on its full year cost savings of £40 million. Progress to date can be analysed:

£million	Centre costs	Administrative Costs	Total costs
<b>H2 2008</b>	414.2	82.5	496.7
Impact of exchange rates	30.2	4.7	34.9
<b>H2 2008 at constant exchange rates</b>	444.4	87.2	531.6
Impact of "Smartworking" programme	(9.8)	9.8	--
Impact of growth and closures	(0.8)	--	(0.8)
Underlying cost savings	(10.4)	(13.1)	(23.5)
<b>H1 2009</b>	423.4	83.9	507.3

### Operating profit (before exceptional)

Arising from the above operating profit was £50.1 million (H1, 2008: £74.4 million), representing a margin of 9.0% (H1, 2008: 14.7%).

### Exceptional item

In the period ended 30 June 2009 the Group recognised exceptional net income of £18.3 million from the settlement of a dispute with a supplier. This resulted in a cash inflow in the period of £18.5 million.

### Share of profit in joint ventures

In the period ended 30 June 2009, the share of joint venture profits attributable to Regus increased to £1.3 million (H1, 2008: £1.2 million). This reflected improved profitability of joint ventures in the Middle East and Europe, partially offset by the start-up losses in new joint ventures.

### Financing costs

Financing costs can be summarised as follows:

(£ million)	H1 2009	H1 2008
Interest payable	(0.9)	(1.9)



Interest receivable	1.3	2.2
Finance lease interest	(0.1)	(0.1)
Non-cash: Amortisation of deferred financing fees	(0.5)	(0.2)
Non-cash: UK acquisition related	(0.5)	(1.1)
<b>Total financing costs</b>	<b>(0.7)</b>	<b>(1.1)</b>

The lower interest payable reflects the early repayment of the remaining £24 million loan balance outstanding on the Group's senior debt facility in November 2008. Of the remaining £0.9 million of interest expense, £0.4 million relates to facility charges incurred on the Group's £100 million undrawn senior committed facility that was voluntarily surrendered in April 2009.

The £0.9 million decrease in interest receivable reflects the impact of falling global interest rates (reducing the Group's average yield from 3.6% to 1.2%) partially offset by the increase in the Group's average free cash balance to £194.4 million (H1, 2008: £132.8 million). The movement in the cash balance has been explained in the cash flow section below.

Finance lease costs have remained unchanged reflecting the continued low level of finance lease liabilities held by the Group. The amortisation of deferred financing fees relates to the facility arrangement costs incurred for the new credit facilities entered into during 2006 and which were voluntarily surrendered in April 2009 resulting in the recognition of an accelerated amortisation charge of £0.4 million. The unwinding of discounted fair value adjustments on the Regus UK acquisition resulted in a non cash net financing charge of £0.5 million in the period to 30 June 2009 which included a one-off credit of £0.4 million from the accelerated unwinding of the discount on a loan repaid during the period.

### **Taxation**

The Group has recognised a £14.3 million tax charge for the period (representing an accounting tax rate of 20.7% of profit before tax), compared to a charge of £20.0 million (27%) in the comparative period.

The current tax charge for the period was £11.5 million (H1, 2008: £13.5 million), a decrease from 18% to 16.7% of profit before tax. Deferred tax was a £2.8 million charge in the period (H1, 2008: £6.5 million charge). On a cash basis, the Group paid £15.4 million in tax. Cash tax represents approximately 22.3% of profit before tax compared to 17.3% in the same period in 2008.

### **Earnings per share**

Earnings per share for the half year has been maintained at 5.7p with the impact of falling underlying operating profits having been offset by a one-off exceptional item and a lower tax charge. The average number of shares in issue during the first half reflected the re-purchase of Regus shares under the share buy-back programme and reduced to 947,001,077 (H1, 2008: 952,704,784).

### **Dividend**

A payment of 1.2p per share was paid in May 2009 following shareholder approval (2008: 1.0p per share by Regus Group Limited, formerly Regus Group plc). An interim dividend of 0.8p per share will be paid on Friday 9 October 2009 to shareholders on the register at the close of business on Friday 11 September 2009. The Group will continue to operate the Income Access Share arrangements for the interim dividend to enable shareholders to receive either UK source dividends or Luxembourg source dividends. Further details can be found on page 23 of this announcement.

