Regus plc

2012 interim results Presentation

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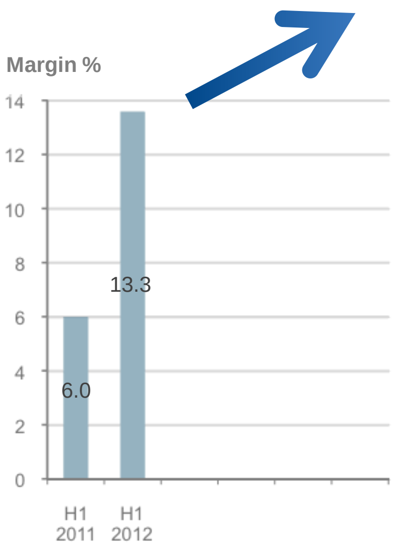
Measured & steady execution of strategy

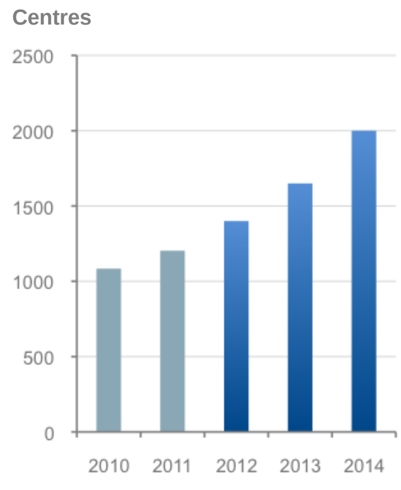
Margin growth

- Gradually increase mature margin



Revenue growth

- Organic growth
- Bolt on acquisitions
- At least 200 new centres in 2012
- On track for 2000 by 2014

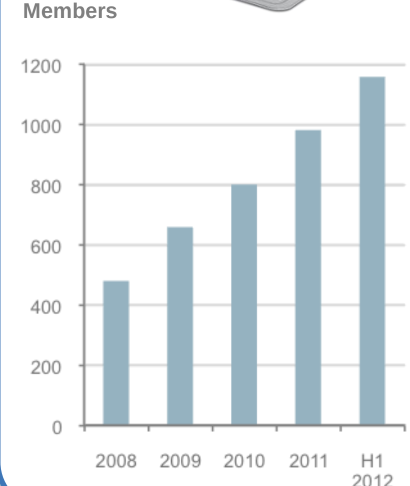


Additional opportunities

- Third place
- Complementary locations – mostly partnership/JV
- Additional growth, and margin
- Highly accretive to core business
- Trains, planes, automobiles

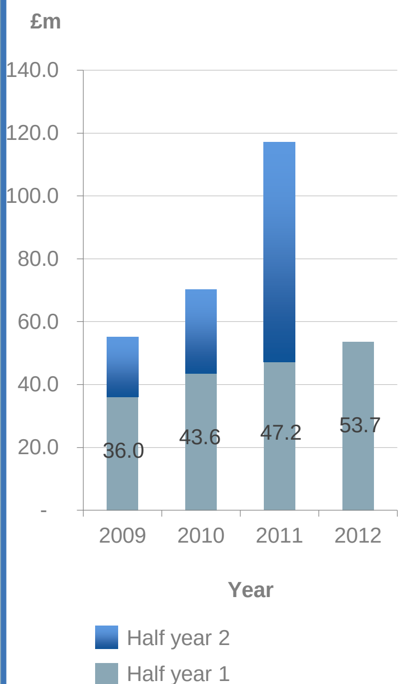
Grow customer base

- Currently 1.16 million members
- Focus on corporates, home and mobile



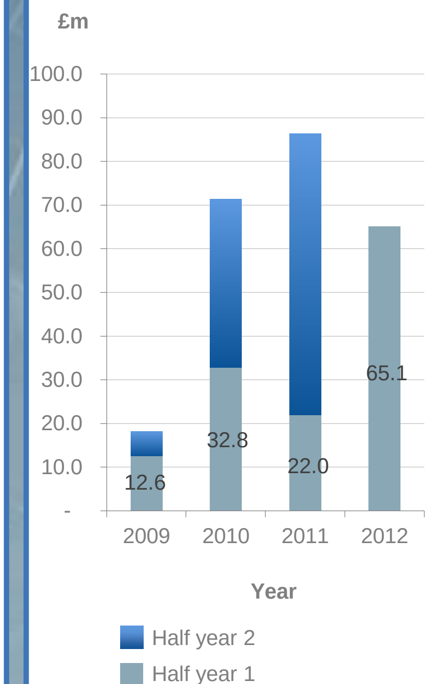
Strong cash generation and dividend distribution

