Regus plc

Investor & analyst day

New Broadstreet House, London
30 November, 2011

Agenda

10.30 – 12.00	Regus strategy and investment case Mark Dixon, CEO & Dominique Yates, CFO – Regus plc
12.00 – 13.00	Lunch
13.00 – 13.25	Regus in India Madhusudan Thakur, Country Manager – Regus India
13.25 – 13.50	Regus in the Americas Guillermo Rotman, CEO - Regus Americas Michael Turner, RVP - Regus Latin
13.50 – 14.15	Sales today Bob Gaudreau, EVP, Sales & Marketing - Regus
14.15 – 14.40	Product development Andre Sharpe, Global Director, Product & Business Development - Regus
14.40 – 15.05	Centre opening growth plan – 2011-2014 Mark Jagger, Head of Global Development, Regus
15.05 – 15.30	Regus and Yell – working without an office Simon Taylor, Group Property Director, Yell plc
15.30 – 16.00	Closing remarks Dominique Yates, CFO – Regus plc

Mark Dixon
CEO, Regus plc

Regus strategy

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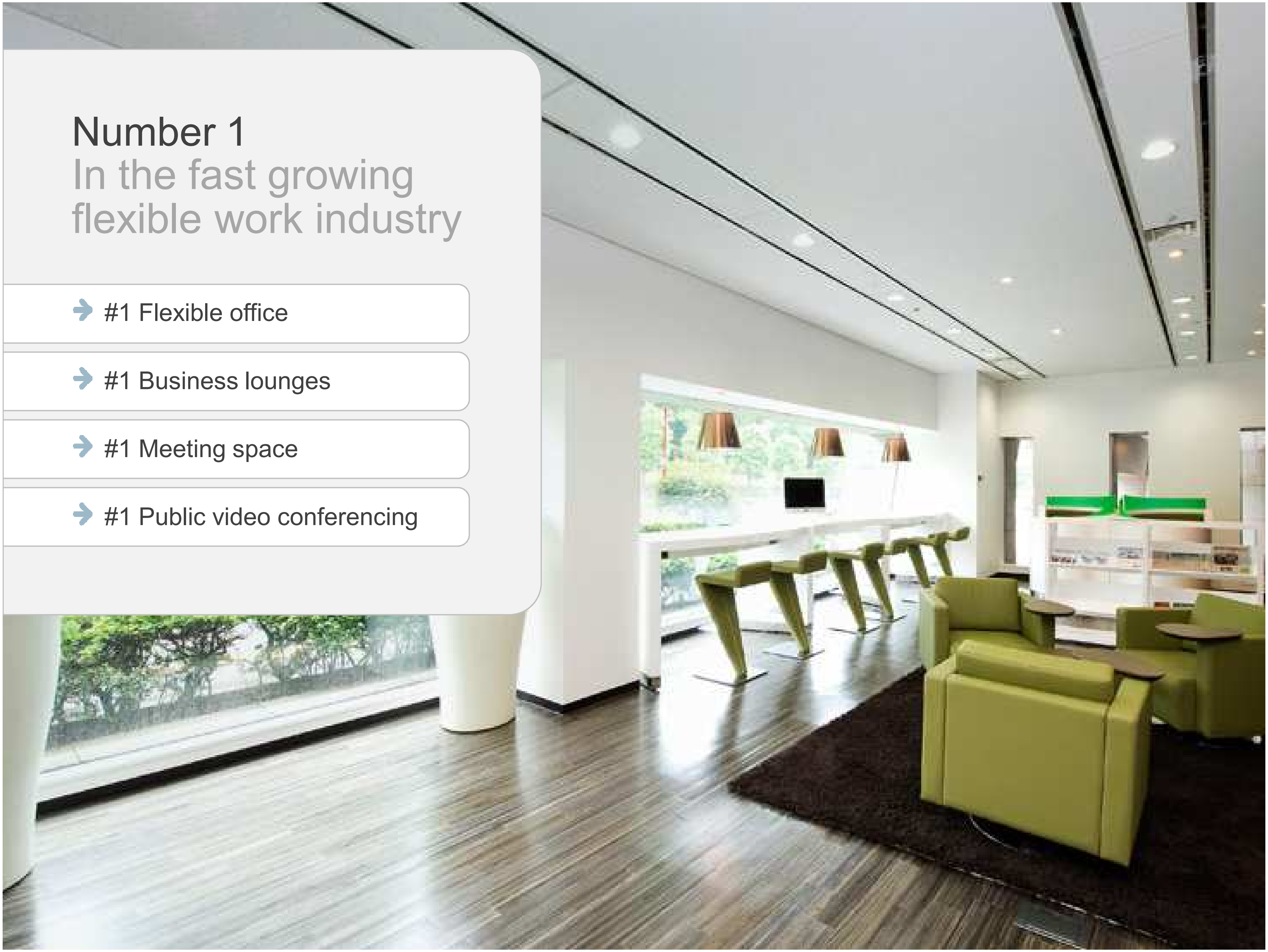
Regus

Number 1
In the fast growing flexible work industry

- #1 Flexible office
- #1 Business lounges
- #1 Meeting space
- #1 Public video conferencing



The Regus story
Striving for growth

1989
Business founded in Belgium by Mark Dixon

1990
2nd country Netherlands, Amsterdam

2000
Floats on London Stock Exchange

2004
Acquired HQ in the USA

2006
Repurchased majority shareholding of UK business

2008
Businessworld Launched

2010
Doubles business in last 3 years exceeding 800,000 customers; opens central global management centre in Geneva

2011
Exceed 930,000 customers across 92 countries

Launch 2G and adoption of mobile phones
1990

First laptops
1995

Launch of 3G
2001

Blackberry launch
2003

iPhone launch
2008

iPad launch
2010

Regus
The reference

REGUS CENTRES

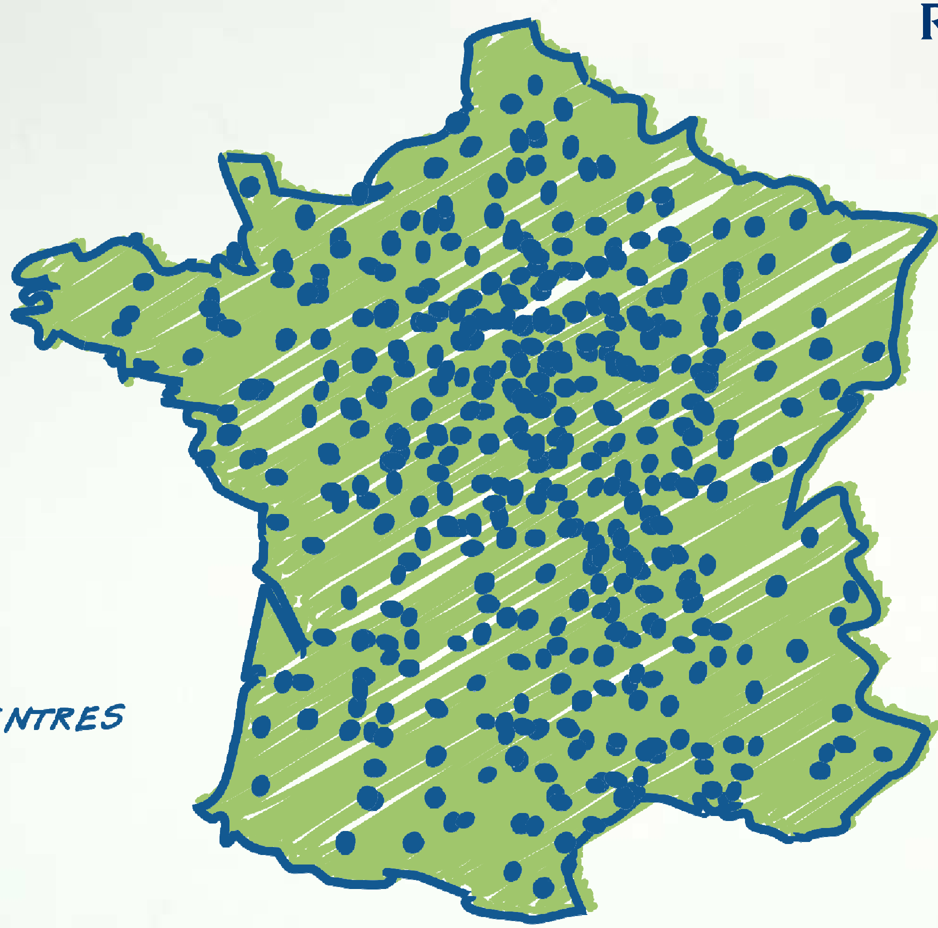
SNCF STATIONS

MOTORWAY
SERVICE STATIONS

AIRPORTS

FUTURE REGUS CENTRES

HOMEWORKERS



MEMBERSHIP

The market

Developing fast, gaining momentum

Competitive position

About 10% market share

Our differentiators

- Scale
- National networks
- Global networks
- Businessworld system
- 40% non-workstation income
- Unique product development
- Highly diversified income streams

The players

Mom & Pop
– 1-3 Centres

Small chains
– all local, few regional

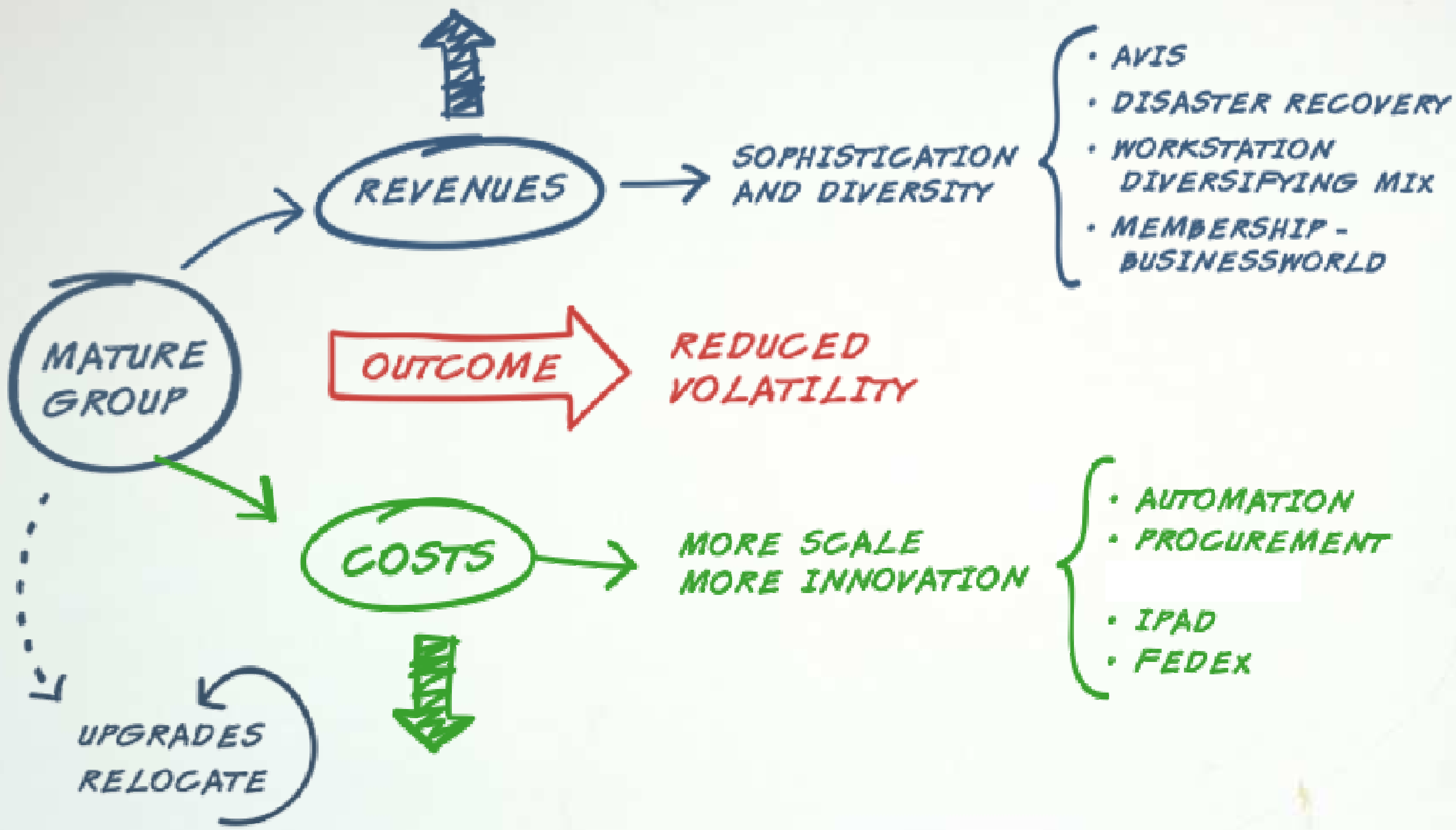
Larger chains – 20+ centres
- Servcorp £100m revenue
- MWB £95m revenue