## Cash flow

The Group's cash flow statement can be summarised as follows:

(£ million)	H1 2009	H1 2008
<b>Cash generated from operations</b>	<b>62.2</b>	<b>123.4</b>
Exceptional net income from legal settlement	18.5	--
Tax, net interest paid and dividend income	(15.0)	(12.3)
Maintenance capex	(6.8)	(13.8)
<b>Free cash flow</b>	<b>58.9</b>	<b>97.3</b>
New centre openings	(16.6)	(25.5)
Other acquisitions and JV investments	0.1	(9.0)
Loan repayment, share buy back and dividend	(12.2)	(40.7)
<b>Change in cash</b>	<b>30.2</b>	<b>22.1</b>
<b>Opening cash</b>	<b>219.5</b>	<b>142.9</b>
Change in cash	30.2	22.1
Effect of exchange rates on cash held	(12.2)	3.6
<b>Closing cash</b>	<b>237.5</b>	<b>168.6</b>

Cash flow from operations has fallen £61.2 million from £123.4 million to £62.2 million driven primarily by the impact of working capital. As occupancy and price increased in the first half of 2008 the business benefited from a working capital inflow of £22.0 million and as it has declined in the first half of 2009 there has been a working capital outflow of £25.5 million.

Nevertheless the business has remained strongly cash positive producing a free cash flow of £58.9 million. This has allowed the Group to continue to invest in growth and increase the dividend.

During the first six months, 23 new centres were opened at a cost of £16.6 million. In addition to the investment in growth the Group returned £11.4 million to shareholders through the payment of the 2008 final dividend and still ended the half-year with an increased cash position. This can be analysed as follows:

(£ million)	June 2009	June 2008
Cash and cash equivalents	237.5	168.6
Bank and other loans	(5.5)	(26.9)
Finance leases	(2.5)	(1.9)
Un-amortised financing fees	--	0.4
<b>Net financial assets/net cash</b>	<b>229.5</b>	<b>140.2</b>

As a result of the implementation in April 2009 of the Board's decision to voluntarily surrender the Group's £100 million revolving credit facility the Group was required to deposit £50 million of cash with the guaranteeing banks that were holding bank guarantees provided against obligations of the Group which is included within cash and cash equivalents .

## Principal risks and uncertainties

The principal risks and uncertainties affecting Regus plc remain unchanged from those detailed on pages 28 and 29 of the Regus plc 2008 Annual Report and Accounts.

The principal risks and uncertainties described in the 2008 Annual Report and Accounts are:

- Risk of economic downturn in significant markets;
- Exposure to movements in property markets;

- Exposure to movements in exchange rates;
- Risks associated with the Group reorganisation and restructuring; and
- Risk associated with centrally managed applications and systems.

The operational and financial reviews above describe the effects of the principal risks and uncertainties on the financial performance of the business during the period.

**Related parties**

Details of related party transactions that have taken place in the period can be found in note 10 to the interim financial statements. There have been no changes to the type of related transactions entered into by the Group as described in the Regus plc 2008 Annual Report and Accounts that had a material effect on the interim financial statement for the period ended 30 June 2009.

Stephen Gleadle  
Chief Financial Officer  
25 August 2009

Condensed Consolidated Financial Information

Consolidated Income Statement (unaudited)

£m	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
<b>Revenue</b>	2	<b>557.4</b>	507.5
Cost of sales		<b>(423.4)</b>	(357.3)
<b>Gross profit (centre contribution)</b>		<b>134.0</b>	<b>150.2</b>
Administration expenses		<b>(83.9)</b>	(75.8)
<b>Operating profit (before exceptional)</b>		<b>50.1</b>	<b>74.4</b>
Exceptional net income from legal settlement		<b>18.3</b>	--
<b>Operating profit (after exceptional)</b>	3	<b>68.4</b>	<b>74.4</b>
Share of post-tax profit of joint ventures		<b>1.3</b>	1.2
<b>Profit before financing costs</b>		<b>69.7</b>	<b>75.6</b>
Finance expense		<b>(2.6)</b>	(3.5)
Finance income		<b>1.9</b>	2.4
<b>Profit before tax for the period</b>		<b>69.0</b>	<b>74.5</b>
Tax charge		<b>(14.3)</b>	(20.0)
<b>Profit for the period</b>		<b>54.7</b>	<b>54.5</b>
Profit attributable to:			
Equity shareholders of the parent		<b>54.4</b>	54.0
Non-controlling interests		<b>0.3</b>	0.5
<b>Profit for the period</b>		<b>54.7</b>	<b>54.5</b>
<b>Earnings per ordinary share (EPS) after exceptional:</b>			
Basic (p)		<b>5.7</b>	5.7
Diluted (p)		<b>5.7</b>	5.6

