Regus plc

2011 full year presentation

20 March 2012

Caution statement

This presentation may contain forward looking statements, which are subject to risk and uncertainty. A variety of factors could cause our actual results to differ materially from the anticipated results expressed in such forward looking statement.

A strong performance

Mature

- Mature gross margin up to 26.6%
- Mature operating profit up 66% to £107.7m
- Mature free cashflow of £117.1m

New

- Invested £86.4m into new high quality assets
- 139 locations added and nine new countries
- All performing in-line with expectations

Group

- Revenues up 11% to £1,162.6m
- Operating profit more than doubles to £50.6m
- Full year dividend up 12% to 2.9p

Third Place

- Exciting opportunities to grow the business
- Deals signed with SNCF, Shell and NS Trains
- Strong interest

Prospects

- Resilient business model which is performing well
- We remain cautiously optimistic

Mature centre performance

2011 financial highlights

- Revenues of £1,035.1m: +3.8%
- EBIT of £107.7m: +66%
- Mature gross margin: 26.6%
- Mature cash flow of £117.1m: +53%
- Mature EPS 8.7p (H2: 5.6p)

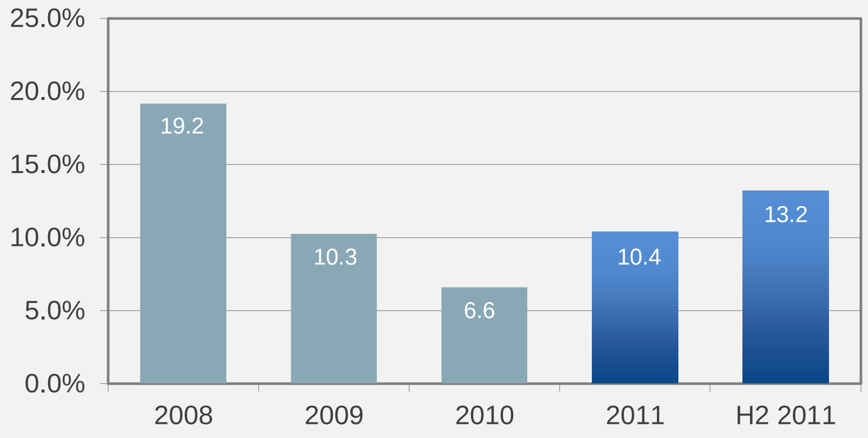
H2 financial highlights
– stronger performance

- Revenues of £523.5m: +5.4%
- EBIT of £68.8m: +79%
- Mature gross margin 27.9%
- **Second half annualised EPS of 11.2p**

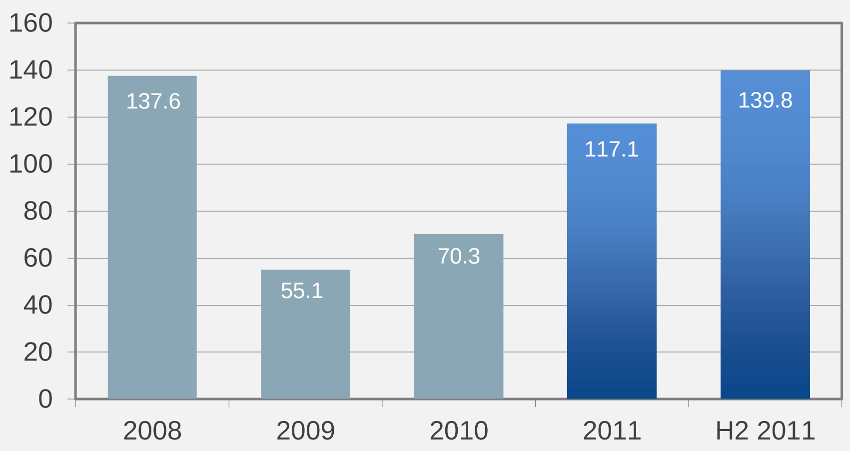
Strategic highlights

- Improving gross margin in tough economic environment
- Focus on overheads
- Strength of H2 performance

Mature net operating margin (%)



Mature free cashflow (£m)



Note: based on historical mature centres by year
H2 2011 Mature free cashflow figure is annualised

New centre performance

Investment highlights

- Investment in growth of £86.4 in new high quality assets
- Internally funded from group cash flows
- Normal drag effect on income statement

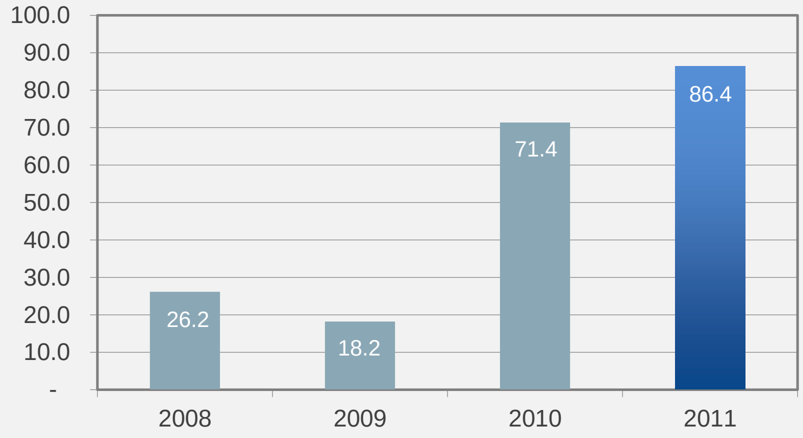
Financial highlights

- 2010 openings already making a positive contribution
- Attractive prospects for returns