New Co-working for the
young media and IT sectors

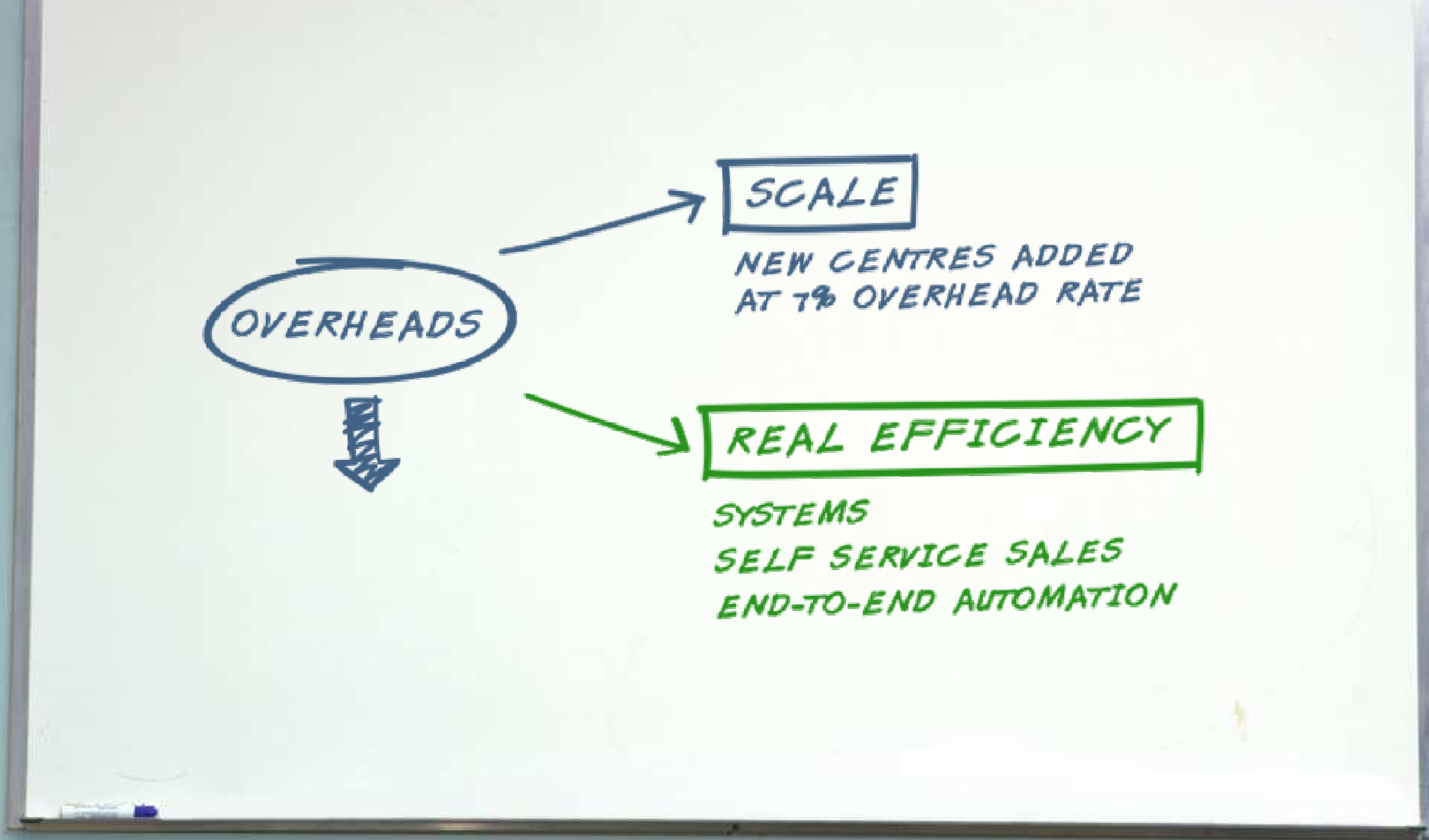
Starbucks, McDonalds
& others

Property owners
– very few involved

Mature development strategy

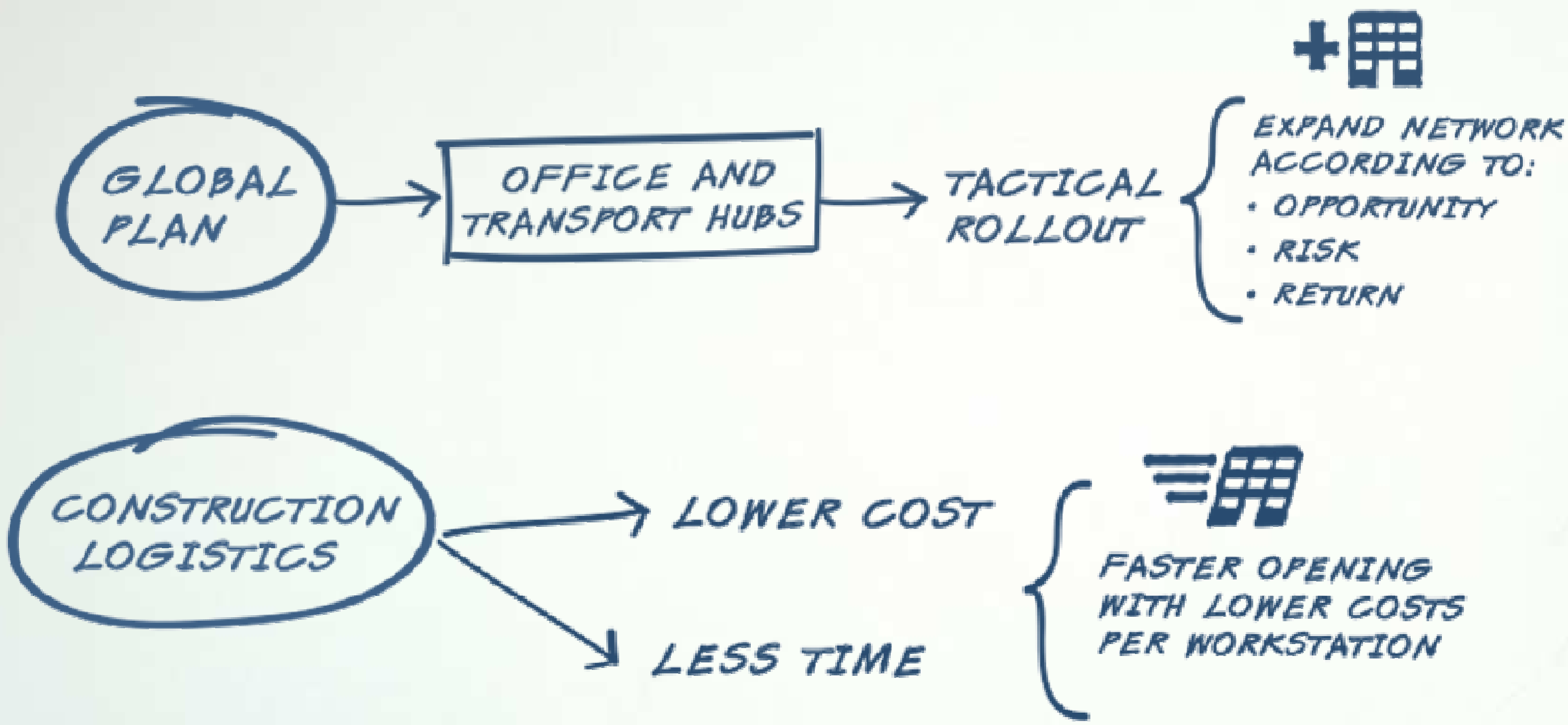


Mature development strategy



Current strategy

Macro caution, local optimism



Dominique Yates
CFO, Regus plc

The investment case

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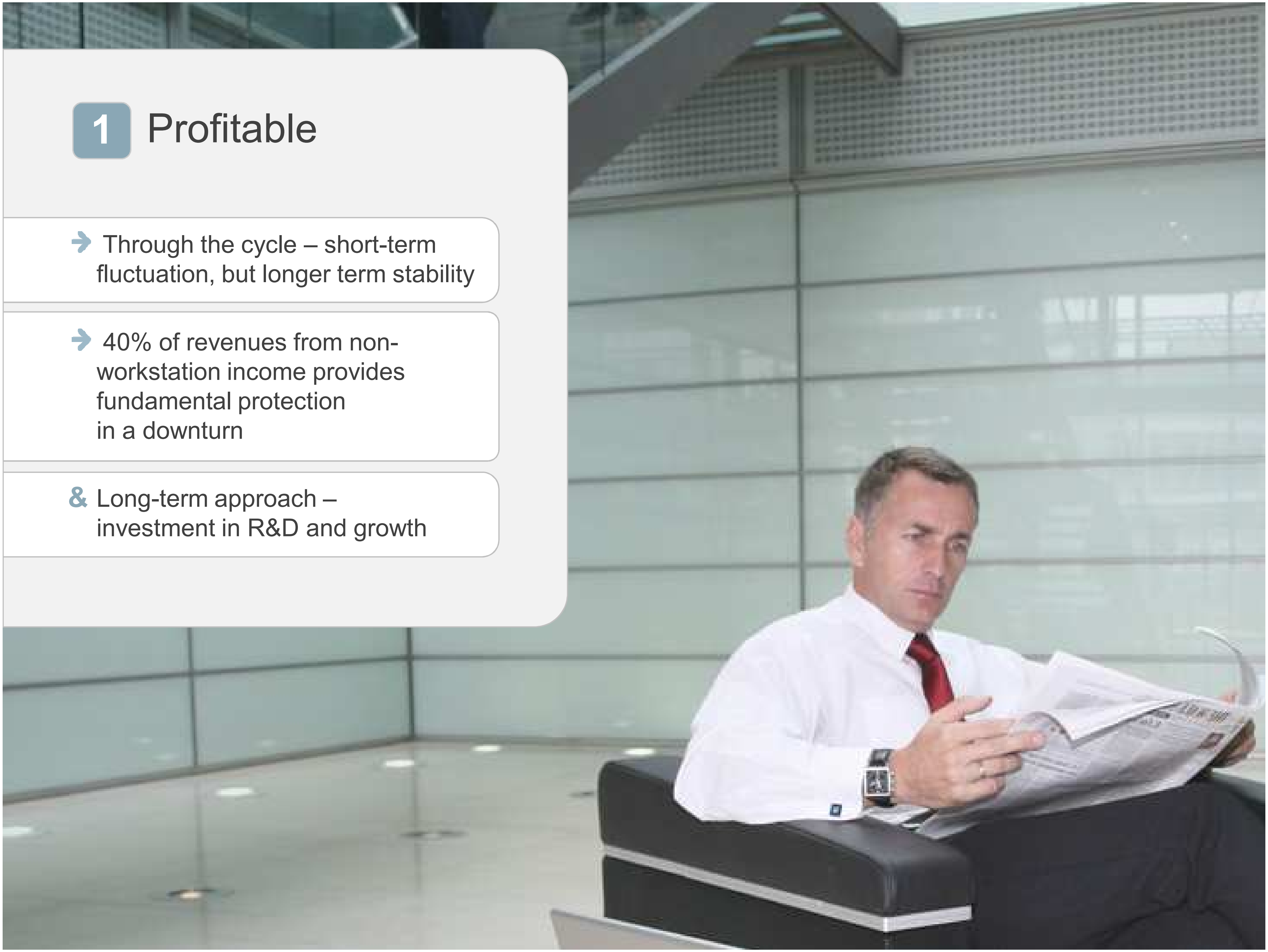
Sound business model & outlook

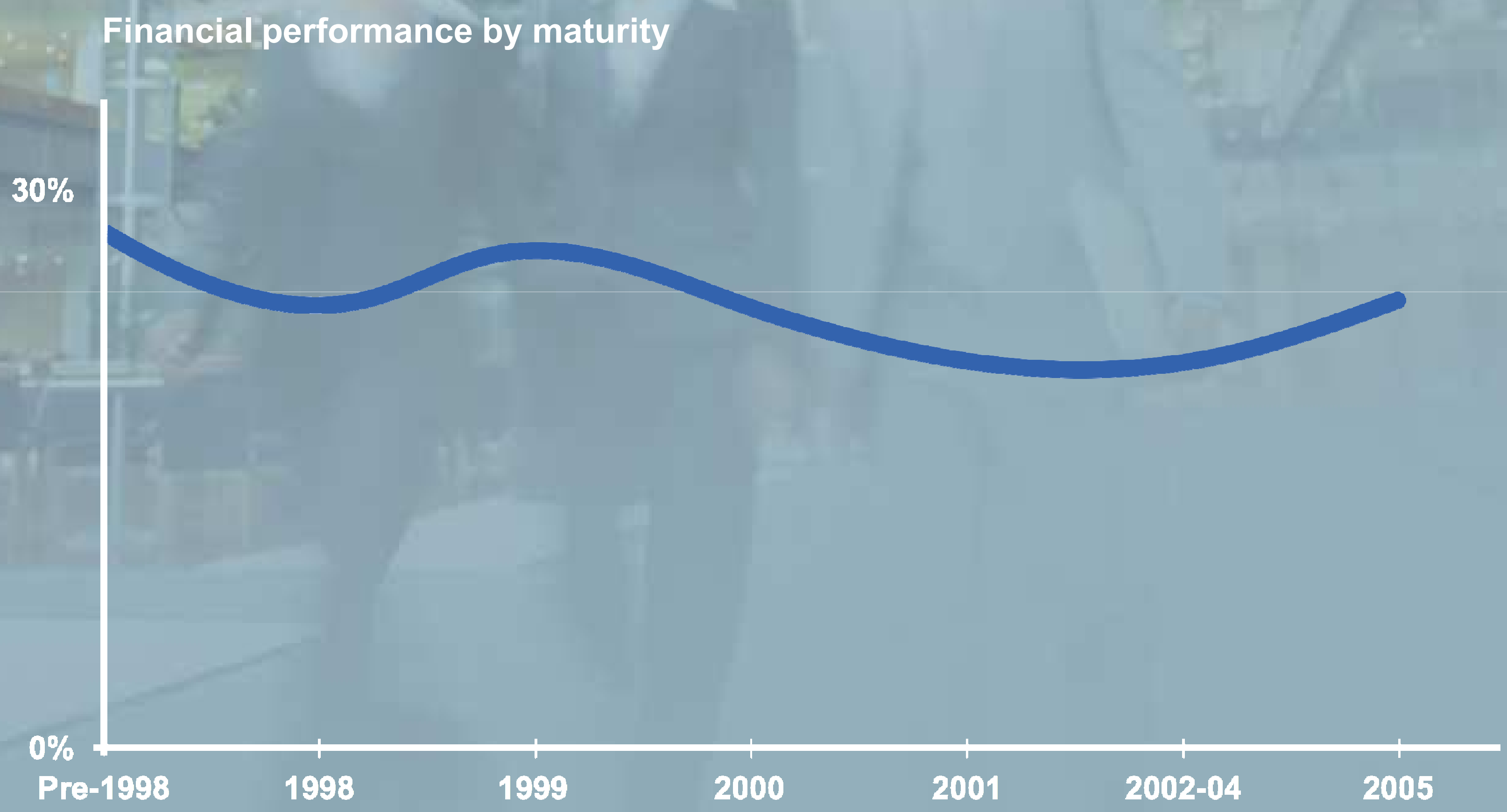
1. Sustainably profitable business model
2. Solid cash flows
3. Strong balance sheet
4. Clear market leader
5. Excellent growth prospects
6. Deliverability
7. The future



1 Profitable

- Through the cycle – short-term fluctuation, but longer term stability
- 40% of revenues from non-workstation income provides fundamental protection in a downturn
- & Long-term approach – investment in R&D and growth

1 Profitability



2 Solid cash flows

H1 2011 – Notional simplified mature cash flow

	£ 'm
EBIT	38
Depreciation	31
Maintenance CAPEX	(14)
Working Capital (Estimated)	11
Interest & Tax (Notional)	(8)
H1 2011 Mature Free Cash Flow	58
Per Share	6.2p

Or Annualised Free Cash Flow Yield of 16%*

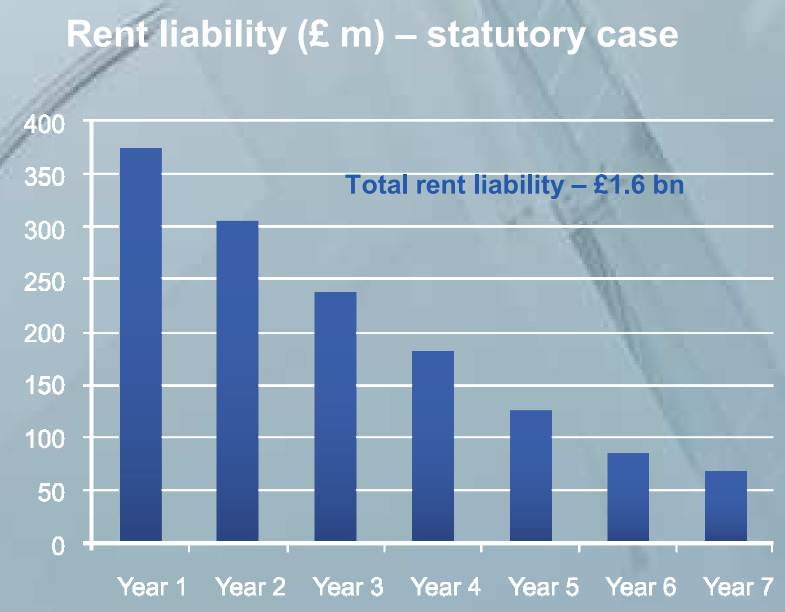
* Based on share price of 79p (22/11/11 closing share price)

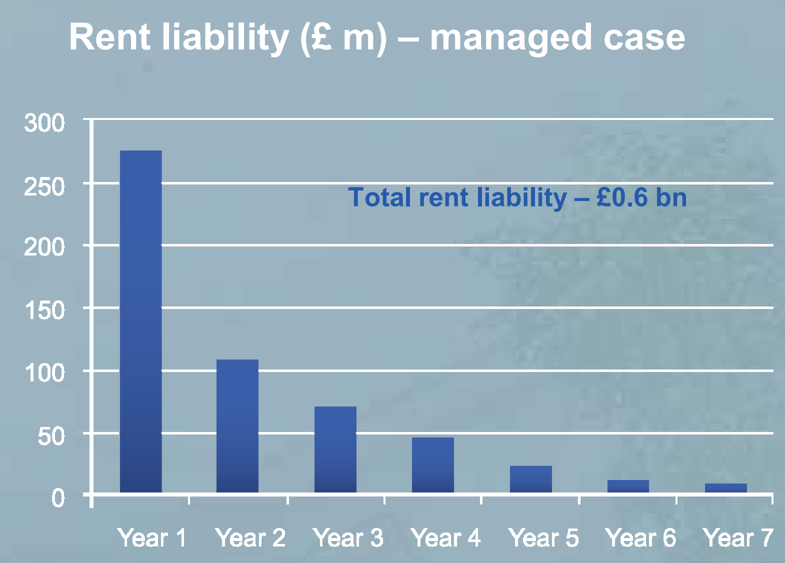
3 Strong balance sheet

- £184m net cash
- Growth self-funded

Risk mitigation

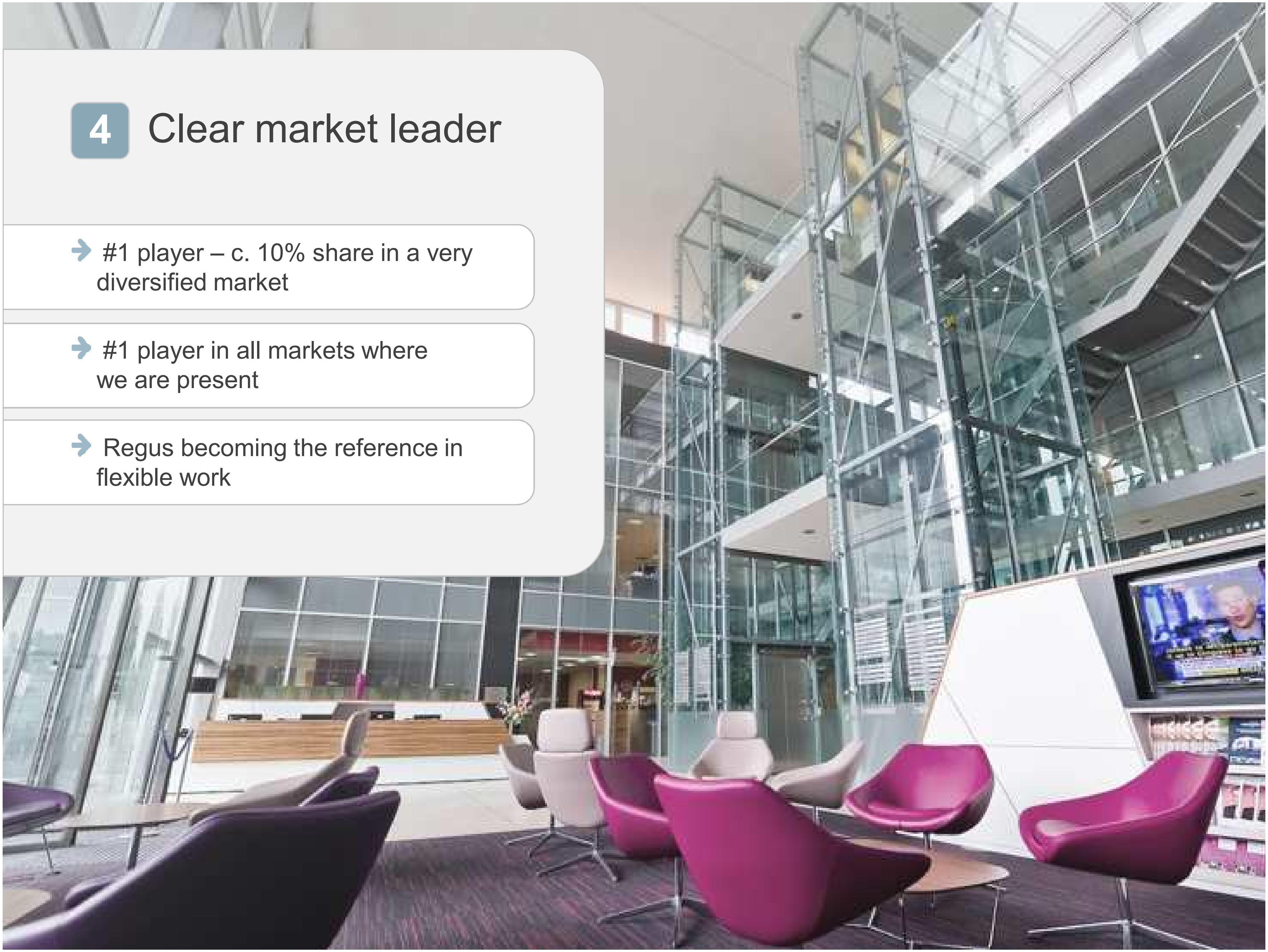
- Geographic diversity and scale reduce risk further
- Proven track record in managing rent liability