## Consolidated Statement of Comprehensive Income (unaudited)

£m	Six months ended 30 June 2009	Six months ended 30 June 2008
<b>Profit for the period</b>	<b>54.7</b>	54.5
<b>Other comprehensive income:</b>		
Deferred tax effect of share options	0.1	--
Foreign currency translation differences for foreign operations	<b>(39.3)</b>	0.1
<b>Other comprehensive income for the period, net of income tax</b>	<b>(39.2)</b>	<b>0.1</b>
<b>Total comprehensive income for the period</b>	<b>15.5</b>	<b>54.6</b>
Total comprehensive income attributable to:		
Equity shareholders of the parent	15.2	54.1
Non-controlling interests	0.3	0.5
	<b>15.5</b>	<b>54.6</b>

## Consolidated Statement of Changes in Equity (unaudited)

For the 6 months ended 30 June 2008

£m	Attribute to equity holders of the parent (note a)							Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Other	Retained earnings	Total		
<b>Balance at 1 January 2008</b>	49.2	(13.4)	(20.1)	10.0	(22.6)	306.2	309.3	0.5	309.8
<b>Total comprehensive income for the period:</b>									
Profit for the period	--	--	--	--	--	54.0	54.0	0.5	54.5
<b>Other comprehensive income:</b>									
Currency translation differences	--	--	0.1	--	--	--	0.1	--	0.1
Total other comprehensive income	--	--	0.1	--	--	--	0.1	--	0.1
Total comprehensive income for the period	--	--	0.1	--	--	54.0	54.1	0.5	54.6
<b>Transactions with owners, recorded directly in equity:</b>									
Share based payments	--	--	--	--	--	2.5	2.5	--	2.5
Ordinary dividend paid	--	--	--	--	--	(9.5)	(9.5)	--	(9.5)
Purchase of treasury shares	--	(17.4)	--	--	--	--	(17.4)	--	(17.4)
<b>Balance at 30 June 2008</b>	49.2	(30.8)	(20.0)	10.0	(22.6)	353.2	339.0	1.0	340.0

# Consolidated Statement of Changes in Equity (Unaudited)

## (continued)

For the 6 months ended 30 June 2009

£m	Attribute to equity holders of the parent (note a)							Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Other	Retained earnings	Total		
<b>Balance at 1 January 2009</b>	9.5	(1.4)	67.0	10.0	15.3	379.6	480.0	0.3	480.3
<b>Total comprehensive income for the period:</b>									
Profit for the period	--	--	--	--	--	54.4	54.4	0.3	54.7
<b>Other comprehensive income:</b>									
Deferred tax effect of share options	--	--	--	--	--	0.1	0.1	--	0.1
Currency translation differences	--	--	(39.3)	--	--	--	(39.3)	--	(39.3)
Total other comprehensive income			(39.3)	--	--	0.1	(39.2)	--	(39.2)
Total comprehensive income for the period			(39.3)	--	--	54.5	15.2	0.3	15.5
<b>Transactions with owners, recorded directly in equity:</b>									
Share based payments	--	--	--	--	--	1.2	1.2	--	1.2
Ordinary dividend paid	--	--	--	--	--	(11.4)	(11.4)	--	(11.4)
Dividend paid to minority interest	--	--	--	--	--	--	--	(0.5)	(0.5)
Purchase of treasury shares	--	(0.4)	--	--	--	--	(0.4)	--	(0.4)
Exercise of share options	--	1.5	--	--	--	(1.5)	--	--	--
<b>Balance at 30 June 2009</b>	<b>9.5</b>	<b>(0.3)</b>	<b>27.7</b>	<b>10.0</b>	<b>15.3</b>	<b>422.4</b>	<b>484.6</b>	<b>0.1</b>	<b>484.7</b>

(a) Total reserves attributable to equity holders of the parent:

- Share capital represents the nominal value arising on the issue of the Company's equity share capital.
- Treasury shares represent 1,576,498 ordinary shares of the Group that were acquired for the purposes of the Group's employee share option plans and the share buyback programme. During the period 627,258 shares were purchased and 5,000,760 were utilized to satisfy the exercise of share options by employees. At 25 August 2009, 1,576,498 treasury shares were held.
- The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures.
- The revaluation reserve arose on the restatement of the assets and liabilities of the UK associate from historic cost to fair value at the time of the acquisition of the outstanding 58% interest on 19 April 2006.
- Other reserves include £37.9 million arising from the Scheme of Arrangement undertaken on 14 October 2008, £6.5 million relating to merger reserves and £0.1 million to the redemption of preference shares partly offset by £29.2 million arising from the Scheme of Arrangement undertaken in 2003.