Strategic highlights

- New centre openings accelerated (H2: 91, H1: 48)
- Nine new countries including Kuwait, Uruguay, Uganda and Croatia
- New cities include Zug (Switzerland), Medellin (Colombia), Dammam (Saudi Arabia), Plymouth (UK), Omaha (Nebraska, USA), Chongqing (China)
- 200 openings planned for 2012

Cash investment in growth (£m)



Third Place

Overview

- Embryonic, but tangible
- Significant opportunity to become a major part of the group
- We expect investment and returns to be on a par with the rest of the business
- Strong financial discipline & risk management maintained

Strategic highlights

- Deals signed with SNCF and NS Trains
- Shell motorway service station up and running
- Facilities open in major airports such as Schiphol
- First community centre opening in 2012
- Significant interest globally

Source: Agility@Work, 2010

Regus plc

Financial review

Income statement – Mature centres

£ million	2011	2010	Change
Revenue	**1,035.1**	**997.6**	**3.8%**
Centre contributions	274.9	222.7	23%
Gross margin	*26.6%*	*22.3%*	
Overheads	- 167.3	- 159.0	5%
As a % of sales	*16.2%*	*15.8%*	
EBIT Pre-exceptional (inc JV)	**107.7**	**65.0**	**66%**
Net Margin	*10.4%*	*6.6%*	
Net Interest	- 5.1	- 0.3	
Taxation (at notional 20%)	- 20.5	- 12.9	
Earnings	**82.1**	**51.8**	**58%**
Basic EPS	**8.7p**	**5.5p**	**58%**

Regional performance – Mature centres

£ million	Revenue		Contribution		Mature margin (%)		Mature margin (%)
	2011	2010	2011	2010	2011	2010	H2 2011
Americas	431.8	422.3	126.6	100.5	29.3%	23.8%	31.0%
EMEA	274.3	266.3	73.5	66.1	26.8%	24.8%	28.7%
Asia Pacific	139.7	132.5	41.7	40.2	29.8%	30.3%	30.8%
UK	187.6	174.8	29.7	14.5	15.8%	8.3%	16.7%
Other	1.7	1.7	3.4	1.4	-	-	-
Total	**1,035.1**	**997.6**	**274.9**	**222.7**	**26.6%**	**22.3%**	**27.9%**

Cash flow – Mature centres

£ million	2011	2010	Change
EBIT	**107.7**	**65.0**	**42.7**
Depreciation	60.6	68.9	- 8.3
Working capital	11.0	- 8.1	19.1
Maintenance capital expenditure	- 39.4	- 31.8	- 7.6
Other items	- 1.4	-2.1	- 0.7
Net finance costs	-0.9	0.1	- 1.0
Taxation	- 20.5	- 15.5	- 5.0
Mature free cash flow	**117.1**	**76.5**	**40.6**
Mature free cash flow per share	**12.4p**	**8.1p**	
Free cash flow margin	***11.3%***	***7.7%***	

Aspirational targets for current Mature business

"the first thousand centres"

Gross margin: 33%
Overheads: 12%
Net margin: 21%

- Business as normal will result in a gradual improvement to gross margin
- A larger business will result in decreasing overheads on a per workstation basis
- Net margin will gradually increase
- Aspirational target will require an improving economy

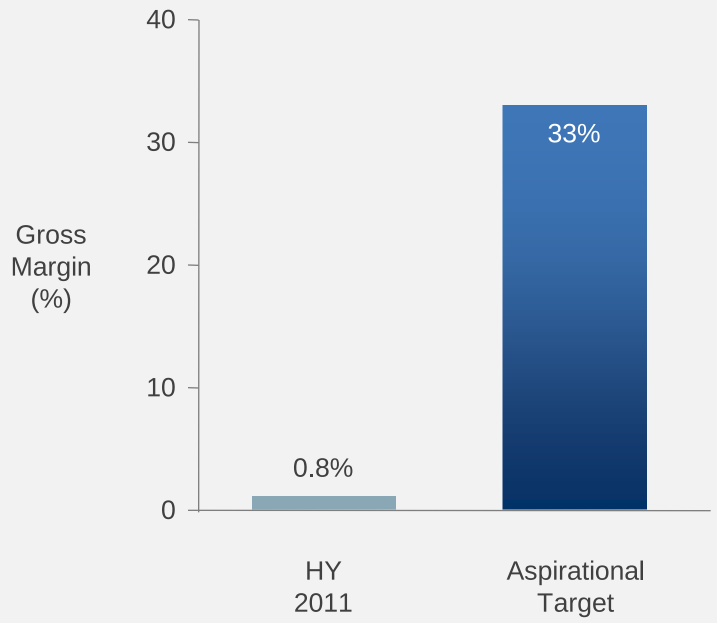
	FY 2011	H2 2011	Target
Gross margin	26.6%	27.9%	33%
Overheads	16.2%	14.7%	12%
Net margin	10.4%	13.2%	21%
EPS	8.7p	11.2p*	