4 Clear market leader

- #1 player – c. 10% share in a very diversified market
- #1 player in all markets where we are present
- Regus becoming the reference in flexible work



5 Excellent growth prospects

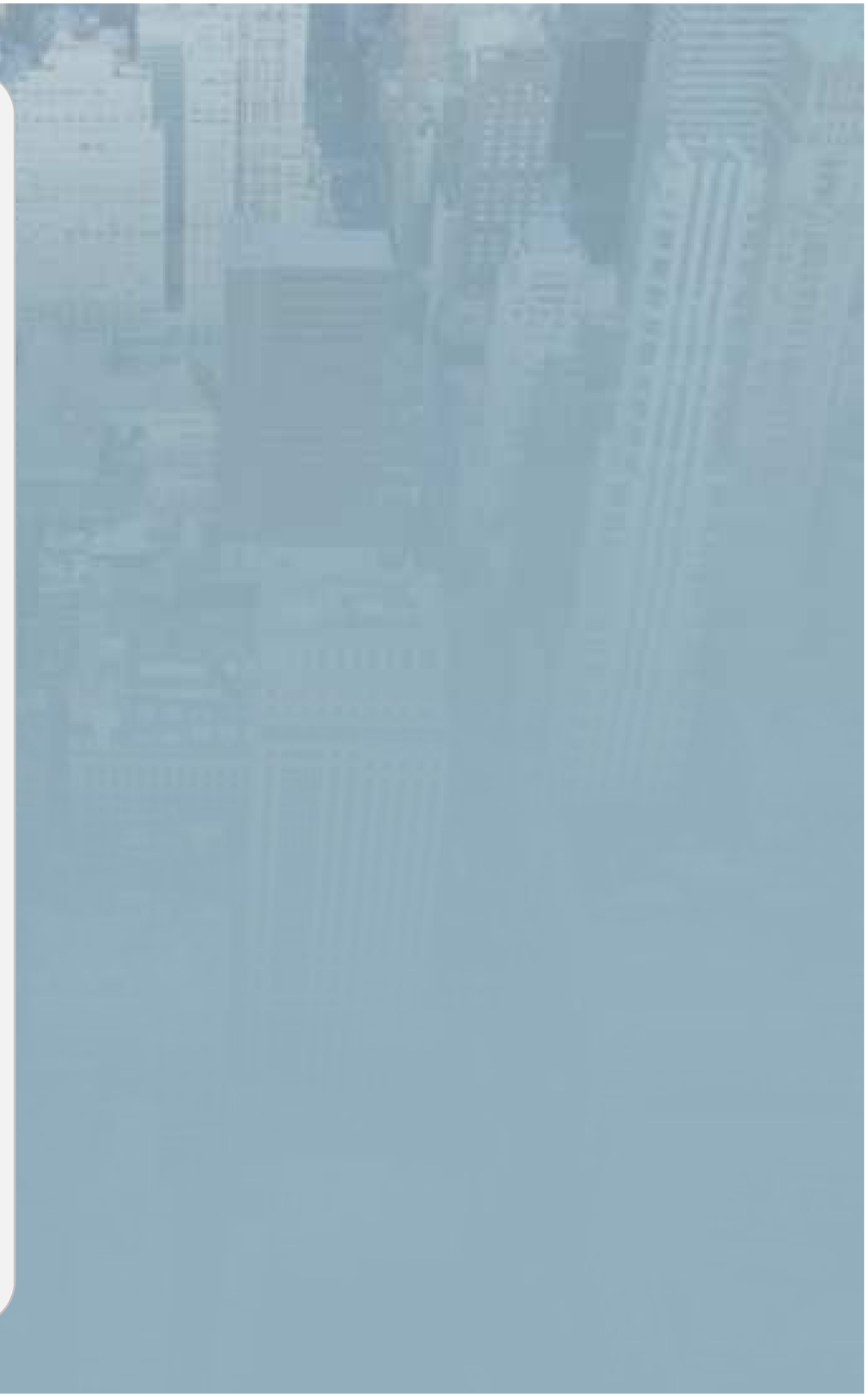
Market

- Significant latent, untapped demand = growth
- Organic – tenant of choice for landlords
- Acquisition – buyer of choice for sellers

Product & channel development

- Investing in new products
- Investigating new channels
- Developing partnerships

- When combined together the potential is massive



5 Excellent growth prospects
New centres

- Typical lease deals
  - Post-tax cash payback in 3-4 years
  - 10 year post tax IRR of 28%
  - mature profitability reached in year 3

- Variable deals
  - faster payback
  - better IRR
  - minimised risk

- Proven track record – new centres become profitable very quickly e.g. 2010 openings, 10% CBIT margin in H1 2011

- Conveyor belt benefit

6 Deliverability

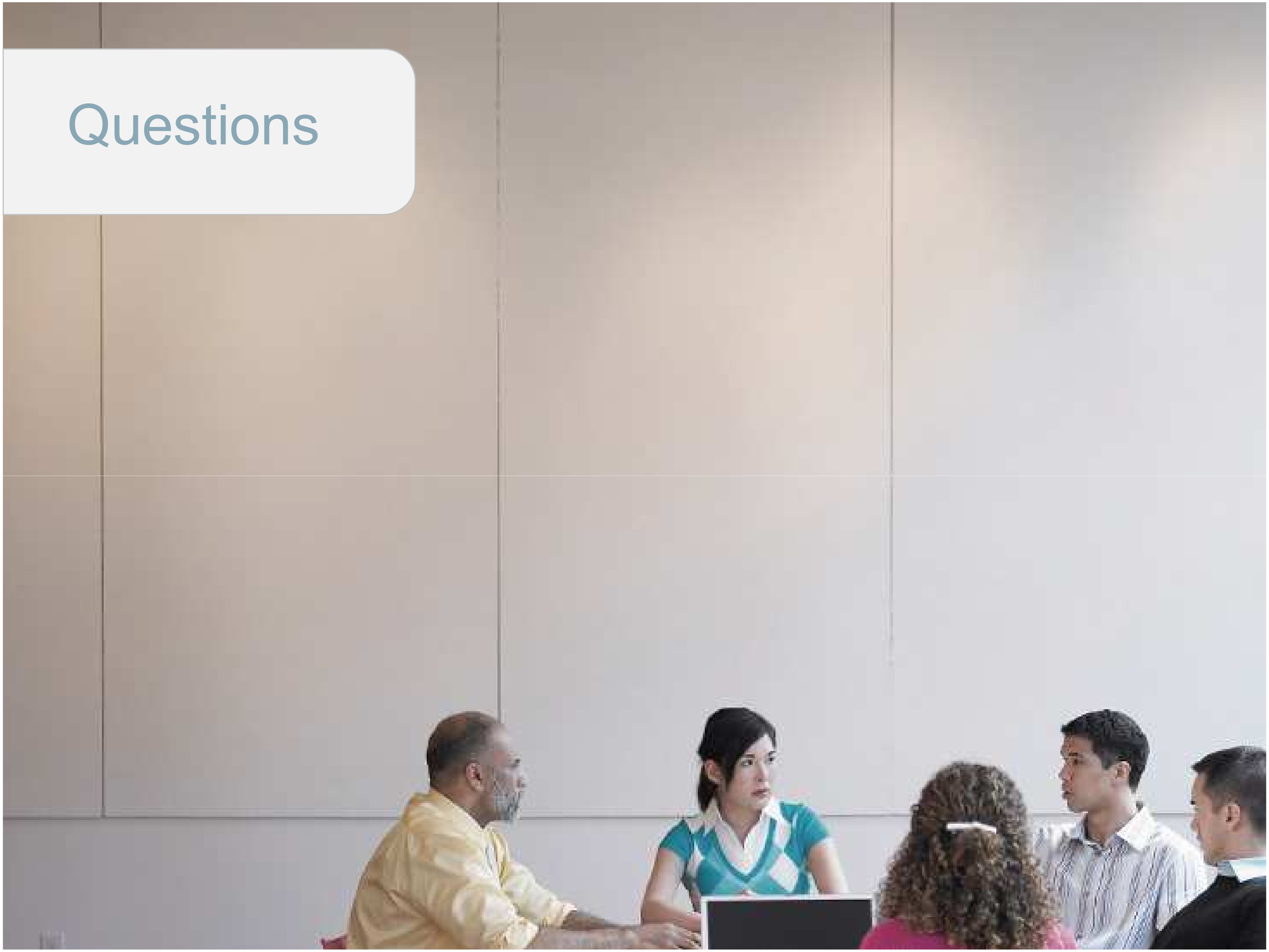
- ✔ Strategy
- ✔ Funding
- ✔ Capabilities
- ✔ Processes
- ✔ Structure / Organisation

7 The future

1. Continue to grow profitably
2. Continue to invest in new products to support non-workstation revenue growth, and to investigate other growth opportunities
3. Reduce overheads through further efficiency gains – simplification and standardisation
4. Reduce overhead cost per workstation through economies of scale

Resulting in revenue and margin growth

Questions



Lunch

Madhusudan Thakur
Country Manager, Regus India

Regus in India

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India – General Statistics

Population

- Second most populous country in the world, with over 1.21 billion people (2011 census)
- **Young country**: average age 29 yrs (37 for China, 48 for Japan)
- More than 65% of the population are below 35 yrs of age

Diversity

- 35 States, 1,652 languages and dialects spoken in India
- Only the entire continent of Africa exceeds the linguistic, genetic and cultural diversity of the nation of India
- 870 million people live in c. 638,000 villages with 340 million in c.5,100 towns and 380 urban agglomerations

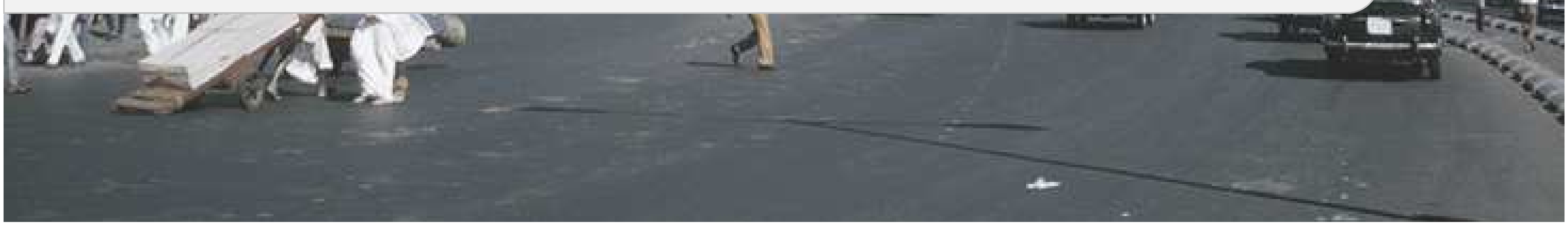
Economy

- India's economy grew 7.7% in the three months from April to June, compared with the same period of 2010
- Inflation in July was 9.22%, which was well above the RBI's target rate of 4% to 4.5%
- Construction grew at an annual rate of 1.2% in the second quarter

India – Large Cities

Rank	City	State/UT	Pop.	Rank	City	State/UT	Pop.
1	Mumbai	Maharastra	13,830,884	11	Jaipur	Rajastan	3,210,570
2	Delhi	Delhi	12,565,901	12	Lucknow	Uttar Pradesh	2,750,447
3	Bengaluru	Kamataka	8,425,970	13	Nagpur	Maharastra	2,447,063
4	Kolkata	West Bengai	5,138,208	14	Patna	Bihar	1,875,572
5	Chennai	Tamilnadu	4,616,639	15	Indore	Madhya Pradesh	1,854,930
6	Hyderabad	Andhra Pradesh	4,068,611	16	Thane	Maharastra	1,807,616
7	Ahmedabad	Gujarat	3,959,432	17	Bhopal	Madhya Pradesh	1,792,203
8	Pune	Maharastra	3,446,330	18	Ludhiana	Punjab	1,740,247
9	Surat	Gujarat	3,344,135	19	Agra	Uttar Pradesh	1,686,976
10	Kanpur	Uttar Pradesh	3,221,435	20	Pimpri	Maharastra	1,637,905

In excess of **80 million people** in these 20 cities and growing fast…



Regus India – current statistics

India Business – started in Jan 2005

- As of end Oct 2011 27 centres in nine cities

Mature Business 2011

- Centres – 23
- Occupancy – 90%

Potential for India

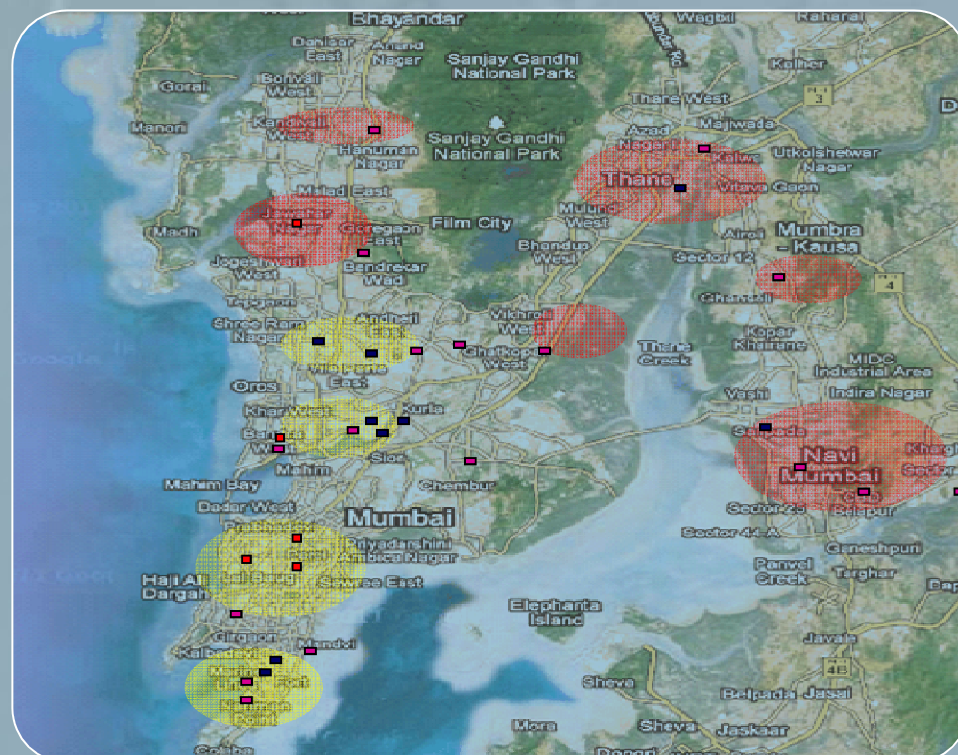
India
Opportunity

Stages

1. Strengthen position as clear market leader in existing cities.
2. Grow in other major cities/ capitals – Tier two markets.
3. Develop the network – tier three and four cities and towns.