Mature free cash flow



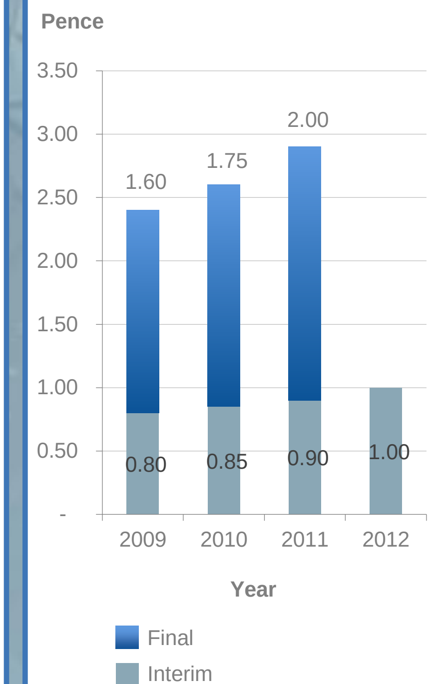
NB: these figures are prepared on a consistent basis ie. 2011 mature centres are those that were opened on or before 31 December 2009

Net investment in new centres

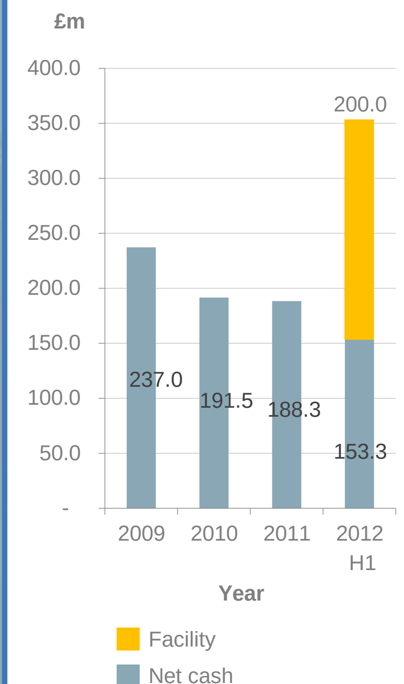


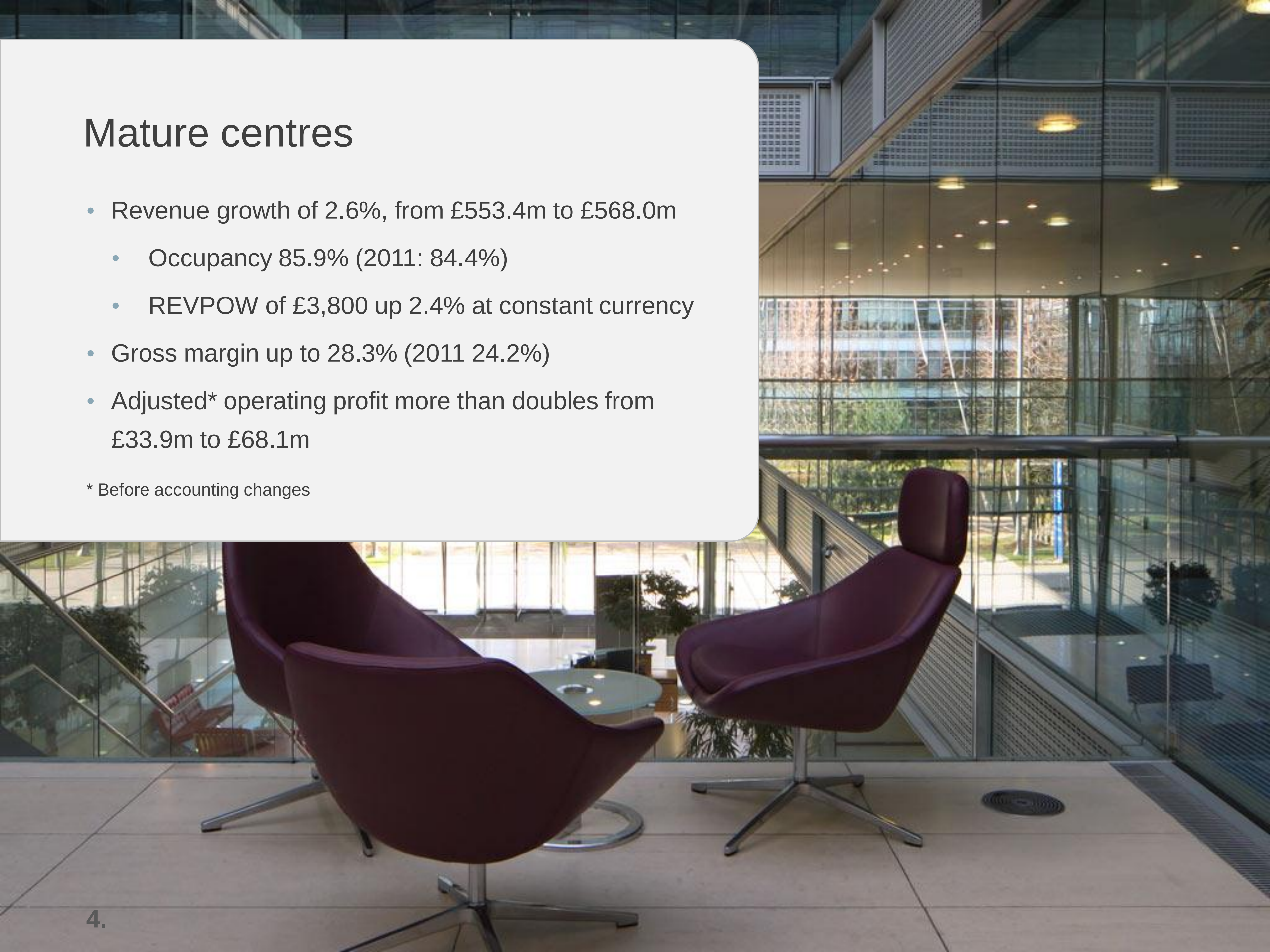
NB: these figures are prepared on a consistent basis ie. 2011 new centres are those that were opened between 1 January 2010 and 31 December 2011