* Annualised

Building towards the “next 1,000” centres

2010 & 2011 openings – the path to maturity

- 255 new centres
- Performance progressing in line with expectations



Income statement – 2010 and 2011 openings

£ million	2011	2010	Change	H2 2011
New centres 2010				
Revenues	100.0	22.9	77.1	53.8
Centre contribution	15.0	-7.1	22.1	10.2
Centre contribution margin	15.0%	-31.0%		19.0%
Growth overheads	-20.0	-32.4	12.4	-8.8
EBIT	**-5.0**	**-39.5**	**34.5**	**1.4**
New centres 2011				
Revenues	20.2	-	20.2	17.2
Centre contribution	-13.4	-	-13.4	-9.6
Centre contribution margin	-66%			-56%
Growth overheads	-36.3	-	-36.3	-23.3
EBIT	**-49.7**	**-**	**-49.7**	**-32.9**
New centre EBIT	**-54.7**	**-39.5**	**-15.2**	**-31.5**

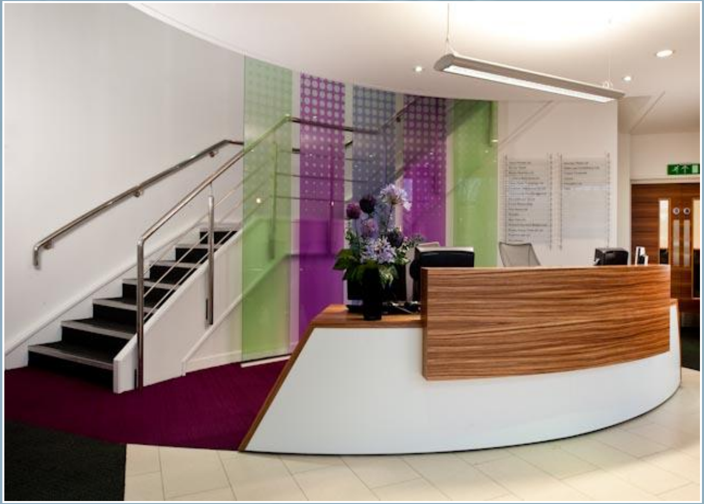
2010 centre openings profitable in H2 2011

Net investment in new centres (2010 and 2011 openings)

£ million	2011	2010	Change
EBIT	**- 54.7**	**- 39.5**	**- 15.2**
Depreciation	12.3	2.9	9.4
Working capital	39.7	18.7	21.0
Growth capital expenditure	- 93.6	- 61.1	- 32.5
Taxation	9.9	-	9.9
Net investment in growth	**- 86.4**	**- 79.0**	**- 7.4**

- Invested in high quality assets across 139 attractive new locations
- Includes fit out to latest technology standards
- Ten businesses acquired in North America, Mexico, France and China (19 centres in total)
- Bought out minority shareholding in Canada

Investing in high quality assets



Third Place business

- Embryonic, in business development stage
- Strong financial discipline & risk management to be maintained
- Same stringent focus as on the rest of the business

Consolidated income statement

£ million	2011	2010	Change
Revenue	**1,162.6**	**1,040.4**	**11.7%**
Centre contributions	275.2	215.9	27%
Overheads	- 224.7	- 193.3	16%
Joint ventures	0.1	1.3	
EBIT pre-exceptional	**50.6**	**23.9**	**112%**
Restructuring & Reorganisation	-	- 15.8	
Net interest	- 5.1	- 0.3	
Taxation	- 8.9	- 5.9	
Earnings	**36.6**	**1.9**	
Basic earnings per share	**4.0p**	**0.2p**	
EPS pre-exceptional	**4.0p**	**1.9p**	**111%**

Consolidated cash flow

£ million	2011	2010	Change
Mature cash flow	**117.1**	**76.5**	**40.6**
Investment in growth	**- 86.4**	**- 79.0**	**- 7.4**
Closed centres cash flow	- 3.4	0.1	- 3.5
Exceptional items	- 1.9	-13.7	11.8
Total net cash flow from operations	25.4	-16.1	41.5
Dividends	- 25.0	- 23.2	- 1.8
Corporate financing activities	-	- 7.2	7.2
Change in net cash	**0.4**	**- 46.5**	**46.9**
Opening net cash	191.5	237.0	- 45.5
Foreign exchange	- 3.6	1.0	- 4.6
Closing net cash	**188.3**	**191.5**	**- 3.2**

Risk management

Revenue

- Geographic diversity
- One million strong customer base
- Range of customers, from big to small
- Increased subscription income

Costs

- Proven ability to manage costs
- Leases – fully risk managed – 80% flexible and variable

Disaster recovery

- Strong capability
- Extensive experience – Japan, Thailand, Bangkok, Chile

Financial summary

Mature

- Like-for-like mature sales up 3.8% (H2: 5.4%)
- Operating profit up 66% to £107.7m (H2: £68.8m)
- Gross margin up to 26.6% (H2: 27.9%)
- EPS up 58% to 8.7p (H2: 5.6p)
- Free cash flow up 53% to £117.1m (H2: £69.9m)
- Stronger H2 performance