# Consolidated Balance Sheet

£m	As at 30 June 2009 (unaudited)	As at 30 June 2008 (unaudited)	As at 31 Dec 2008*
<b>Non-current assets</b>			
Goodwill	252.4	225.9	274.5
Other intangible assets	48.5	46.5	55.8
Property, plant and equipment	239.9	204.8	278.0
Deferred tax assets	65.8	40.2	79.0
Other long term receivables	28.4	23.9	38.3
Investments in joint ventures	4.7	1.6	4.0
	<b>639.7</b>	<b>542.9</b>	729.6
<b>Current assets</b>			
Trade and other receivables	210.6	207.5	231.8
Corporation tax receivable	10.1	4.8	8.3
Cash and cash equivalents	237.5	168.6	219.5
	<b>458.2</b>	<b>380.9</b>	459.6
<b>Total assets</b>	<b>1,097.9</b>	<b>923.8</b>	1,189.2
<b>Current liabilities</b>			
Trade and other payables	(184.5)	(178.1)	(214.8)
Customer deposits	(149.5)	(142.3)	(174.8)
Deferred income	(111.8)	(108.8)	(132.6)
Corporation tax payable	(59.3)	(33.9)	(61.7)
Obligations under finance leases	(1.1)	(0.9)	(1.3)
Bank and other loans	(5.5)	(14.4)	(5.1)
Provisions	(1.5)	(2.8)	(2.0)
	<b>(513.2)</b>	<b>(481.2)</b>	(592.3)
<b>Net current liabilities</b>	<b>(55.0)</b>	<b>(100.3)</b>	(132.7)
<b>Total assets less current liabilities</b>	<b>584.7</b>	<b>442.6</b>	596.9
<b>Non-current liabilities</b>			
Other payables	(90.5)	(76.7)	(99.8)
Obligations under finance leases	(1.4)	(1.0)	(1.7)
Bank and other loans	--	(12.1)	(0.2)
Deferred tax liability	(0.1)	(5.8)	(5.4)
Provisions	(7.2)	(5.6)	(8.5)
Provision for deficit on joint ventures	(0.8)	(1.4)	(1.0)
	<b>(100.0)</b>	<b>(102.6)</b>	(116.6)
<b>Total liabilities</b>	<b>(613.2)</b>	<b>(583.8)</b>	(708.9)
<b>Total assets less liabilities</b>	<b>484.7</b>	<b>340.0</b>	480.3
<b>Total equity</b>			
Issued share capital	9.5	49.2	9.5
Treasury shares	(0.3)	(30.8)	(1.4)
Foreign currency translation reserve	27.7	(20.0)	67.0
Revaluation reserve	10.0	10.0	10.0
Other reserves	15.3	(22.6)	15.3
Retained earnings	422.4	353.2	379.6
<b>Total shareholders' equity</b>	<b>484.6</b>	<b>339.0</b>	480.0
Non-controlling interests	0.1	1.0	0.3
<b>Total equity</b>	<b>484.7</b>	<b>340.0</b>	480.3

\* Extracted from the audited financial statements for the year ended 31 December 2008