Mumbai
India’s commercial capital

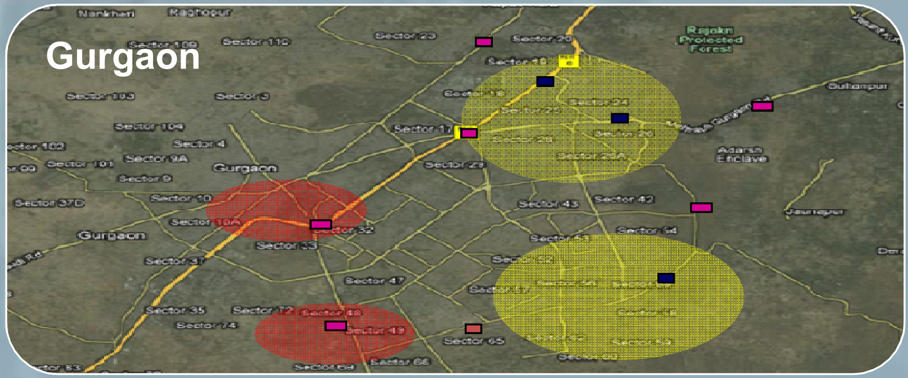
- Mumbai Metropolitan Area – 21 million people
- Mumbai is the richest city in India, and has the highest GDP of any city in South, West or Central Asia
- Current centres - ten

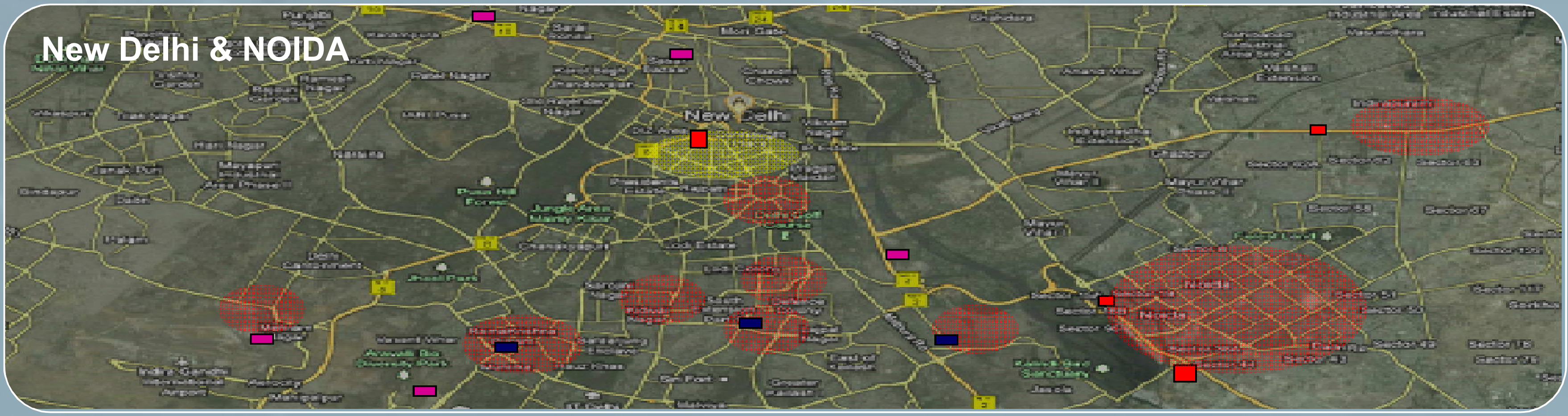


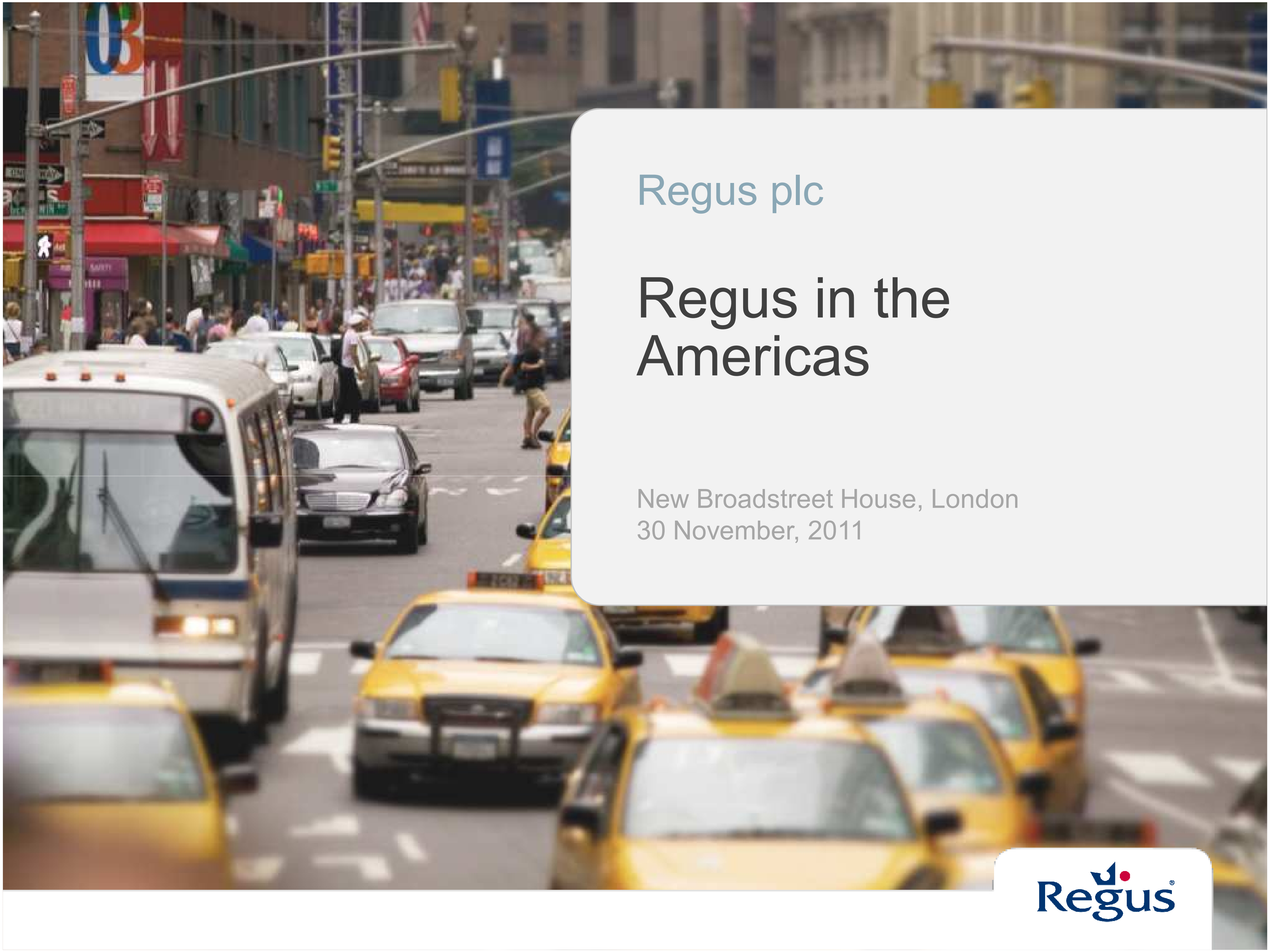
Delhi

India's capital

- One of the highest populated urban area in India, National Capital Region (NCR) – 22.2 million people
- Current centres – six







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Regus in the Americas

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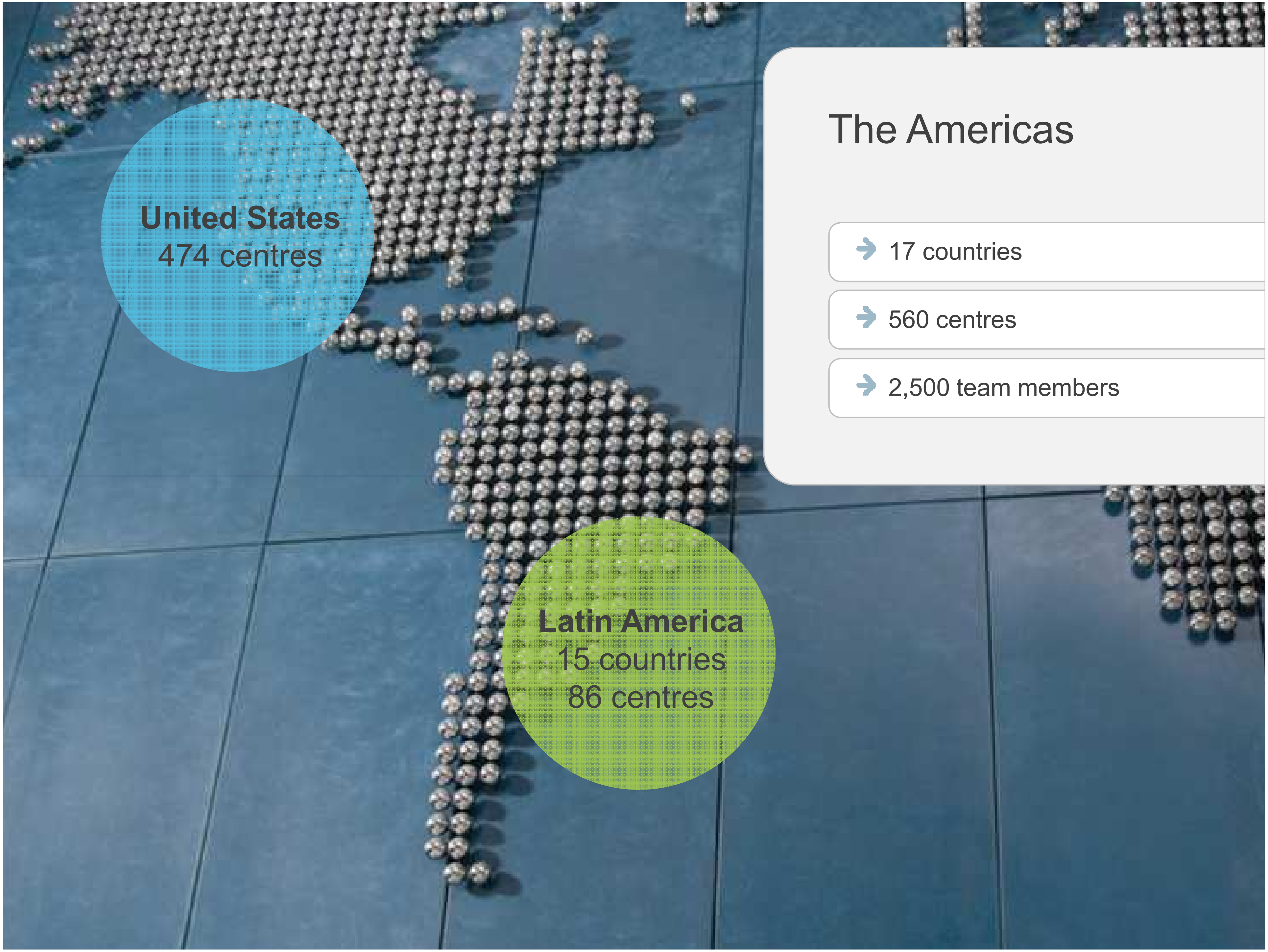
The Americas

- 17 countries
- 560 centres
- 2,500 team members



Guillermo Rotman
CEO, Regus Americas

USA

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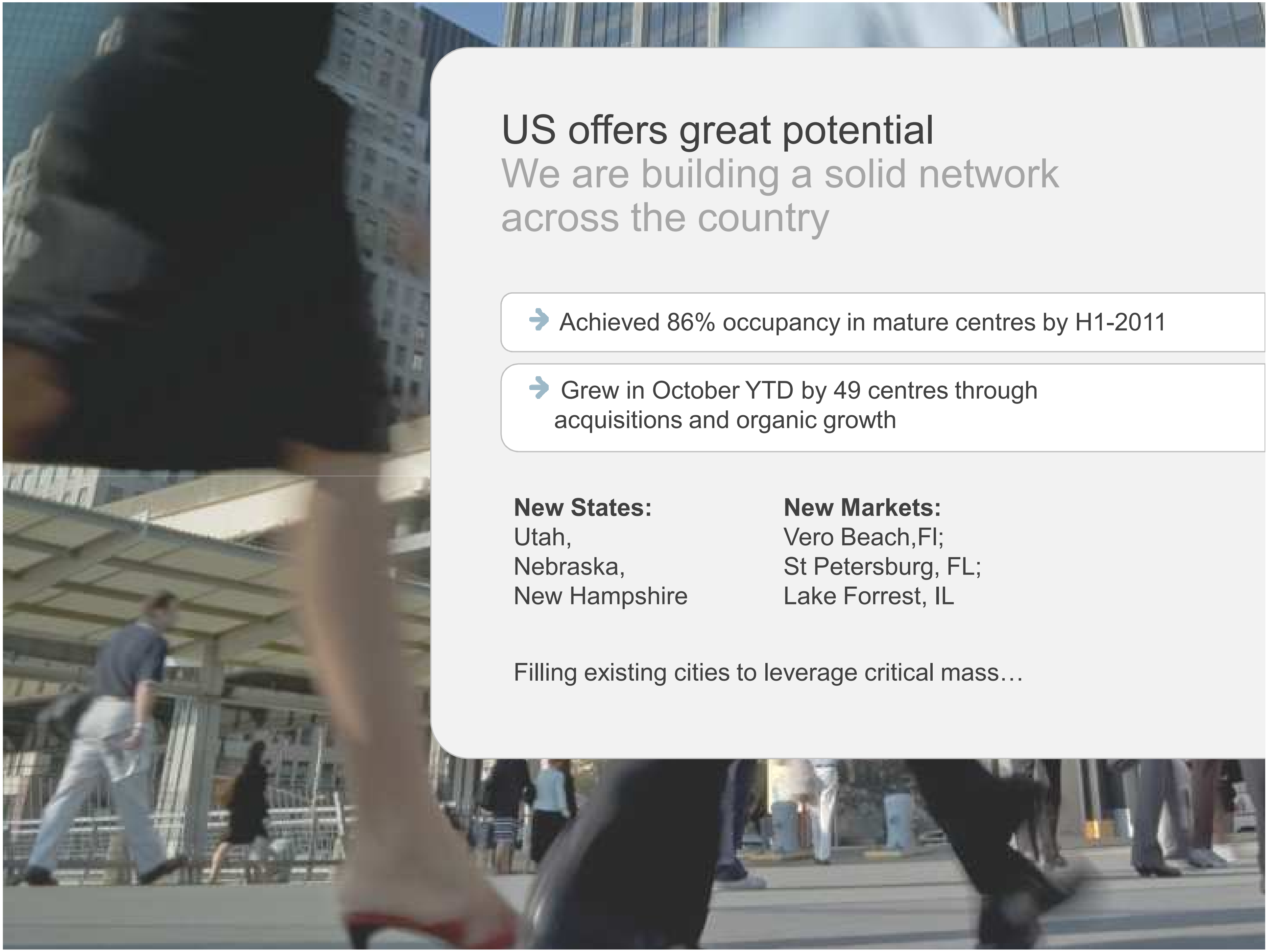


US offers great potential

We are building a solid network across the country

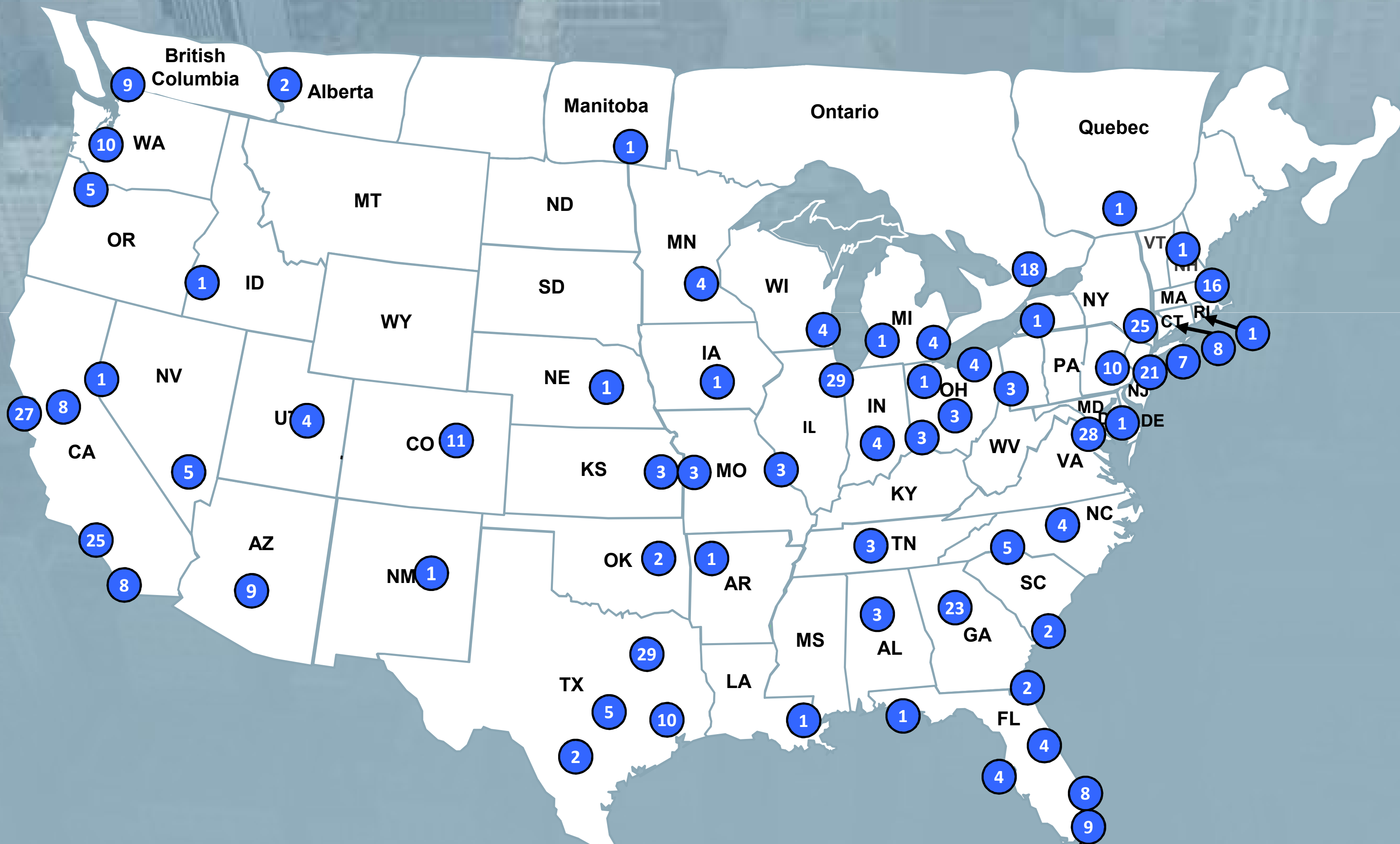
- Achieved 86% occupancy in mature centres by H1-2011
- Grew in October YTD by 49 centres through acquisitions and organic growth

New States:
Utah,
Nebraska,
New Hampshire

New Markets:
Vero Beach,Fl;
St Petersburg, FL;
Lake Forrest, IL

Filling existing cities to leverage critical mass…

Our network – breadth and depth



Why corporates choose Regus

We have built a great network that Corporate accounts can leverage to support their needs

Reasons why corporates use us

- Open new markets
- Cost reduction
- Project support
- Support the home / mobile worker
- Field offices

Google: Used Regus to open new markets in more than 50 locations around the globe. Confirm size, employees, location

symantec: Use Regus in 40 + locations. They closed down office of 20 or less.

accenture: All new projects are handled through Regus. Flexibility on ramping up and down.