New

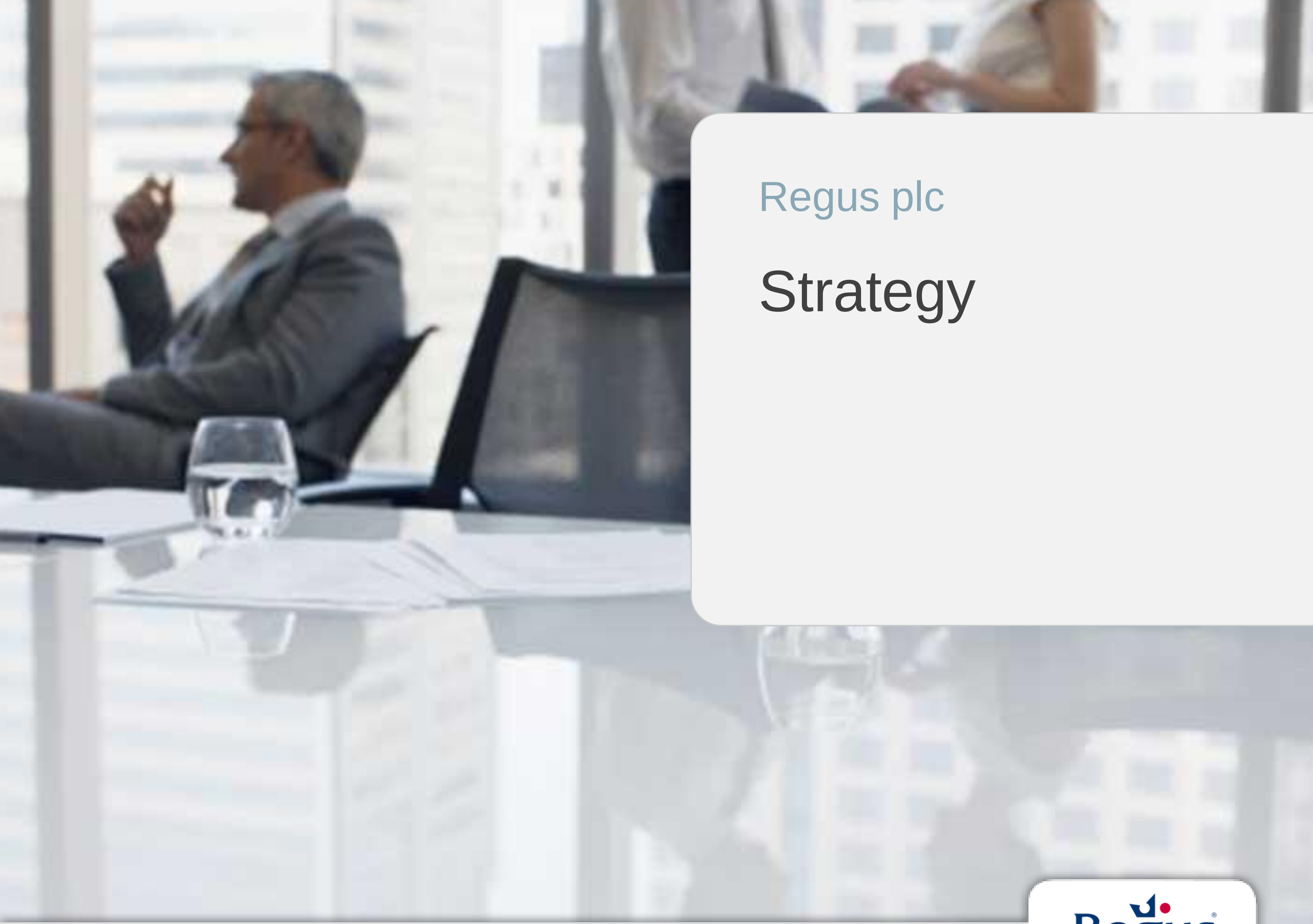
- Continued investment in quality assets
- 2010 location openings made positive H2 contribution

Third Place

- Significant opportunity

Balance sheet

- Healthy net cash
- Risk managed



Regus plc

Strategy

Our strategy – growth and returns

A major player in the fast developing industry of flexible work provision – the platform of choice from which business operates.

To achieve this we will:

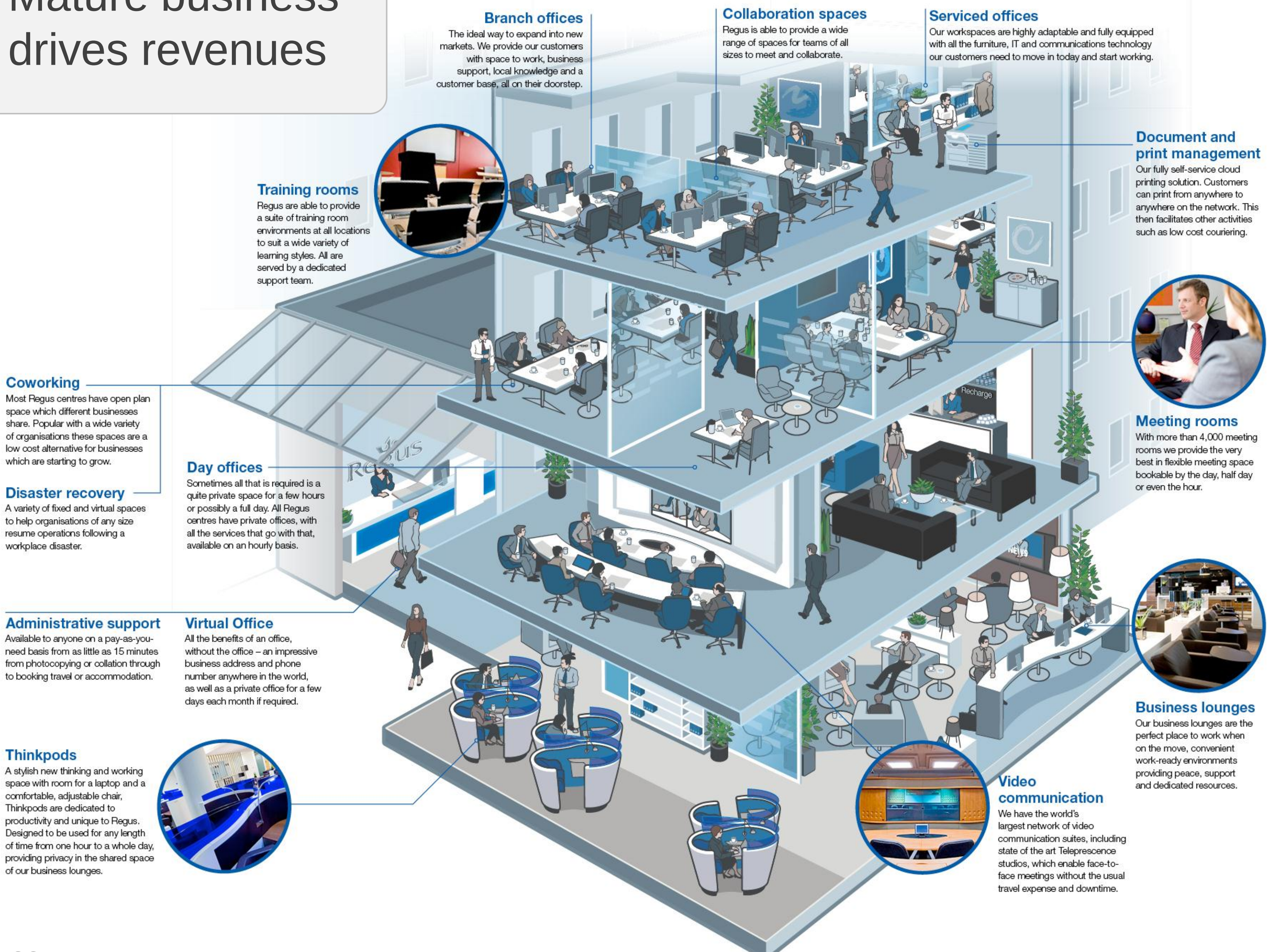
- Grow mature revenues – improve mix and diversity
- Expand our footprint
- Accelerate product and service innovation
- Leverage the strengths of our growing network, brand position and awareness
- Strengthen and decentralise management
- Control overheads through operational excellence

Our mature business

Active management is key

- A well established business with many centres older than 20 years
- Robust year-on-year improvements
- Aim is to have centres in optimal condition, in optimal locations generating strong returns
- Key facets of this business:-
    - Decreasing cyclicality
    - Maximising yield and diversifying revenue
    - Reducing cost
    - Rigorous programme of maintenance
    - Network optimisation

Mature business drives revenues



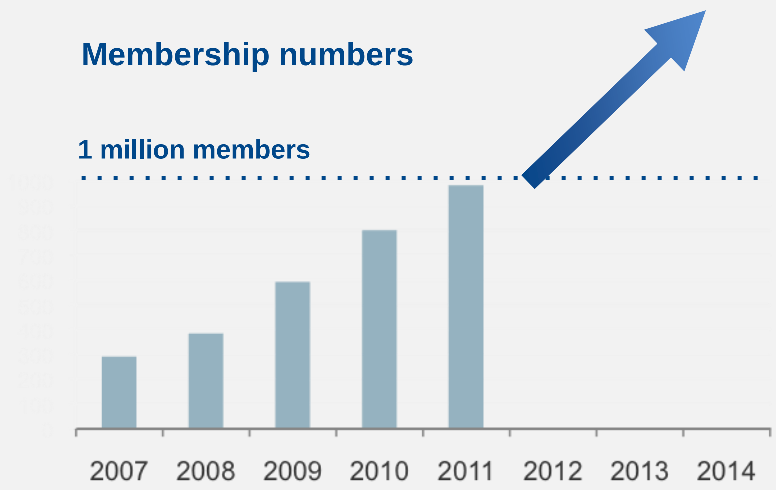
Our customers

Strength through diversity

- More than a million members – almost quadrupled since 2007
- From largest global corporates to fast growing entrepreneurial businesses
- All conceivable market sectors represented
- Many customers have been with us for longer than ten years and some for almost thirty
- Rapid growth driven by demand from mobile workers

Recent new corporate customers

Membership numbers



Selected 2011 achievements

High quality performance across a wide range of areas

Strengthened and decentralised management

- Day-to-day management devolved to country level
- Key hires made

Innovation remains a core differentiator

- Strengthening “Only at Regus” concept
- Launched *businessLink* and major improvement to *MyRegus*
- Online bookings at an all-time high

Strong operational progress

- 90% of centre routines now automated online
- Time saved being used to increase value add and revenue creation opportunities