## Consolidated Cash Flow Statement (unaudited)

£m	Six months ended 30 June 2009	Six months ended 30 June 2008
<b>Profit before tax for the period (before exceptional)</b>	<b>50.7</b>	<b>74.5</b>
Adjustments for:		
Net finance costs	0.7	1.1
Net share of profit on joint ventures	(1.3)	(1.2)
Depreciation charge	34.6	25.5
Loss on disposal of property, plant and equipment	0.1	--
Amortisation of intangible assets	3.3	3.0
Decrease in provisions	(0.8)	(2.9)
Unrealised gains on fair value financial derivative instruments	(2.1)	--
Other non-cash movements – unrealised foreign currency loss/(gain)	1.3	(1.1)
– share based payment	1.2	2.5
<b>Operating cash flows before movements in working capital</b>	<b>87.7</b>	<b>101.4</b>
Decrease /(increase) in trade and other receivables	6.3	(14.9)
(Decrease)/increase in trade and other payables	(31.8)	36.9
<b>Cash generated from operations (before exceptional)</b>	<b>62.2</b>	<b>123.4</b>
Cash inflow from exceptional item	18.5	--
<b>Cash generated from operations (after exceptional)</b>	<b>80.7</b>	<b>123.4</b>
Interest paid on finance leases	(0.1)	(0.1)
Interest paid on credit facilities	(0.9)	(2.1)
Tax paid	(15.4)	(12.9)
<b>Net cash inflows from operating activities</b>	<b>64.3</b>	<b>108.3</b>
<b>Investing activities</b>		
Purchase of subsidiary undertakings (net of cash acquired)	0.1	(9.0)
Dividends received from joint ventures	0.2	0.6
Purchase of property, plant and equipment	(22.8)	(37.6)
Purchase of intangible assets	(0.6)	(1.7)
Interest received	1.2	2.2
<b>Cash outflows from investing activities</b>	<b>(21.9)</b>	<b>(45.5)</b>
<b>Financing activities</b>		
Net proceeds from issue of loans	0.8	--
Repayment of loans	--	(13.4)
Repayment of principal under finance leases	(0.7)	(0.4)
Purchase of treasury shares	(0.4)	(17.4)
Payment of ordinary dividend	(11.4)	(9.5)
Payment of dividend to minority shareholders	(0.5)	--
<b>Cash (outflows) from financing activities</b>	<b>(12.2)</b>	<b>(40.7)</b>
Net increase in cash and cash equivalents	30.2	22.1
Cash and cash equivalents at beginning of period	219.5	142.9
Effect of exchange rate fluctuations on cash held	(12.2)	3.6
<b>Cash and cash equivalents at end of period</b>	<b>237.5</b>	<b>168.6</b>



## Notes to the Interim Accounts (unaudited)

### Note 1: Basis of preparation and accounting policies

Regus plc S.A. is a public limited company incorporated in Jersey and registered and domiciled in Luxembourg. The Company's ordinary shares are traded on the London Stock Exchange.

The unaudited condensed consolidated financial information as at and for the six months ended 30 June 2009 included within the half yearly report:

- was prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as adopted by the European Union ("adopted IFRS"), and was prepared in accordance with the Disclosure and Transparency Rules ("DTR") of the Financial Services Authority;
- is presented on a condensed basis as permitted by IAS 34 and therefore does not include all disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the Regus plc Annual Report and Accounts for the year ended 31 December 2008;
- comprise the Company and its subsidiaries (the "Group") and the Group's interests in jointly controlled entities;
- do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It should be read in conjunction with the statutory accounts for the year ended 31 December 2008, which were prepared in accordance with the IFRSs as adopted by the European Union and have been filed with both the Luxembourg Chamber of Commerce and the Jersey Companies Registry. The comparative figures for the financial year ended 31 December 2008 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and the report of the auditors was (i) unqualified, and (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report. These accounts are available from the Company's website - [www.regus.com](http://www.regus.com); and
- The condensed consolidated interim financial information was approved by the Board of Directors on 25 August 2009.

Except as described below, the basis of preparation and accounting policies set out in the Report and Accounts for the year ended 31 December 2008 have been applied in the preparation of this half yearly report. In preparing these condensed consolidated interim financial statements, the significant judgments made by management and the key sources of estimation uncertainty were the same as those that applied to the Report and Accounts for the year ended 31 December 2008.

The following standards, interpretations and amendments to standards were applicable to the Group for periods commencing on or after 1 January 2009:

(i) IFRS 8 'Operating Segments' requires that operating segments are determined and presented based on the information that is presented internally to the Board (the chief operating decision maker of the Group). Previously operating segments were determined and presented in accordance with IAS 14 'Segment Reporting'. Details of the basis on which the operating segments have been determined and presented are included in note 2 to the condensed consolidated financial information. Comparative information has been re-presented in line with the transitional requirements of IFRS 8. The change in accounting policy only impacts the disclosure of segmental information and therefore has no impact on the financial results or position of the Group.

(ii) Amendments to IAS 1 'Presentation of Financial Statements (2007)' requires that all owner changes in equity are presented in the consolidated statement of changes in equity and all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied as at and for the six months ended 30 June 2009. Comparative information has been re-presented in line with the requirements of the revised standard. As the change in accounting policy only impacts disclosure aspects there is no impact on the financial results or position of the Group.

## Note 2: Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including those that relate to transactions with other operating segments. An operating segment's results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The business is run on a worldwide basis but managed through four principal geographical segments; Americas; Europe, Middle East and Africa (EMEA); Asia Pacific; and the United Kingdom. The United Kingdom segment does not include the Group's non-trading holding and corporate management companies that are based in the UK and the EMEA segment does not include the Group's non-trading head office and holding companies that are based in Luxembourg. The results of business centres in each of these regions form the basis for reporting geographical results to the chief operating decision maker (the Board of directors of the Group). All reportable segments are involved in the provision of global workplace solutions.