7-Eleven: Went from 42 to 8 regional offices at Regus, converting 800 people to mobile, using Regus for support with regional meetings and day offices

Juniper Networks: All their 40 regional offices operate through Regus around the world.

Building the Regus brand

Still going through the impact of the recession but…
…generating record enquiries over the last 12 months

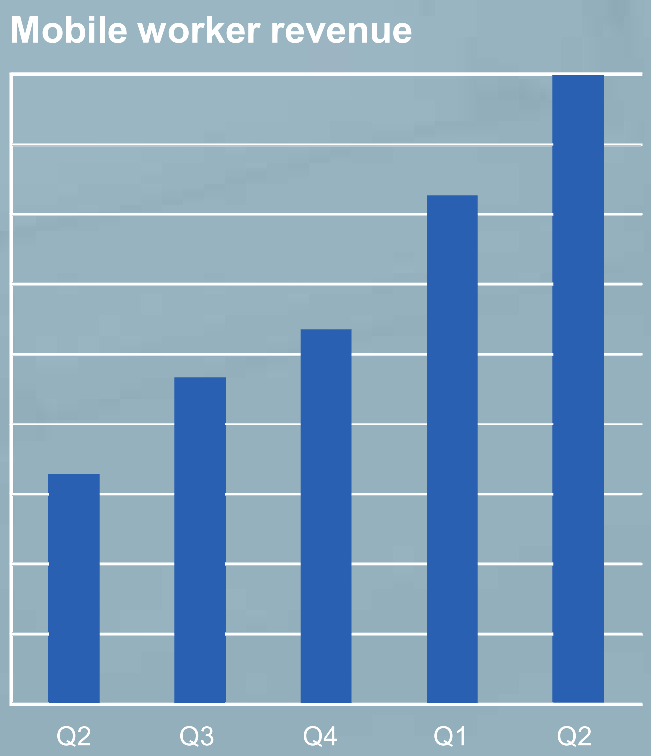
Communicating our value proposition

- National TV and radio
- Endorsement by major celebrity players (Mike & Mike / ESPN – Rush Limbaugh)

Endorser	Listeners/Reach
Rush Limbaugh	70.7 MM
Sean Hannity	37.5 MM
Mike and Mike	14 MM
Howard Stern	7 MM
Colin Cowherd	12.5 MM
Glenn Beck	37.4 MM
CNN	100 MM
Fox News	98 MM
ESPN	99 MM
Bloomberg	61 MM
Sirius XM News	20 MM

Partnerships through recognised brand names

Regus is leading in co-working, mobile workers and virtual



Success factors

- Strong management
  - Ownership by key markets
  - Experienced development team
- Focused sales organisation
- Building brand awareness and image as a reliable workspace provider
- Strong P&L management and cost control
- A unique market position. No competitor can equal our market reach

Michael Turner
RVP, Regus Americas

Latin America

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Regus

Latin America

- 15 countries
- 28 cities
- 86 centres
- Regus is the only major multi country and city layer in the whole region
- Regus Latin everywhere, in all countries, all key cities, all key trade zones and best buildings
- Delivering consistent high occupancy (87%) and profitability

Great locations and facilities

Chile

Peru

Brazil

Mexico

Panama

Argentina

Brazil

- 30 centres
- Currently operating in 10 key cities
- Only multi city major operator
  - International corporate accounts
  - High acceptance from local companies
- High occupancy of 89% and good margins
- Export business opportunity

Existing cities

Brazil

A big development opportunity

- Additional 25 cities with more that 500,000 inhabitants.
- All with opportunities for new centres
- Hub-and-spoke development
- Metro Sao Paulo vs Metro New York

- Potential cities
- Existing cities

Mexico

- 30 centres in four strategic cities with 88% occupancy
- Additional 20 cities with more that 500,000 inhabitants
- Main potential is in the greater area of Mexico City
- Main industrial corridor outside of Mexico is the focus for growth

Potential cities

Existing cities

Lots of potential in all our Latin markets: Colombia

- Five centres in two cities, Bogota and Medellin with > 90% occupancy and excellent margins
- Five major cities for future multicenter development
- Regus is only multicity operator in Colombia
- Great opportunity for further growth as Colombia has a stable economy with steady growth over the past ten years
- Main potential is in the Capital City of Bogota, currently at 98% occupancy

- Potential cities
- Existing cities

Success factors for Latin

- Strong management team
- Replicating the success formula at country level with high occupancy and high margins
- Developers trust Regus brand
- Success of growth is in location, location, location
- Successful localised country marketing programs and plans
- No multicity competitor in the region

Bob Gaudreau
EVP, Sales & Marketing, Regus

Sales today

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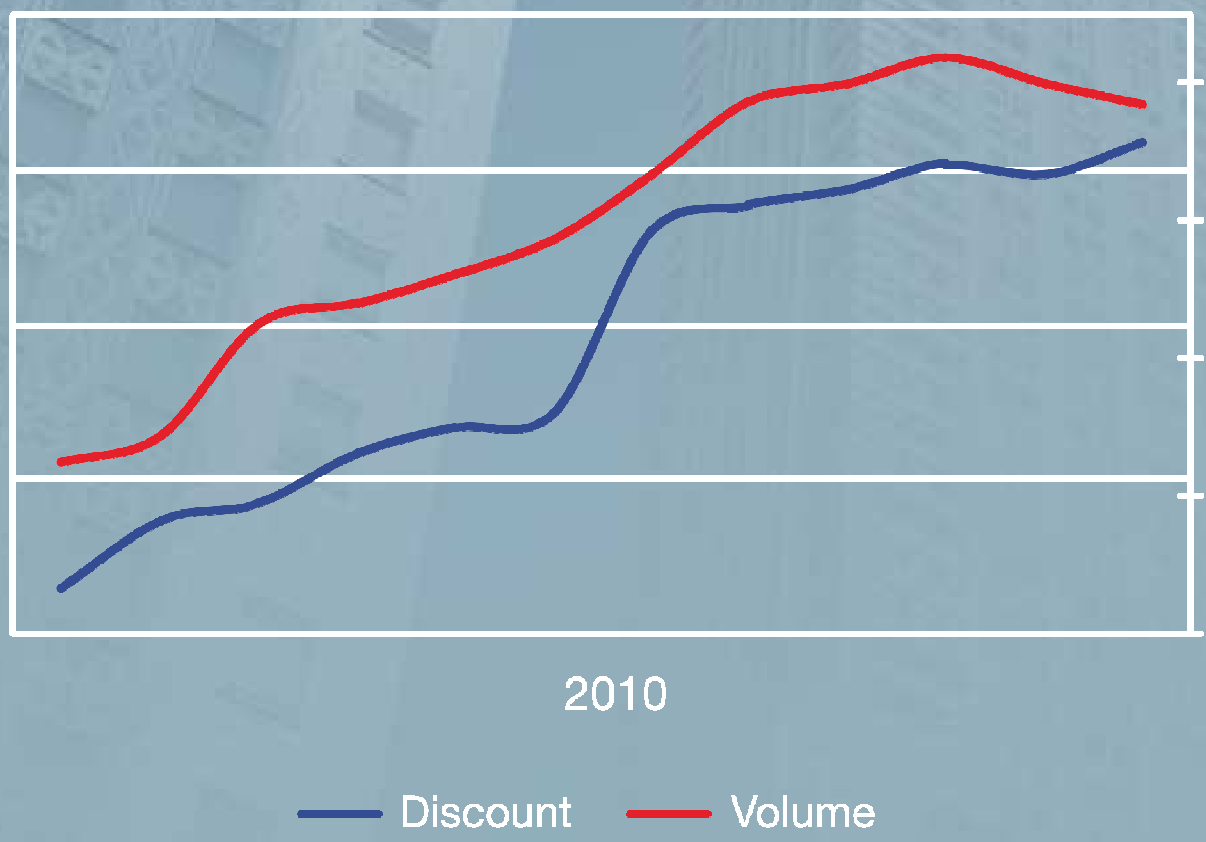
2010 Sales action

Used price to get volume



2010 into 2011
We had to get smarter

2010 into 2011
Brute force

- Muscling initiatives through
- One size fits all approach to planning
- Aggressive pricing on ALL inventory
- Lots of choice, lots available

2011 into 2012
Planning and precision

- Applying force where we need it – marketing/promo’s
- Driving price where we are strong
- Get smarter on renewals
- Waitlists and pre-selling
- Continued to drive all products as we get full

Places we need **volume**
Tough markets & new centres

Identifying issues and opportunities

- A plan to sell what is available
- Keeping actions simple

Using price and SMART discounting

- Different promotion aggression levels
- Use of free rent vs. flat discounts

Standing out from the crowd

- Differentiating Regus
- Demonstrating the value

Places where we drive **margin**

Maximize margins

- Minimize "promotions"
- Push other product sales
- Look at costs and what can be saved

Build value

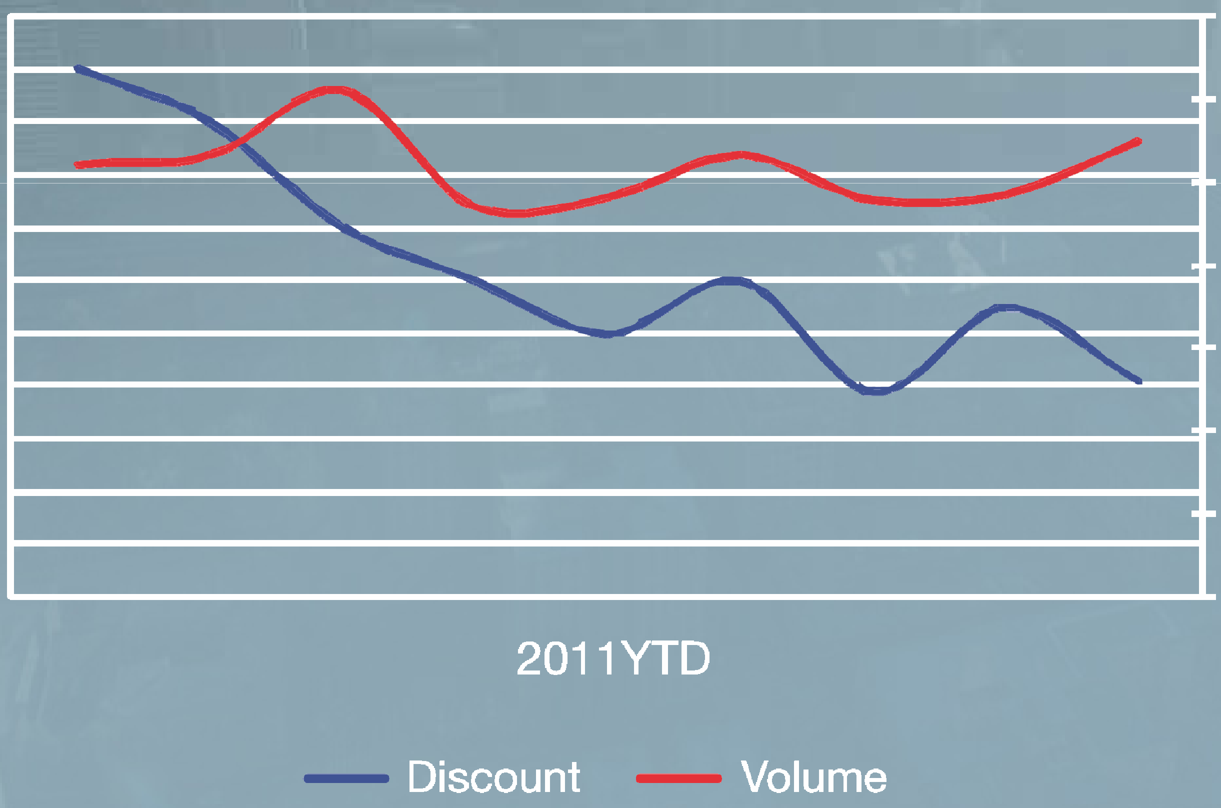
- Training up sales force to sell a higher price
- Pushing differentiation against competitors

Improve revenue

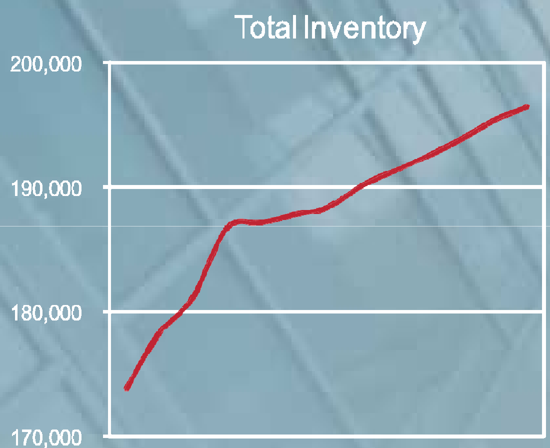
- Management with existing clients
- Maximise and keep good paying customers
- Churn low paying customers in high demand centres/markets

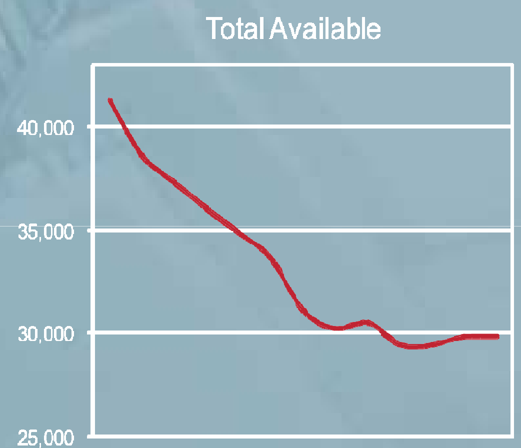
2011 Maintained sales velocity while improving discount

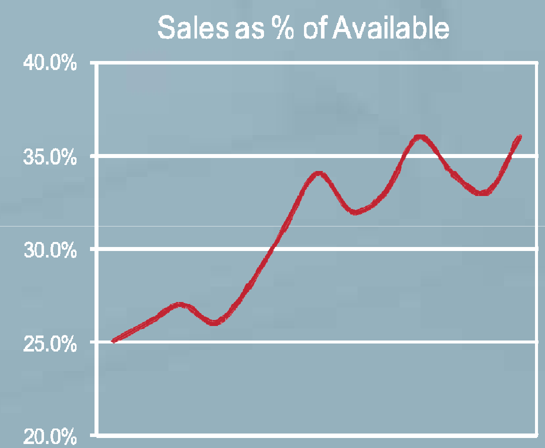
Discounts down 8% from 12 month high



While absorbing +/- 15% growth in ws capacity







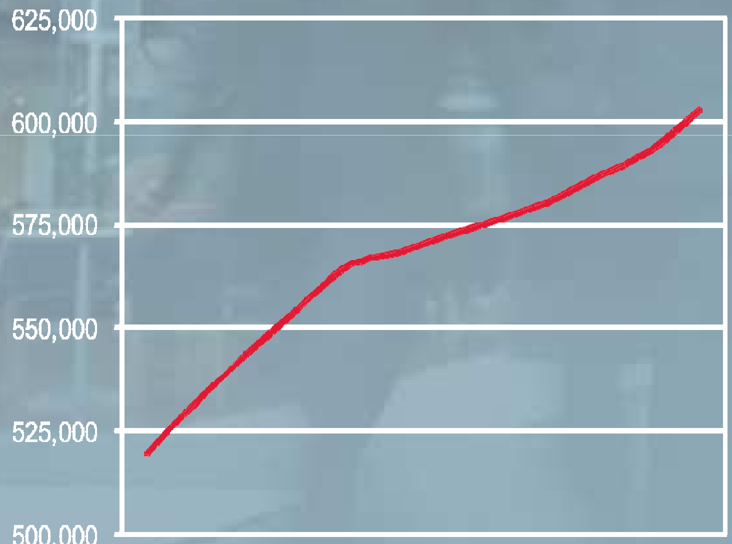
Total inventory has increased by 25,000 ws in the past 12-months

