**FIRST QUARTER TRADING UPDATE – 30 April 2015**

Regus plc, the global workplace provider, today announces its trading update for the three months to 31 March 2015.

**Continued improvement in Group performance**

The Group has enjoyed strong trading in the first three months to 31 March 2015, in line with management's expectations and continuing the momentum of 2014. We are particularly pleased to have delivered our third consecutive quarter of positive cash flow, after continuing investment in new locations, underlining the strong cash generation from the underlying business. The business generated £38m net cash flow in the first quarter (historically our seasonally weakest quarter for cash generation), up from £22m in the equivalent period last year. After investing £33m in new locations, net debt reduced by £5m on a pro-forma basis to £50m.

Group revenue in the period increased 14.4% at constant currency to £452.3m compared with £393.2m in the corresponding period last year (an increase of 15.0% at actual rates). This first quarter performance reflects the continuing growth in customer demand for our products and services.

To meet this increasing demand, we continue to expand our network. In the first quarter to 31 March 2015 we invested net capital expenditure in new locations[1] of £32.7m, adding 81 locations. As at 31 March 2015, the Group had a total of 2,342 locations, with the total number of workstations (including non-consolidated) increasing to 368,243 (357,421 workstations as at 31 December 2014)[2].

Our focus remains on building long-term shareholder value through delivering attractive returns from our existing business and disciplined investment in new locations – both organic and through acquisitions. As of 20 April 2015, we had visibility on net capital expenditure in new locations for 2015 that will cost in the region of £180m and represents approximately 500 locations. We will provide further updates on our pipeline visibility as we progress through the year.

**Strong mature performance**

The performance of our mature business, representing approximately 78% of our global portfolio of centres, remains strong. Revenues for these centres (which were opened on or before 31 December 2013) were £411.4m in the three months to 31 March 2015, an increase of 5.6% at constant currency (up 6.2% at actual exchange rates).

This strong performance reflects both solid underlying revenue growth in our more established locations as well as the continued maturation of the 434 locations from 2013 which joined the mature portfolio on 1 January 2015, and which now comprises a total of 1,818 locations.

Year-on-year mature occupancy increased 3.6 percentage points on a like-for-like basis to 81.6%, reflecting the maturation of the 2013 additions where occupancy grew strongly as expected.

**Disposal**

As previously disclosed, during the first quarter we completed the sale of various portfolios of property assets acquired during 2014. The disposal raised £84m of cash and resulted in an exceptional profit of approximately £22m after expenses, which will be reported in our 2015 interim results.

**Solid financial position**

As highlighted above, the underlying business has remained strongly cash generative and the Group has recorded another quarter of net cash generation after investment in new locations (and before taking into account the £84m proceeds from the disposal mentioned above). Net debt at 31 March 2015 was £50m, representing a reduction from our pro-forma opening net debt of £55m. The second quarter of 2015 is expected to see a net cash outflow after payment of the 2014 final dividend and investment in new locations.

**Summary**

Our newer locations continue to progress towards maturity in line with our expectations. Our older locations also continue to perform well. Strong discipline on overhead costs has been maintained during the period and we remain on track to deliver further substantial scale benefits. These enable us to continue to drive cash generation to invest in growth and build our business, as we focus on delivering long-term shareholder value.

Overall, we have made a good start to the year and remain confident in the outlook for 2015. Our business is performing strongly and our network investment continues to deliver good returns and attractive long-term shareholder value.

[1] Net capital expenditure in new locations equals gross capital expenditure less any contributions received towards fit-out costs

| **Capital Expenditure (£m)** | **Q1 2015 New Locations** | **Q1 2015 Maintenance** | **Q1 2015 Total** |
|---|---|---|---|
| Gross Capital Expenditure | 48.3 | 14.9 | 63.2 |
| Net Capital Expenditure after partner contributions | 32.7 | 8.2 | 40.8 |

[2] Consolidated workstations as at 31 March 2015 were 346,668 (31 December 2014: 342,727 workstations)

**Conference call details**

Regus will be hosting a call for analysts and investors at 08.30 BST this morning. Details are set out below:

Dial in number: +44 (0) 1452 580 733
Conference ID: 28352840

There will also be a replay facility available after the call (until 11.30am, 7 May):

Dial in number: +44 (0) 1452 550 000
Playback ID: 28352840

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This trading update 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.

**About Regus**

Regus is the global workplace provider. Its network of more than 2,300 business centres in 104 countries provides convenient, high quality, fully serviced spaces for people to work, whether for a few minutes or a few years. Companies like Google, Toshiba and GlaxoSmithKline choose Regus so that they can work flexibly and make their businesses more successful.

The key to flexible working is convenience and so Regus is opening wherever its 2.1million members want support – city centres, suburban districts, shopping centres and retail outlets, railway stations, motorway service stations and even community centres.

Founded in Brussels, Belgium, in 1989, Regus is based in Luxembourg and listed on the London Stock Exchange.

For more information, please visit www.regus.com