The Group's reportable segments operate in different markets and are managed separately because of the different economic characteristics that exist in each of those markets. Each reportable segment has its own discrete senior management team responsible for the performance of the segment.

The accounting policies of the operating segments are the same as those described in the Annual Report and Accounts for Regus plc for the year ended 31 December 2008. The performance of each segment is assessed on the basis of the segment operating profit which excludes certain non-recurring items (including provisions for onerous contracts and asset write-downs), exceptional gains and losses, internal management charges and foreign exchange gains and losses arising on transactions with other operating segments.

£m	Americas		EMEA		Asia Pacific		United Kingdom		All other segments		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Six months ended 30 June												
Revenues from external customers	227.0	190.5	162.5	150.6	68.6	55.0	98.5	110.5	0.8	0.9	557.4	507.5
Revenues from internal customers	--	--	0.6	0.3	0.1	0.3	0.5	0.5	--	--	1.2	1.1
<b>Segment revenues</b>	<b>227.0</b>	<b>190.5</b>	<b>163.1</b>	<b>150.9</b>	<b>68.7</b>	<b>55.3</b>	<b>99.0</b>	<b>111.0</b>	<b>0.8</b>	<b>0.9</b>	<b>558.6</b>	<b>508.6</b>
<b>Reportable segment profit</b>	<b>22.8</b>	<b>32.8</b>	<b>26.0</b>	<b>32.5</b>	<b>13.2</b>	<b>11.9</b>	<b>0.2</b>	<b>11.9</b>	<b>0.3</b>	<b>0.3</b>	<b>62.5</b>	<b>89.4</b>
Reportable segment assets	457.6	387.2	265.0	237.7	126.6	102.8	263.4	265.3	1.2	1.4	1,113.8	994.4

Reconciliation of reportable segment profit to published profit:

£m	Six months ended 30 June 2009	Six months ended 30 June 2008
<b>Reportable segment profit</b>	<b>62.5</b>	89.4
Elimination of inter-segment revenue	(1.2)	(1.0)
Corporate overheads	(10.6)	(15.1)
Non-recurring items	0.6	1.0
Exceptional net income from legal settlement	18.3	--
Foreign exchange gains and losses on inter-segment transactions	(1.2)	0.1
Share of post-tax profit of joint ventures	1.3	1.2
Net financing expense	(0.7)	(1.1)
<b>Published Group profit before tax</b>	<b>69.0</b>	<b>74.5</b>

There have been no changes to the basis of segmentation or the measurement basis for the segment profit since 31 December 2008.

Note 2: Operating segments (continued)

	Americas	EMEA	Asia Pacific	UK	All other segments	Total
	2009	2009	2009	2009	2009	2009
<b>Mature</b>						
Workstations	66,205	30,366	17,422	28,654	--	142,647
Occupancy (%)	80.3	82.6	79.0	80.5	--	80.7
Revenue (£m)	216.8	151.0	59.7	90.9	0.8	519.2
Contribution (£m)	52.9	48.3	20.8	11.6	0.6	134.2
<b>2008 Expansions</b>						
Workstations	5,464	3,351	3,663	4,323	--	16,801
Occupancy (%)	69.8	62.0	60.2	64.1	--	64.7
Revenue (£m)	8.9	10.6	8.5	7.6	--	35.6
Contribution (£m)	(0.3)	1.2	--	(0.4)	--	0.5
<b>2009 Expansions</b>						
Workstations	388	301	171	89	--	949
Occupancy (%)	32.2	27.5	21.3	12.1	--	26.9
Revenue (£m)	0.5	0.3	0.2	--	--	1.0
Contribution (£m)	(0.9)	(0.2)	0.1	(0.1)	--	(1.1)
<b>2009 Closures</b>						
Workstations	233	156	49	--	--	438
Occupancy (%)	67.8	62.3	92.2	--	--	68.6
Revenue (£m)	0.8	0.6	0.2	--	--	1.6
Contribution (£m)	(0.3)	(0.2)	--	--	--	(0.5)
<b>Totals</b>						
Workstations	72,290	34,174	21,305	33,066	--	160,835
Occupancy (%)	79.2	80.0	75.3	78.1	--	78.6
Revenue (£m)	227.0	162.5	68.6	98.5	0.8	557.4
Contribution (£m)	51.4	49.1	20.9	11.1	0.6	133.1
Unallocated contribution (£m)	--	--	--	--	--	0.9
Segment EBIT (£m)	22.8	26.0	13.2	0.2	0.3	62.5
Segment EBITDA (£m)	39.7	33.7	18.4	7.9	0.3	100.0
REVPWA (£)	6,280	9,513	6,442	5,959	--	6,932