Available inventory has decreased from 41k

Selling a higher % of available w/s and at a better price

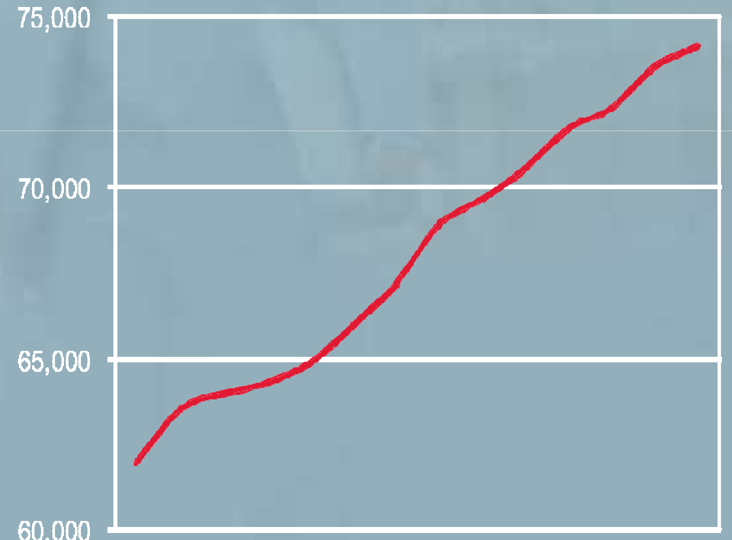
Also... achieving double digit growth in the non-resident membership base

BW membership growth



Up 15% Year on Year

VO membership growth



Up 20% Year on Year

What’s next? Key actions for 2012

Improve sales productivity

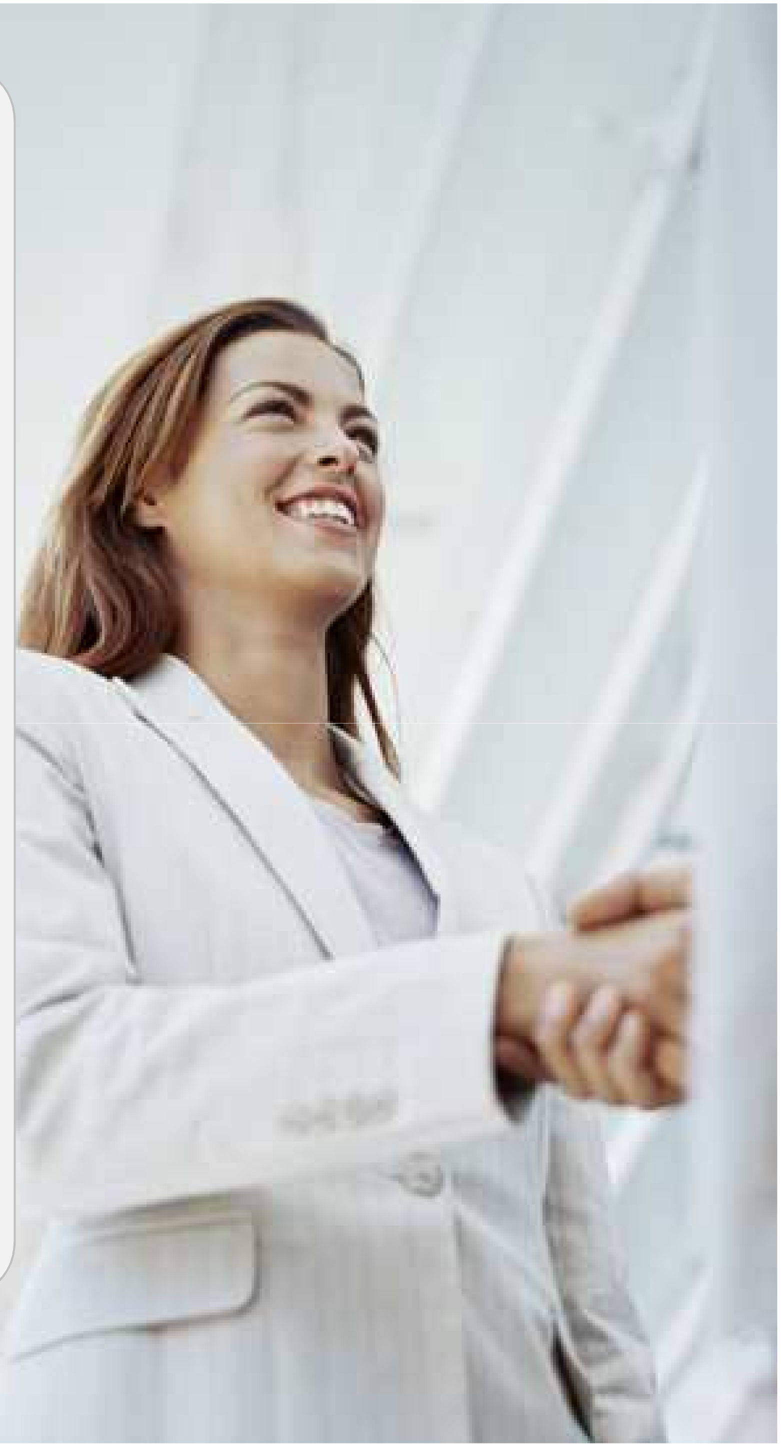
- All sales people pitching companies/selling the world
- Increase deal quotas by pushing non residential products as sales volume are unconstrained

Differentiation – “Only at Regus”

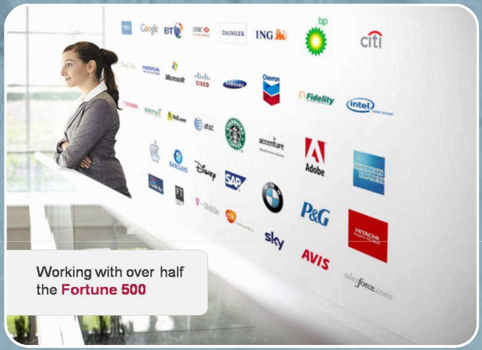
- Build more value into the products
- Demonstrate and present better to the customer
- Use size to offer things smaller competitors can’t

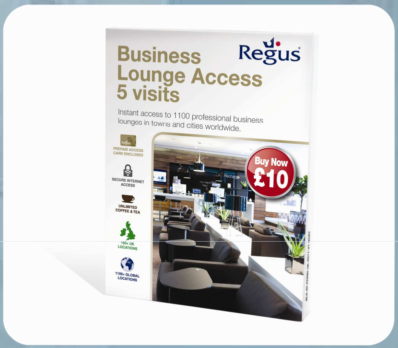
Driving price/margin

- Continue to build revenue management team & systems
- Segment markets by price and volume
- Build products that leverage the infrastructure
- Disaster recovery



Other key actions for 2012
Driving demand





Corporates

- Get the entire sales force selling the world
- New products
- Continue to develop sticky benefits

Retail

- Developing the concept in the UK to export other markets
- Over 300 stores retailing in the UK
- A strong pipeline of over 10,000 stores

Partnerships and Alliances

- 40+ Partnerships with A+ brands
- Exposure to millions of new members
- Building a bedrock of local partnerships within markets


Success for 2012…
...is revenue and margin growth

Andre Sharpe
Global Director, Product
and Business Development, Regus

Product development

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The future of work

Macro trends

The world is changing to flexible working, and away from fixed working

Cost
It's cheaper to work Flexibly.
Space and commuting is expensive.

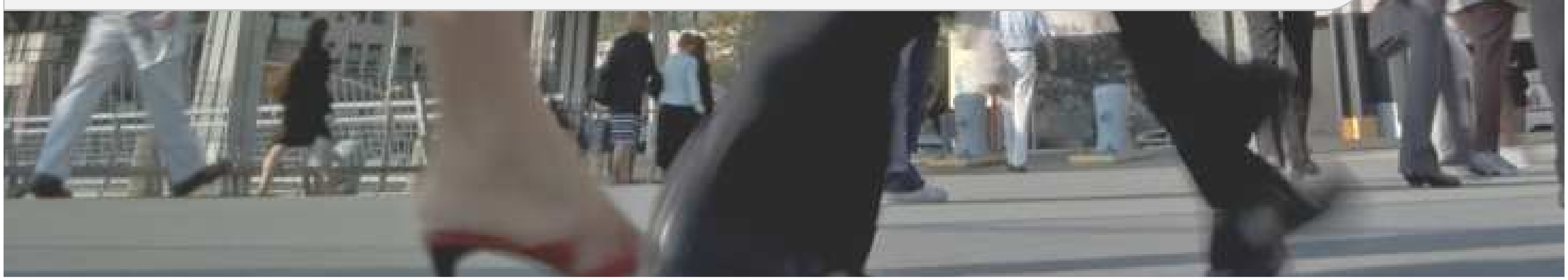
Worker productivity
Flexible Workers are more productive.

Technology
Everything is user-friendly, pocket sized, cheap and connected world.

Lifestyle
Workers want more control of time and work-life balance.

The changing workforce
NetGens displacing GenX, Baby Boomers and the Working Golden Oldies.

Sustainability
How we work and commute is not environmentally sustainable.



The new global workforce

1.2 billion mobile workers

globally by 2013, almost a third of the workforce.

International Data Corporation

300 million home workers

12% of the workforce worked mainly at or from home. This is a 21% increase since 2001.

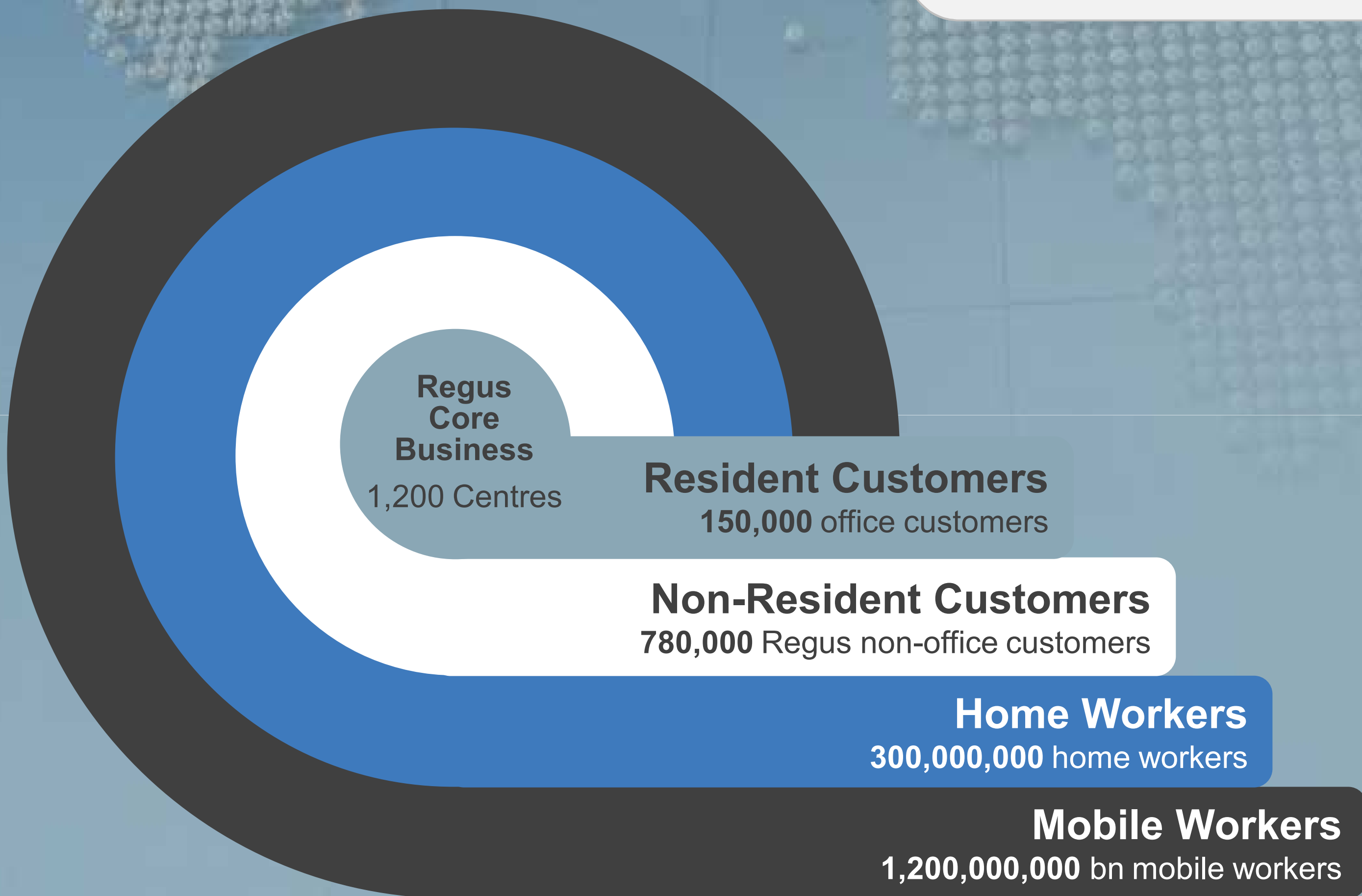
UK Labour Force Survey

930,000 Regus customers

A very large percentage of their procurement, technology purchases, communications and basic business support service spend is not with Regus.

Regus Internal Research 2011

Margin through innovation



Strategy

Higher share of business wallet

New products

Extend network and services to planes, trains and automobiles

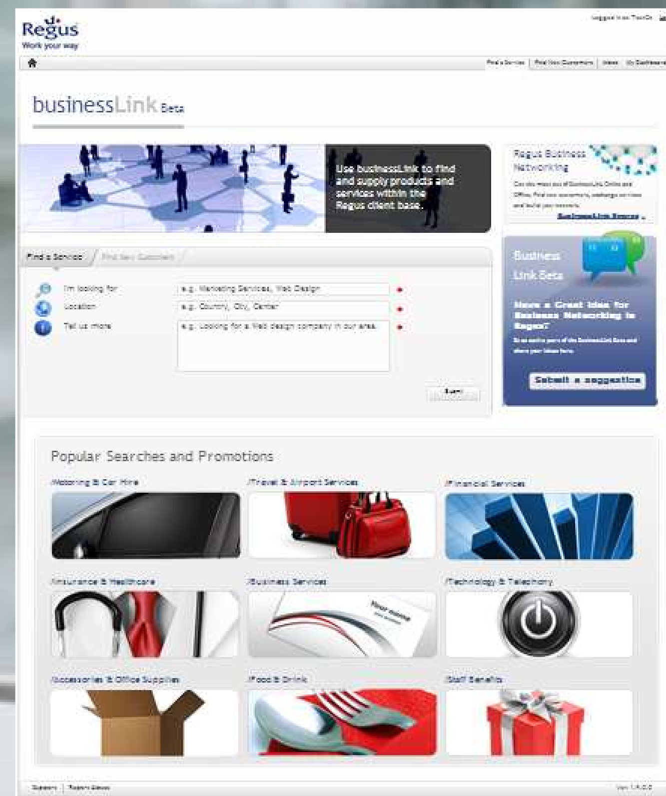
Growing margin
BusinessLink

Features:

- It's like a "Linked-in for my company"
- Regus customers can network together
- Fully integrated with Regus Buyers Group – plug-in procurement offers

Live in all Regus centres globally

- ✓ 1,200 centres 92 countries
- ✓ Unique service – built on scale
- ✓ Improving sales conversion and customer value