A strong and dedicated global team

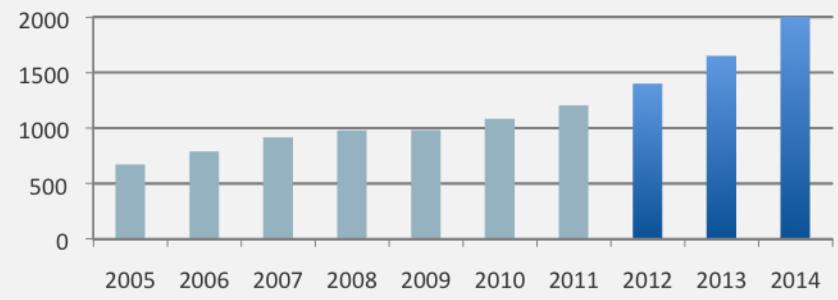
- Strengthened HR team and in-house recruiting resource
- Building new career development and training opportunities

Our new centres

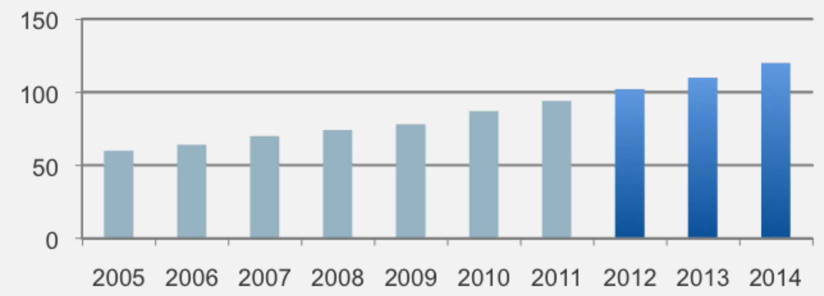
Capacity expansion is key

- The larger our network the more compelling we become
- Target 2000 locations by 2014
- 2012 will see c.200 new locations and openings in 6-8 new countries
- Strengthened development team, increasing automation, ensure optimal use of capital
- Focus on:
  - National networks
  - Neighbourhood centres
  - Infrastructure locations
  - “Missing city” locations
  - Growth acceleration

Centre numbers – 2005-2014



Countries – 2005-2014



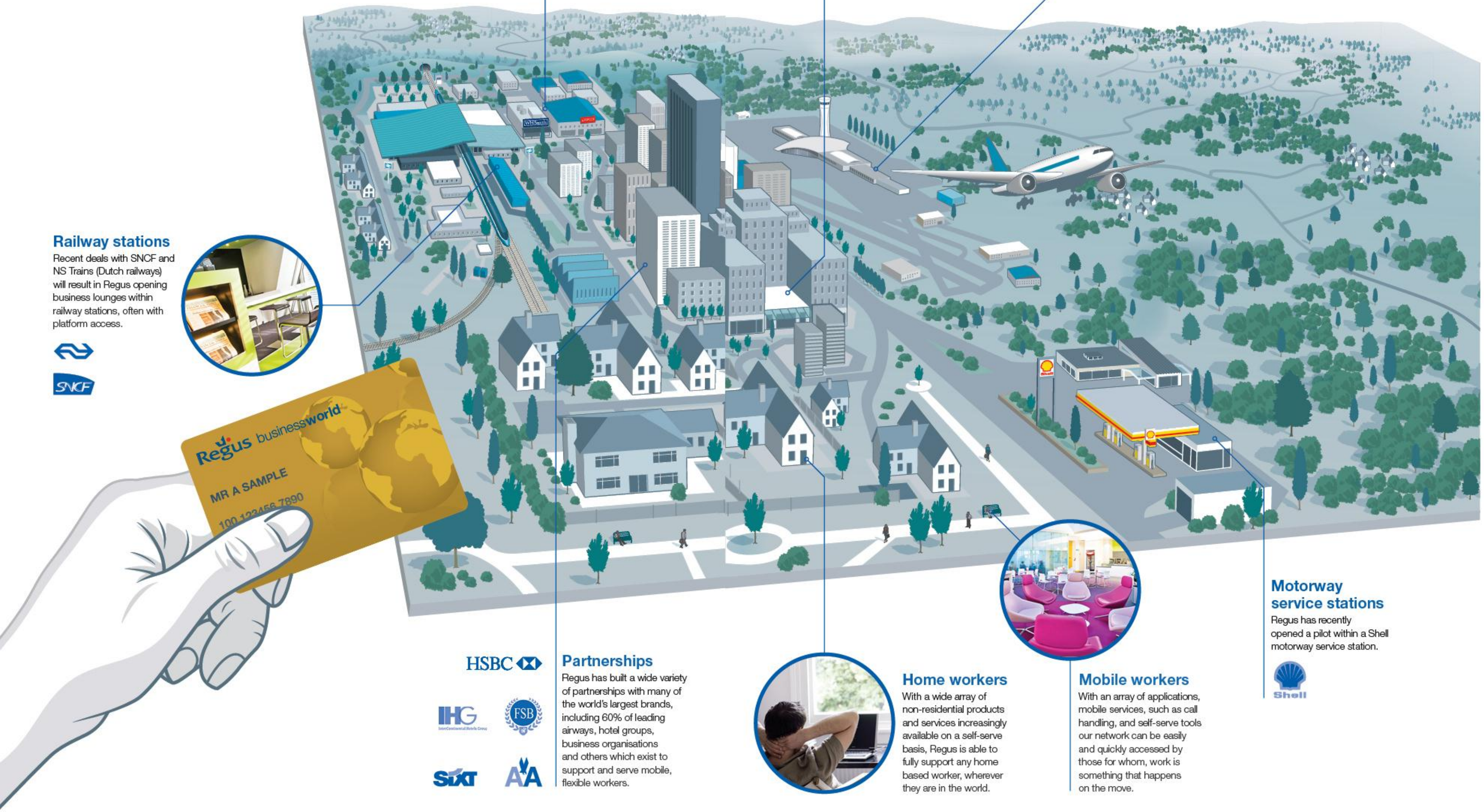
Third Place opportunity

Retail
Our products and services have been available on the high street for more than a year, enabling a convenient access point.