**Note 2: Operating segments (continued)**

	Americas	EMEA	Asia Pacific	UK	All other segments	Total
	2008	2008	2008	2008	2008	2008
<b>Mature</b>						
Workstations	66,099	30,294	17,847	28,439	--	142,679
Occupancy (%)	85.6	88.0	78.3	83.8	--	84.8
Revenue (£m)	187.6	147.4	53.4	107.9	0.9	497.2
Contribution (£m)	57.2	51.9	19.2	24.0	0.9	153.1
<b>2008 Expansions</b>						
Workstations	2,378	795	1,155	1,246	--	5,574
Occupancy (%)	49.8	38.6	31.8	56.0	--	45.9
Revenue (£m)	1.5	1.7	1.0	2.5	--	6.7
Contribution (£m)	(1.6)	(1.0)	(1.8)	(0.4)	--	(4.7)
<b>2008 Closures</b>						
Workstations	--	--	--	--	--	--
Occupancy (%)	--	--	--	--	--	--
Revenue (£m)	--	0.2	--	0.1	--	0.3
Contribution (£m)	--	0.1	--	--	--	0.1
<b>2009 Closures</b>						
Workstations	467	242	125	--	--	834
Occupancy (%)	71.6	94.0	94.1	--	--	81.5
Revenue (£m)	1.4	1.3	0.6	--	--	3.3
Contribution (£m)	0.1	0.6	0.2	--	--	0.9
<b>Totals</b>						
Workstations	68,944	31,331	19,127	29,685	--	149,087
Occupancy (%)	84.3	86.7	75.5	82.6	--	83.4
Revenue (£m)	190.5	150.6	55.0	110.5	0.9	507.5
Contribution (£m)	55.7	51.6	17.6	23.6	0.9	149.4
Unallocated contribution (£m)	--	--	--	--	--	0.8
Segment EBIT (£m)	32.8	32.5	11.9	11.9	0.3	89.4
Segment EBITDA (£m)	45.0	37.9	15.4	19.5	0.3	118.1
REVPWA (£)	5,527	9,614	5,753	7,445	--	6,808

**Notes:**

- The mature business is defined as those centres owned and operated at least 12 months prior to 1 January 2007 and therefore have a full six month comparative.
- Expansions include new centres opened and acquired businesses.
- A 2009 closure is defined as a centre closed during the period 1 January 2009 - 30 June 2009. A 2008 closure is defined as a centre closed during the period 1 January 2008 – 31 December 2008.
- Workstation numbers are calculated as the weighted average for the period.

### Note 3: Operating profit and exceptional item

During the six months ended 30 June 2009 the Group received a net amount of £18.3 million in relation to the settlement of a dispute with a supplier. The amount represents the cash received in settlement of the dispute less the directly attributable costs associated with the successful outcome of the negotiations.

The Group's financial results are not subject to significant seasonal trends.

### Note 4: Dividends

Equity dividends on ordinary shares paid during the period:

£m	Six months ended 30 June 2009	Six months ended 30 June 2008
Final dividend for the year ended 31 December 2008: 1.2 pence per share (2007: 1.0 pence per share)	11.4	9.5

### Note 5: Goodwill and indefinite life intangible assets

As at 30 June 2009, the carrying value of the Group's goodwill and indefinite life intangible asset was £252.4 million and £11.2 million respectively (31 December 2008: £274.5 million and £11.2 million respectively). The last annual review of the carrying value of the goodwill and indefinite life intangible was performed as at 31 October 2008 (and updated in February 2009) for the year ended 31 December 2008. As a result of the UK cash-generating unit's trading performance being below expectation for the period ended 30 June 2009, the Group reviewed the estimated recoverable amount and concluded that it remained in excess of the carrying value as at 30 June 2009.

### Note 6: Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired assets with a cost of £22.8 million (30 June 2008: £37.6 million). Assets with a net book of value £0.1 million (30 June 2008: £nil million) were disposed of during the period for £nil million (30 June 2008: £nil million).

Capital expenditure authorised and contracted for but not provided for in the accounts amounted to £2.9 million (30 June 2008: £8.4 million).