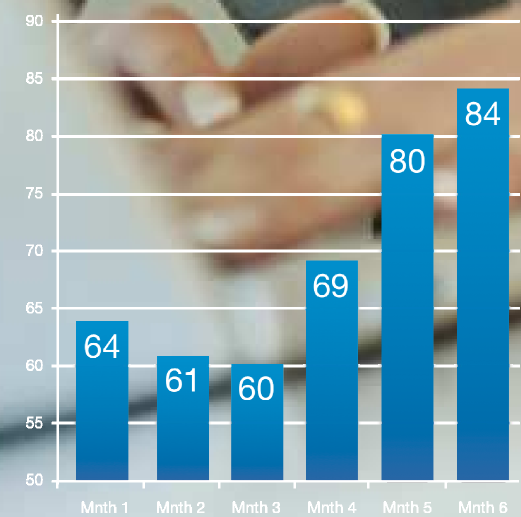


Growing margin
BusinessLink

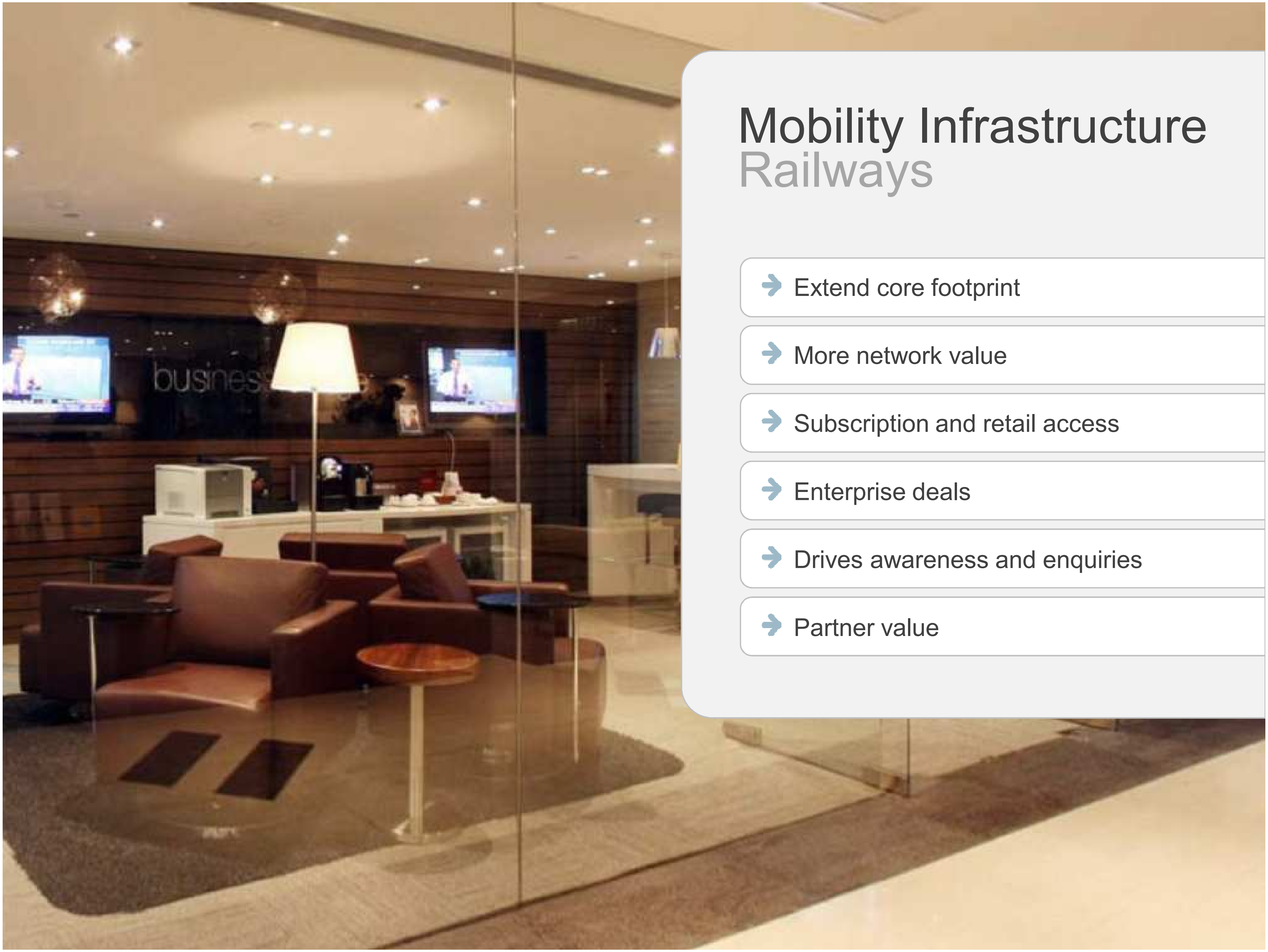
- Cloud printing solution
- Worked with major vendors & Internal R&D
- Print from any device
- Print from anywhere
- Fax and courier from home
- Improved document services revenue and billing by 35% in test markets
- Enables self-service operation
- Enables advanced mobility & service applications
- 2012 global roll-out

Growing margin
Regus IT Core / Regus IT Pro

- Upgraded standard product
- Much more competitive offering
- Pay-per-Use option for mobile and occasional users
- Video, audio and web conferencing services included
- Substation increase in take-up, as well as utilisation by non-resident customers
- Powered by new “Regus Ultraband” standard
- Single-sign-on / global roaming plan



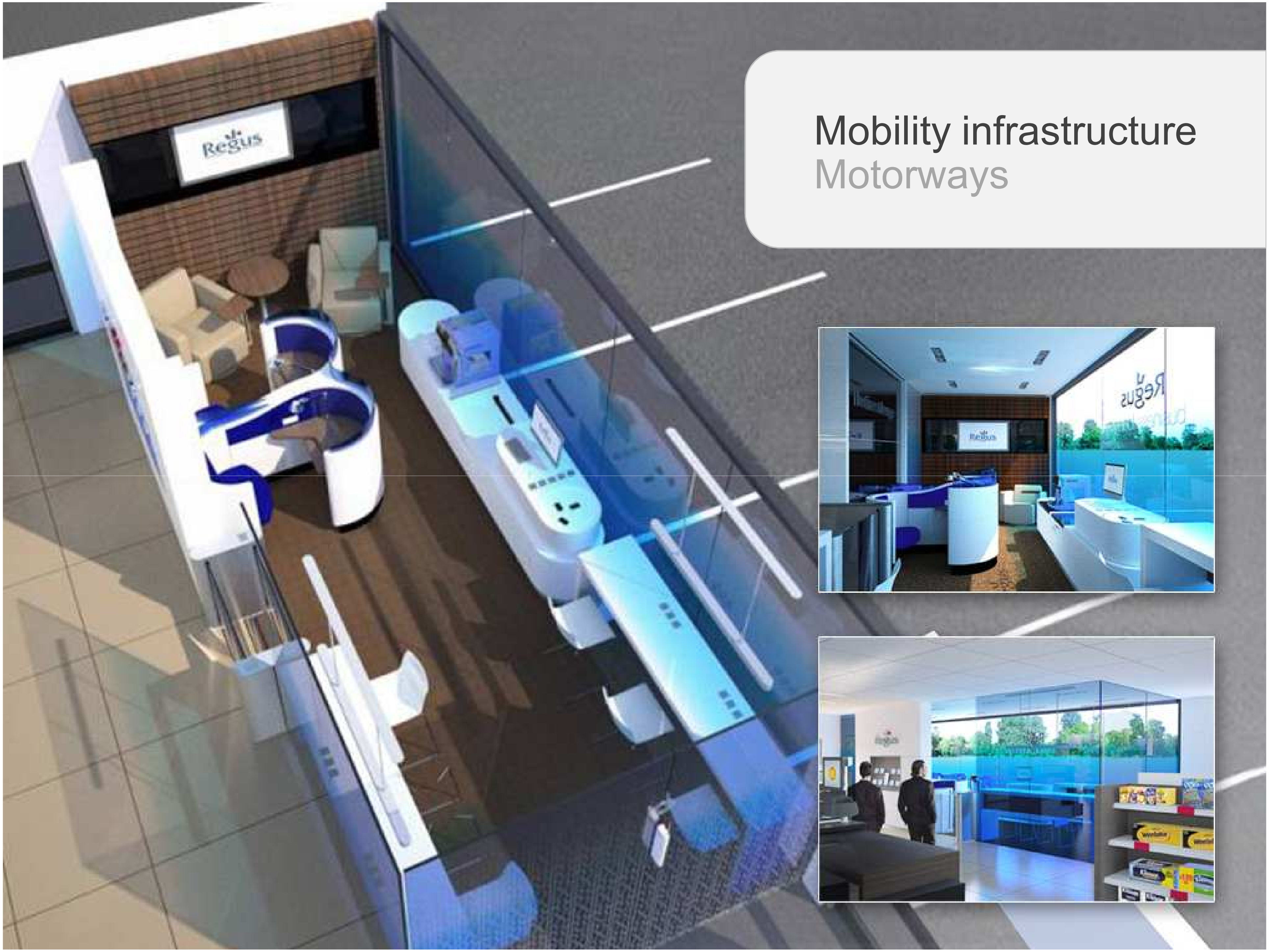
IT take up in test centres over 6 months (%)



Mobility Infrastructure
Railways

- Extend core footprint
- More network value
- Subscription and retail access
- Enterprise deals
- Drives awareness and enquiries
- Partner value

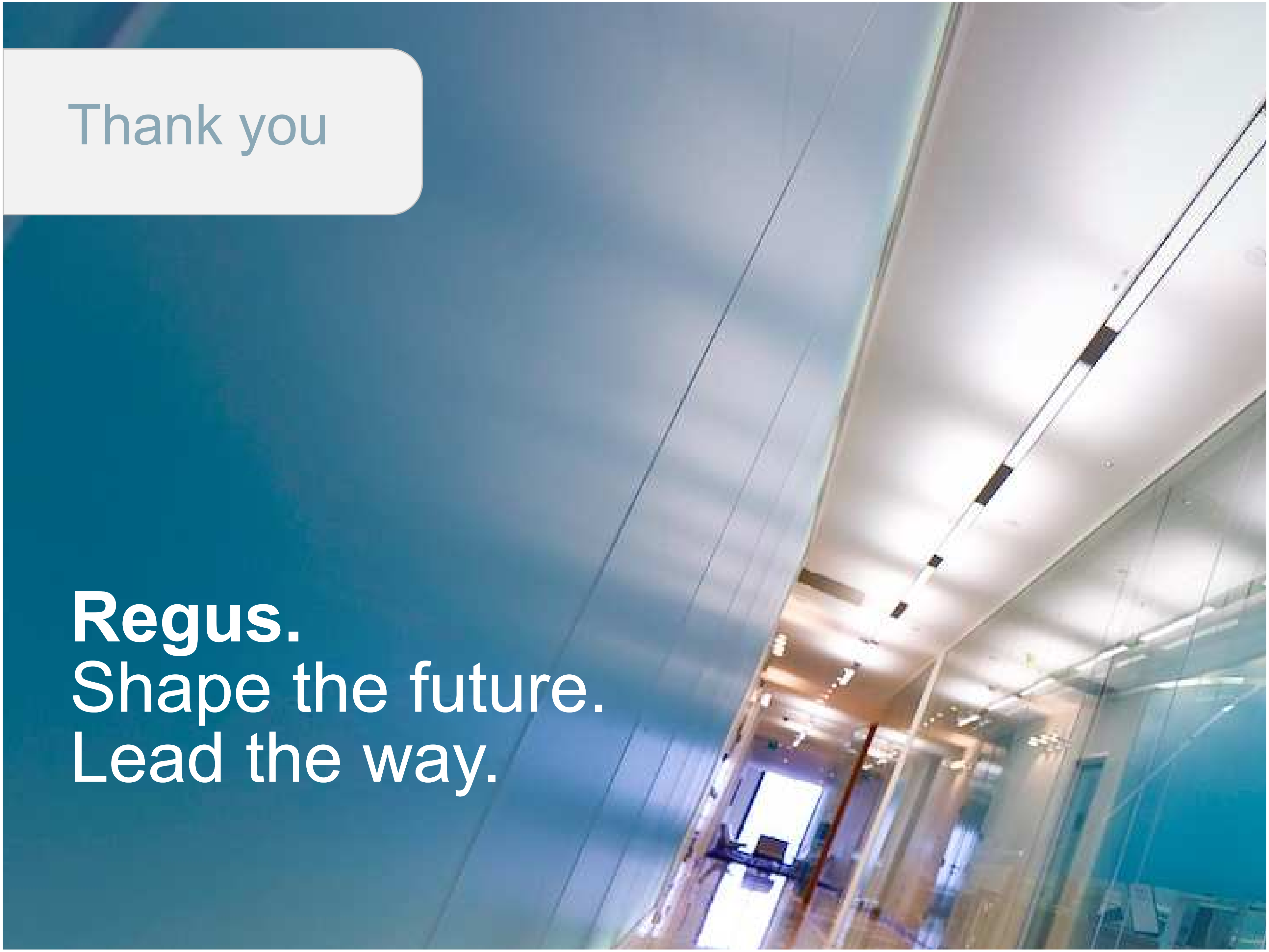
Mobility infrastructure
Motorways



Regus At Home

Regus At Home - key features

- “Everything but the Office Space”
- Phone extension with free calls to Regus office and other colleagues working at home
- Regus catalogue of furniture, business supplies, PC equipment & software solutions
- Office & meeting room access
- Call answering, mail handing & courier service
- Admin and technical support
- Remote document services
- Web and audio conferencing, BusinessLink membership and free Regus global access


Thank you
Regus.
Shape the future.
Lead the way.

Mark Jagger
Head of Global Development, Regus

Centre opening growth plan – 2011-2014

New Broadstreet House, London
30 November, 2011

Agenda

- Planning for growth
- Managing risk
- Delivery
- Q & A

- Appendix 1: Deal palette extracts
- Appendix 2: Field manual extracts

Planning for Growth:
Strategic Plans

- One for each country: targets, risks and timescales
- Consistent methodology & analysis data
- Focus on profitable growth
- Organic growth & acquisitions
- Set hard targets: measurable & accountable

Plus:

- Market entry strategy for 15 new countries

Managing Risk

- Fresh approach to deal making (the “Deal Palette”)
- More emphasis on profit share, partnership and variable rent deals
- Better leverage of our investment capital
- Reduce our fit out costs
- Pursuing business opportunities, not just buildings

Delivery

- Creating a disciplined, more streamlined process (the “Field Manual”)
- Blend of focus, discipline and opportunism
- Defined resource plan
- Comprehensive training programme
- Create a culture for motivating people, measuring and rewarding performance
- Develop improved marketing materials and PR initiatives
- Continuous review and improvement
- Keeping everything highly focussed and simple

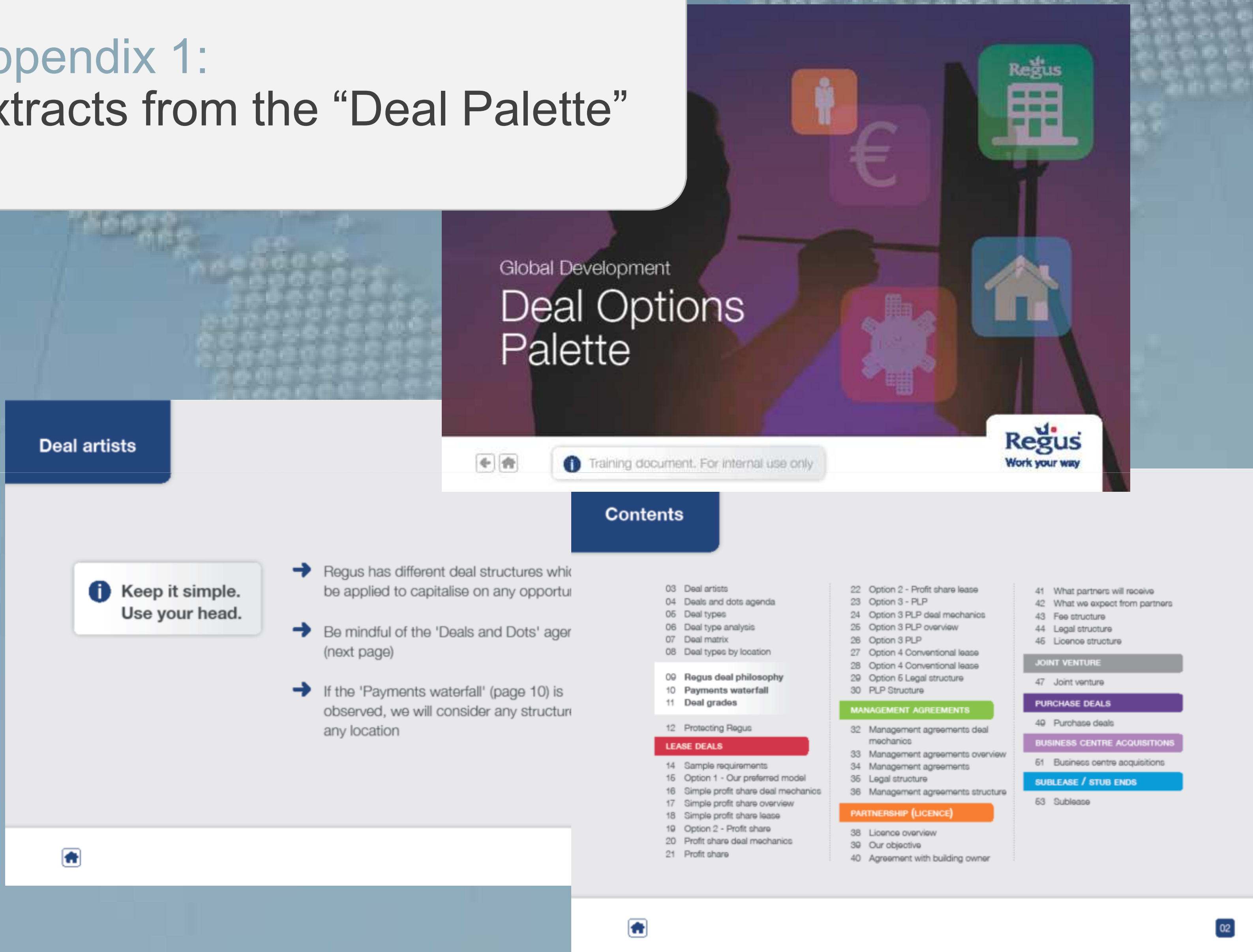
Summary

- Strategic approach to growth
- Clear definitions
- Emphasis on risk management
- Improved process
- Early results encouraging