Dividend



Financial strength





Mature centres

- Revenue growth of 2.6%, from £553.4m to £568.0m
    - Occupancy 85.9% (2011: 84.4%)
    - REVPOW of £3,800 up 2.4% at constant currency
- Gross margin up to 28.3% (2011 24.2%)
- Adjusted* operating profit more than doubles from £33.9m to £68.1m

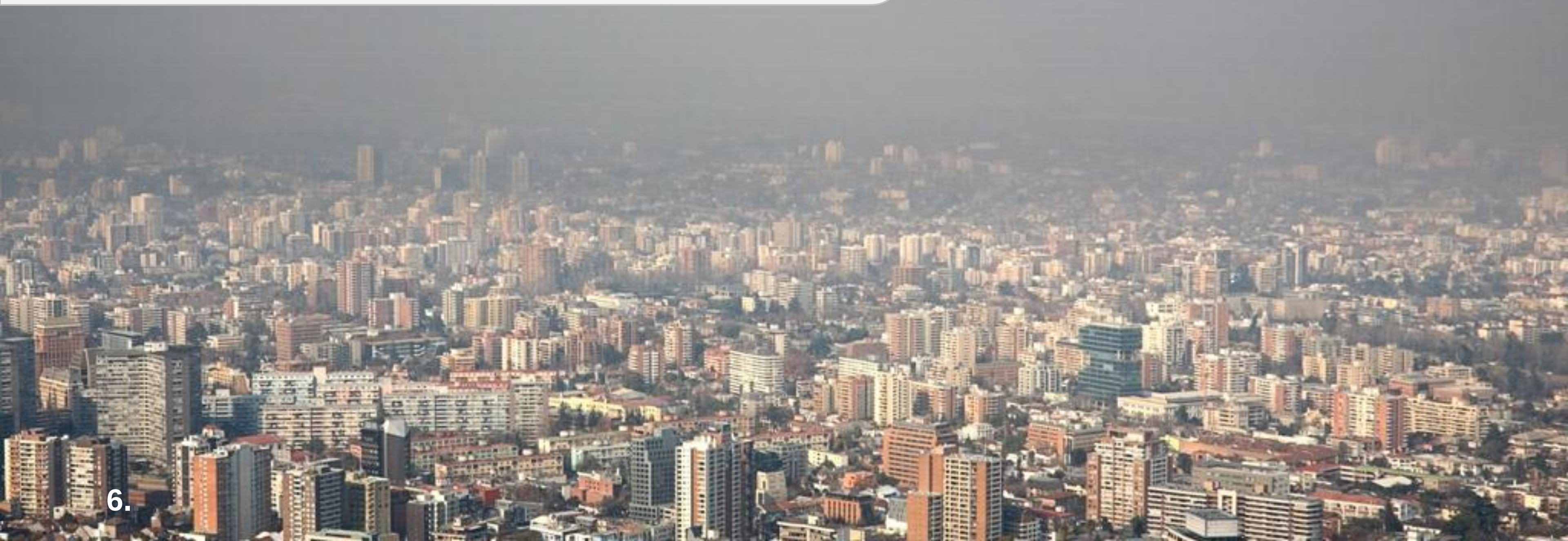
* Before accounting changes

Centres opened in 2011

- Revenues up to £34.4m (2011: £3.1m)
- Performing well, in line with expectations
- Turned contribution positive in Q2