### Note 7: Analysis of net financial resources

£m	At 1 Jan 2009	Cash flow	Non-cash changes	Exchange movement	At 30 June 2009
<b>Cash and cash equivalents</b>	<b>219.5</b>	<b>30.2</b>	<b>--</b>	<b>(12.2)</b>	<b>237.5</b>
Debt due within one year	(5.1)	(1.0)	--	0.6	<b>(5.5)</b>
Debt due after one year	(0.2)	0.2	--	--	--
Finance leases due within one year	(1.3)	0.2	(0.2)	0.2	<b>(1.1)</b>
Finance leases due after one year	(1.7)	0.5	(0.5)	0.3	<b>(1.4)</b>
	(8.3)	(0.1)	(0.7)	1.1	<b>(8.0)</b>
<b>Net financial assets</b>	<b>211.2</b>	<b>30.1</b>	<b>(0.7)</b>	<b>(11.1)</b>	<b>229.5</b>

Cash and cash equivalents balances held by the Group that are not available for use amounted to £62.8 million at 30 June 2009 (December 2008: £14.1 million). This cash serves as collateral against certain obligations of the Group. On 29 April 2009 the Group implemented the early surrender of the £100 million revolving credit facility approved by the Board in March 2009 following an internal review of the Group's facility arrangements. Of the facility approximately £50 million had been set aside to support bank guarantees provided by the Group. In order to continue to support these, the Group deposited cash with the guaranteeing banks and at 30 June 2009, £46.9 million was held on deposit. In addition £13.7 million (December 2008: £11.9 million) relates to deposits which are held by banks and landlords as security against lease commitments by Regus operating

companies and £2.2 million (December 2008: £2.2 million) held by the ESOP Trust. These amounts are blocked and not available for use by the business.

Non-cash changes comprise new finance leases drawn.

**Note 8: Share based payment**

During the period the Group awarded 7,174,395 options (2008: 6,582,098) under the Co-Investment Plan and 3,652,623 (2008: 898,209) conditional share awards under the Co-Investment Plan.

In the period to 30 June 2009 the Group charged £1.2 million in the accounts in relation to share based payment (2008: £2.5 million).

**Note 9: Contingent liabilities**

The Group has bank guarantees and letters of credit held with certain banks amounting to £46.9 million (December 2008: £49.7 million). As set out in note 7 these are secured against cash deposited with the guaranteeing banks. A number of lawsuits are pending against the Group, the outcome of which in aggregate is not expected to have a material effect on the Group.

**Note 10: Related parties**

The nature of related parties as disclosed in the consolidated financial statements for the Group as at and for the year ended 31 December 2008 has not changed. Transactions with related parties did not have a material effect on the financial results for the six months ended 30 June 2009. At 30 June 2009, £5.2 million (2008: £7.0 million) was due to the Group from joint ventures of which £nil of this debt has been provided for at the balance sheet date (2008: £nil).

Compensation paid to the key management personnel of the Group will be disclosed in the Group's Annual Report and Accounts for the year ending 31 December 2009.

**Note 11: Acquisitions**

No acquisitions were completed during the period ending 30 June 2009.

Additional consideration of £0.2 million was paid in the period relating to additional acquisition costs and £0.3 million refunded on purchase consideration relating to acquisitions completed prior to 1 January 2009.

**Note 12: Events after the balance sheet date**

There were no material events occurring since the balance sheet date affecting the financial results or financial position of the Group.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

This interim management report is the responsibility of, and has been approved by, the directors of Regus plc (Société Anonyme). We confirm that to the best of our knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors did not to engage the Group's auditor, KPMG Audit S.a.r.l., to perform a formal review of the condensed set of financial statements in the half-yearly report for the six months ended 30 June 2009.

The directors of Regus Plc are listed in the Group's Annual Report and Accounts for the year ended 31 December 2008.

By order of the Board

Mark Dixon  
Chief Executive Officer

Stephen Gleadle  
Chief Financial Officer

25 August 2009

Shareholders are entitled to elect whether to receive UK source dividends or Luxembourg source dividends. Shareholders who do not elect to receive UK source 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. Unless an election is made to the contrary, shareholders who hold 25,000 or fewer shares in a particular account will be deemed to have elected to receive UK source dividends in respect of those shares. Shareholders who haven't already made an election and who wish to do so, or who wish to change their previous election, should obtain a dividend election form from the Company's registrar, Equiniti Limited, by writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. In order for elections to be valid, dividend election forms must be received by the Company's registrar by 5.00 p.m. (London time) on 29 September, 2009.

This half yearly announcement contains certain forward looking statements with respect to the operations of Regus. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast.

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