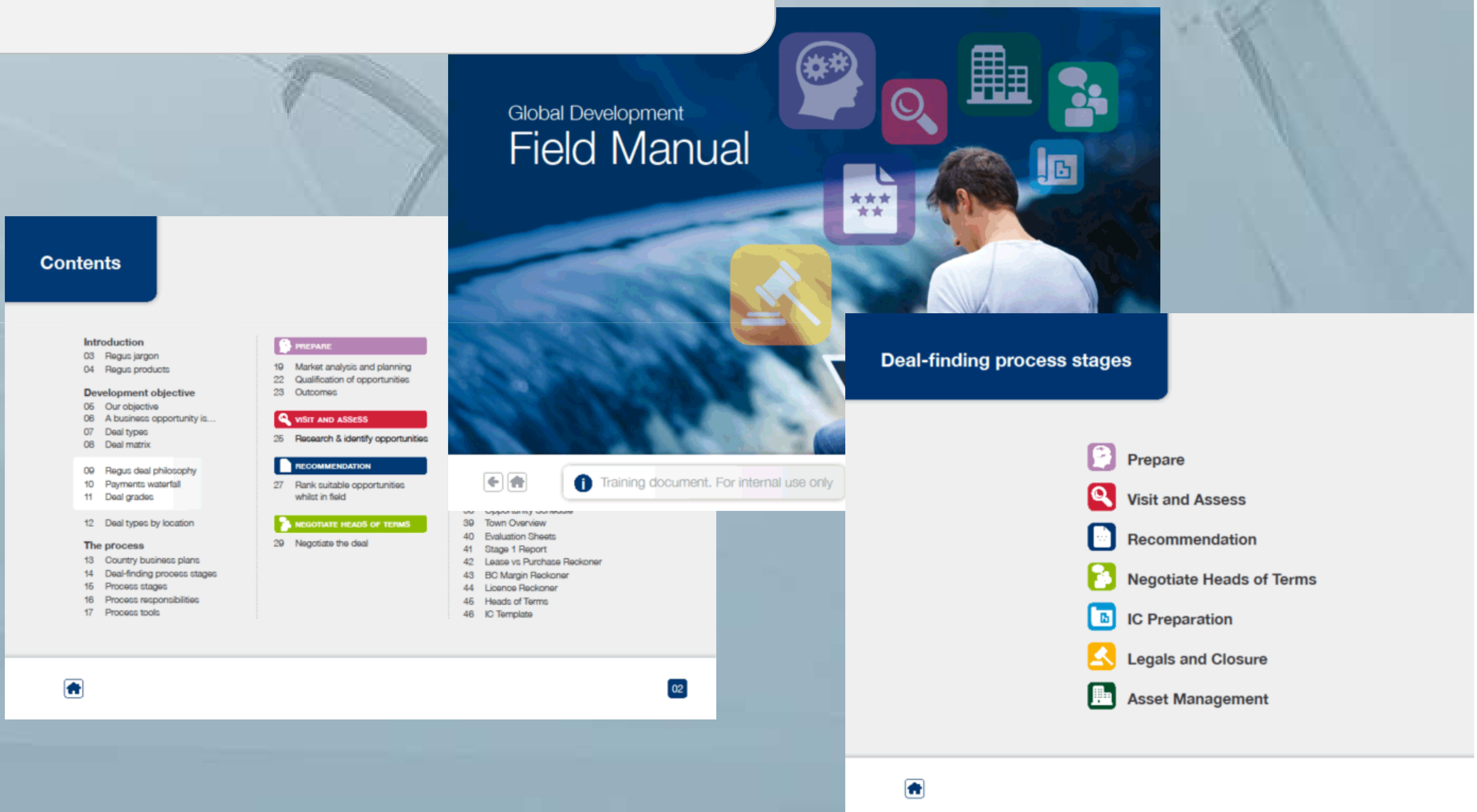
- Q & A

Appendices:

Appendix 1:
Extracts from the “Deal Palette”



Appendix 2:
Extracts from the “Field Manual”



A2

Working without an Office

Simon Taylor
November2011

Slide 81

A1 Administrator, 3/23/2011

A2 Administrator, 3/28/2011

Introduction to Yell

Yell is a leading international provider of business leads and marketing solutions to SMEs

www.yell.com & Yellow Pages
Yellow Book - US
Paginas Amarillas - Spain

Workspace situation

Pre-1990's

- Working from hotels
- High cost for constant relocation
- Technology issues (non portable)
- Communication & logistical issues

Requirement for fixed office locations

Fixed office locations

A move to a fixed office model in late 1990's

Acquired leases on some **30+** offices

- 400 – 500 sq m

Standard working environment

- 1-2-1 rooms & manager offices
- Touch-down space
- Large meeting rooms

Fixed offices brought a new set of problems

Fixed office locations - the problems

Business rates & property costs

Need for cost savings lead to reduction of sales offices from 35 to 20 in 2007

BUT

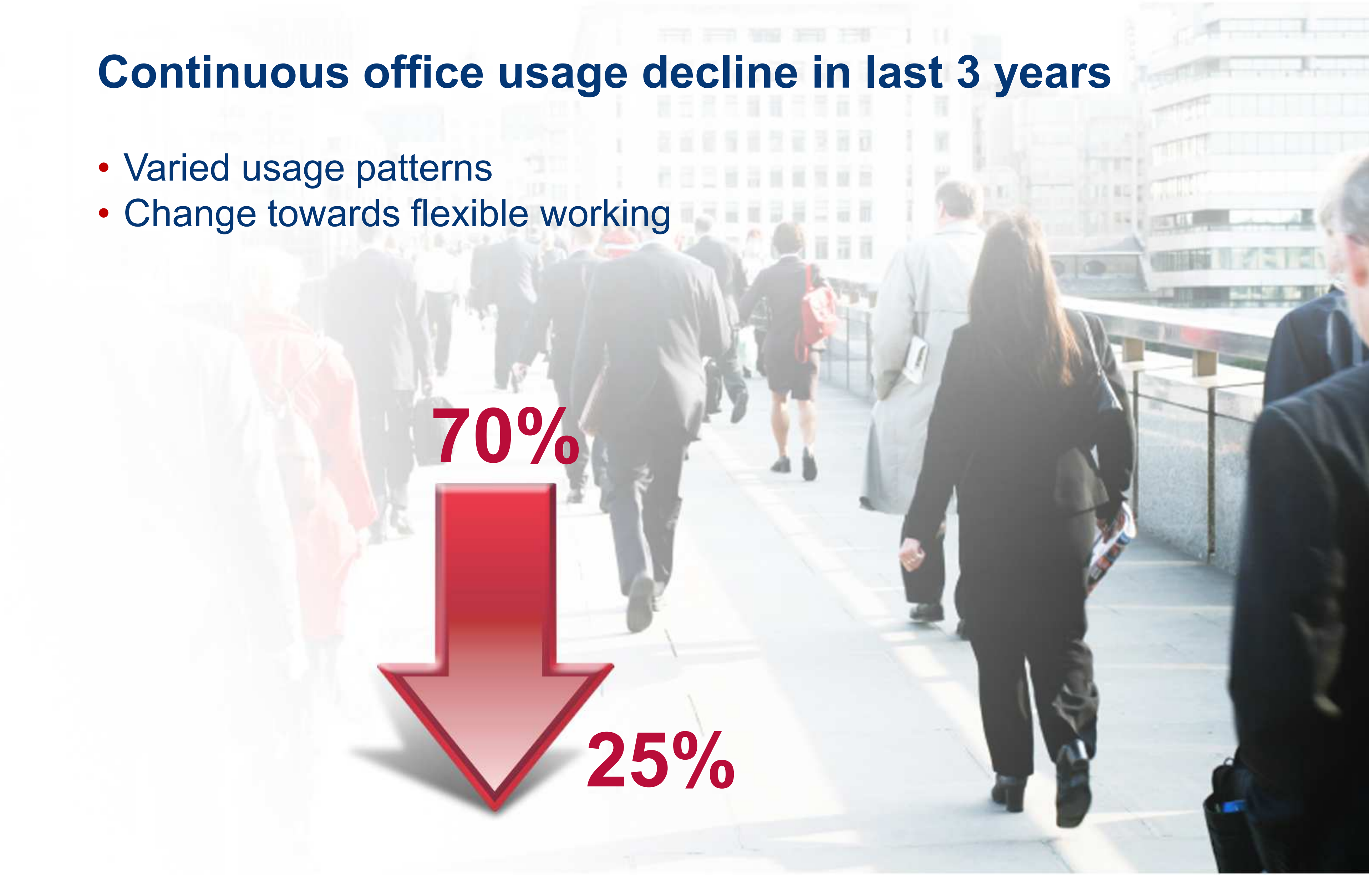
Rent, rates, utilities, telephony, insurance & service charge still **<£4.5m** and projected to rise over time

Fixed costs too high despite portfolio reduction

Fixed office locations - the problems

Continuous office usage decline in last 3 years

- Varied usage patterns
- Change towards flexible working



Fixed office locations - the problems

Management issues

- Logistics and coordination of resources
- No Management information
- Room booking
- Maintenance, compliance & upkeep

Fixed office = inflexible operations

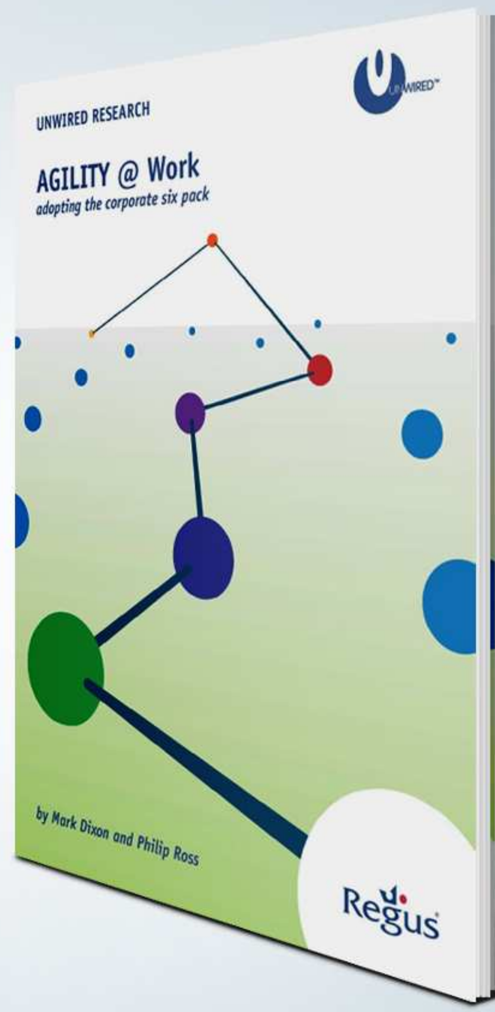
Summary

- High property costs
- Continuing office usage decline
- Unpredictable maintenance cost
- No management information

We needed a solution

Agility@Work

- **Researched best in class workplaces**
- **Six trends transforming the workplace**



Benefits of 'Agile Working'

Less travelling
Time and cost savings

Benefits of ‘Agile Working’

Detailed management reporting

Increased budget control

Benefits of ‘Agile Working’

Large choice of locations

More impromptu meetings & flexibility

Benefits of ‘Agile Working’

Ability to book and manage meetings on-line

Increased efficiency

UK Multi-location Trial

- Access to strategically important offices
- 80 sales team members enabled to work flexibly
- Managers given ability to book meeting rooms wherever required
- Yell network available in all locations
- Team members trained and working flexibly

National Roll Out

95% UK

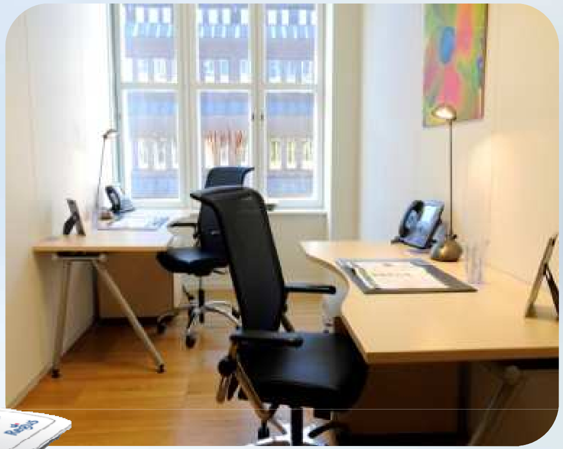
coverage

100% major

UK cities

Do the teams have a work space?

Private or campus offices



Business Lounges

Meeting Rooms

Edit View Favorites Tools Help

Back · Search · Favorites

http://stage.myregus.com/en/GB/home · Go

McAfee SiteAdvisor · Convert · Sele

Make a booking | My transactions | Scheduled bookings | Replacement card | My details

Make A Booking

- Meeting Room
- Day Office
- Day Campus
- Search All Options

Country: United Kingdom

City / Postcode / Zip Code: London

Date: 14/05/2010

Duration: Hourly · Full Day

Start time: 10:00 · End time: 12:00

No. of people: 4 · Room layout: Boardroom

Find Availability

Welcome sarah randell

You have no forthcoming bookings.

To check availability and make a day office or meeting room reservation, use the quick "Make a booking" search facility available to you from this page.

Welcome to MyRegus, a website dedicated to helping you manage your Regus account.

From this page, you are able to:

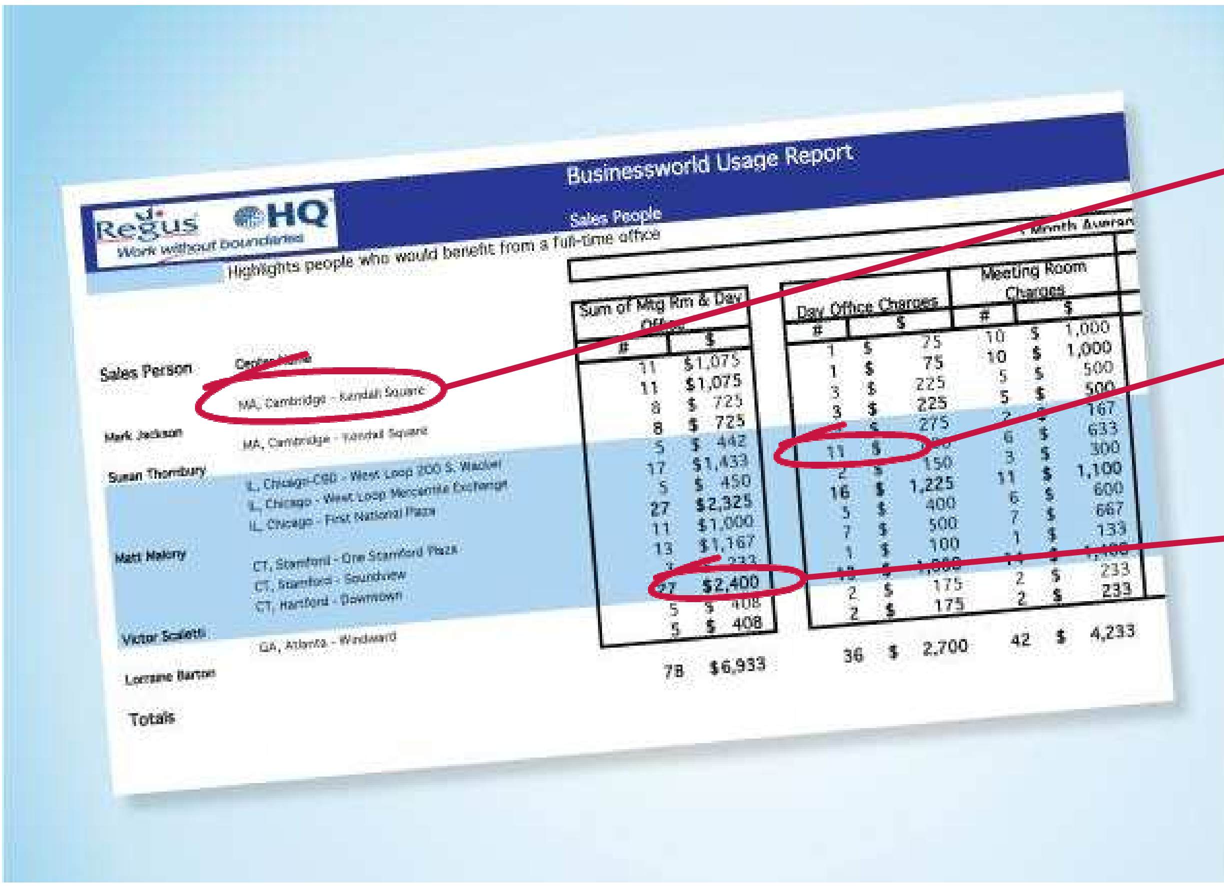
Book a day office or meeting room

Review your account history

View forthcoming bookings

one · Internet

Reporting - unprecedented workplace visibility



Where they are?

What they are doing?

What are the costs?

Timeline of Events

June 2010

Yell employees using *Regus* centres & meeting rooms nationally

Immediate results

Cost reduction

£3.5m per year initial

With potential for more with further agile working

Exercised Break Options on leases

Benefit of a flexible property strategy

800 employees successfully relocated

Local offices to the flexible Regus Businessworld environment

Work day efficiency increased

Shorter commutes and less time lost between appointments

150 locations

closer to Yell's clients and employee homes

Regus plc

Wrap up

Dominique Yates
30 November, 2011