Business centres
The core of the Regus network is its business centres which offer our full range of products and services. Our locations range from premium addresses in central business districts, to key transport infrastructure nodes and suburban commuting hubs.

Airports
An increasing number of airports are now served by Regus and the business is actively exploring ways in which it can deepen its presence and service to support the vast majority of business travellers that no longer fly business class.

Railway stations
Recent deals with SNCF and NS Trains (Dutch railways) will result in Regus opening business lounges within railway stations, often with platform access.



Motorway service stations
Regus has recently opened a pilot within a Shell motorway service station.

Partnerships
Regus has built a wide variety of partnerships with many of the world's largest brands, including 60% of leading airways, hotel groups, business organisations and others which exist to support and serve mobile, flexible workers.

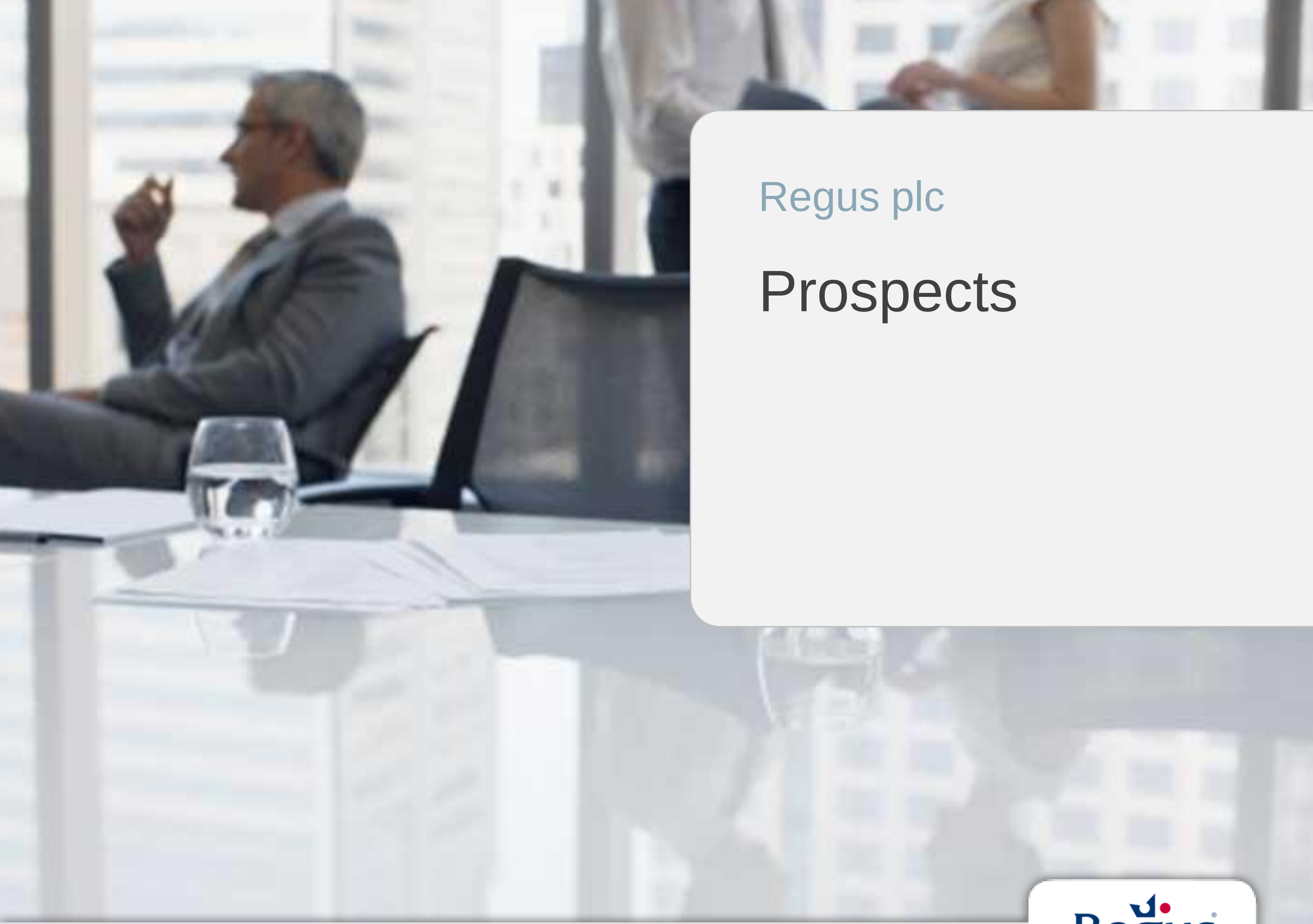
Home workers
With a wide array of non-residential products and services increasingly available on a self-serve basis, Regus is able to fully support any home based worker, wherever they are in the world.

Mobile workers
With an array of applications, mobile services, such as call handling, and self-serve tools our network can be easily and quickly accessed by those for whom, work is something that happens on the move.

Shell

Summary

- Building towards:-
    - optimum mature margin
    - a network of 2,000 centres by 2014
- Clear and consistent strategy
- A well established, high performing mature business
- Continued achievements and improvements to core parts of the business
- Consistent, planned growth resulting in well performing new business
- Exciting new opportunities within fast growing third place work market

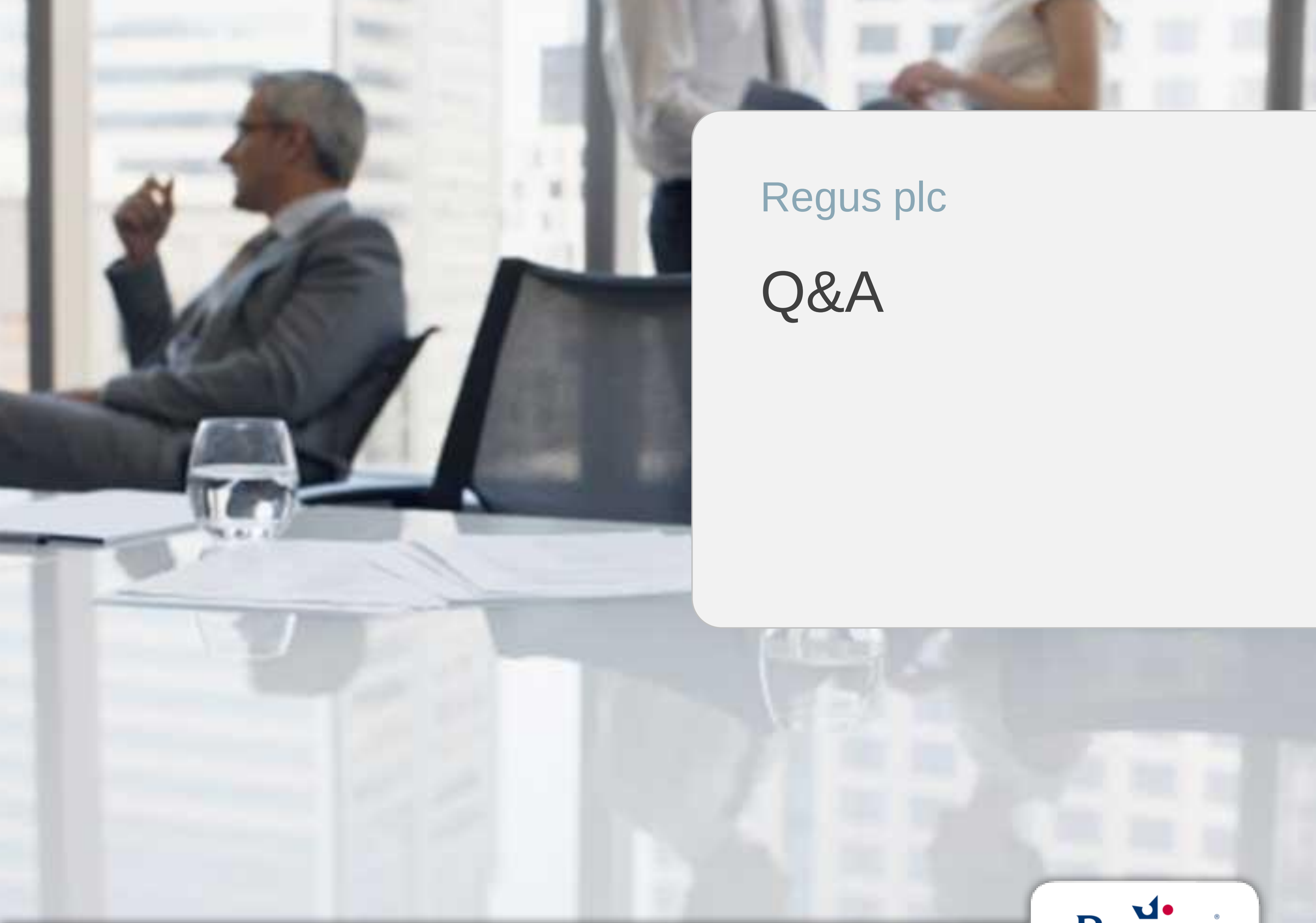


Regus plc

Prospects

Prospects

- Resilient business model and strong market position
- Performing well, gradual increases in margin
- Achieving our growth programme – 10s and 11s performing in line with expectations
- Macro economy still fragile – we remain cautiously optimistic – and can scale back if required



Regus plc

Q&A

Appendix

Balance sheet / Consolidated

£ million	2011	2010	Change
Non-current assets	725.5	676.6	48.9
Working capital	- 297.3	- 251.2	- 35.7
Net cash	188.3	191.5	7.2
Other non-current liabilities	- 127.8	- 110.3	- 17.5
Net assets	**488.7**	**485.8**	**2.9**

H2 income statement / Mature

£ million	2011	2010	Change %
Revenue	**523.5**	**496.7**	**5.4**
Centre contributions	145.8	114.6	27
Gross margin	*27.9%*	*23.1%*	
Overheads	- 77.0	- 76.5	1
Joint Ventures	-	0.4	-
EBIT Pre-exceptional	**68.8**	**38.5**	**79**
Net margin	*13.1%*	*7.8%*	
Net Interest	- 2.3	-	-
Taxation	- 13.3	- 7.7	73
Earnings	**53.2**	**30.8**	**73**
Basic EPS (annualised)	**11.2p**	**6.4p**	