Organic growth

- 15% growth of centre network in last 12 months
- 76 new centres added in H1 (2011: 48)
- Invested £65.1m in H1
- New markets – strengthening depth and breadth of our platform
- New countries – bringing additional revenue diversity



Third place

- Ventures in place with SNCF, NS Trains, Shell and Extra Motorway Services
- More opportunities in the pipeline

Growing customer base

- Continued success in attracting SMEs
- Strong demand from larger customers for Enterprise Programme
  - Aviva – helping reduce their UK portfolio to five locations, transitioning employees to Regus platform
  - Telefonica – support 100+ employees across Europe in a pilot
  - Adobe – enabling mobile working for almost 200 employees across UK

Research clearly demonstrates that the market continues to move towards us.

Group summary

- Network of 1,268 centres
- Revenues up 7.6% to £608.6m
- Adjusted* operating profit up 63% to £23.3m
- Interim dividend up 11% to 1.0p
- Strong balance sheet – net cash of £153.3m
- New £200m revolving credit facility further strengthens financial flexibility

* Before accounting changes

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Accounting changes

Accounting changes – a recap

- Announced on 19 July 2012, adopted 1 January 2012
- Two changes:
    - Estimates of useful economic life of assets
        - No restatement required
    - Capitalisation of facility costs
        - A policy change
- Move will better reflect the underlying economic reality of our business
- No impact on cash
- Impact at gross margin level only
- These changes are incremental

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Financial review

Income statement – mature centres

£ million	Reported 2012	Accounting changes	Adjusted 2012		Adjusted 2011	Accounting changes	Reported 2011	Adjusted % increase/ decrease
Revenue	568.0	-	**568.0**		**553.4**	-	553.4	**2.6%**
Gross Profit (centre contribution)	160.7	(7.2)	**153.5**		**134.3**	0.6	133.7	**14%**
Gross Margin	*28.3%*	-	***27.0%***		***24.3%***	-	*24.2%*	
Overheads	(85.1)	-	**(85.1)**		**(100.5)**	-	(100.5)	**15%**
Overheads as % of sales	*15.0%*	-	***15.0%***		***18.2%***	-	*18.2%*	
Operating profit	75.3	(7.2)	**68.1**		**33.9**	0.6	33.3	**101%**
Operating margin	*13.3%*	-	***12.0%***		***6.1%***	-	*6.0%*	
EBITDA	100.9	-	**100.9**		**68.9**	-	68.9	**46%**
EBITDA margin	*17.8%*	-	***17.8%***		***12.5%***	-	*12.5%*	

- Adjusted gross margin improved from 24.3% to 27.0%
- Overhead as % of sales improved from 18.2% to 15.0%
- Benefits of operational leverage provide significant lift to EBIT margin
- Adjusted mature EPS doubled from 2.8p to 5.6p (reported mature EPS increased from 2.7p to 6.2p)

Regional performance – mature centres

£ million	Revenue		Contribution		Mature margin (%)		Adjusted mature margin (%)	
	2012	2011	2012	2011	2012	2011	2012	2011
Americas	242.7	228.8	75.6	61.8	31.1%	27.0%	30.4%	27.1%
EMEA	139.8	144.8	40.3	35.6	28.8%	24.6%	27.6%	24.7%
Asia Pacific	81.5	77.3	27.4	21.0	33.6%	27.2%	30.2%	27.4%
UK	103.3	101.4	16.3	14.8	15.8%	14.6%	14.8%	14.7%
Other	0.7	1.1	1.1	0.5	-	-	-	-
Total	**568.0**	**553.4**	**160.7**	**133.7**	**28.3%**	**24.2%**	**27.0%**	**24.3%**

- Margin improvement across all regions
- Americas and APAC remain strong
- EMEA resilient – revenue growth of 2.6% at constant currency
- UK remains challenging, but revenues continue to rise
- Clear progress being made towards aspirational gross margin targets

Cash flow – mature centres

£ million	2012	2011
EBITDA	**100.9**	**68.9**
Working capital	(7.8)	16.6
Maintenance capital expenditure	(24.7)	(14.3)
Other items	(1.7)	0.3
Net finance costs	0.2	-
Taxation	(13.2)	(6.5)
Mature free cash flow	**53.7**	**65.0**
Mature free cash flow per share	**5.7p**	**6.9p**
Free cash flow margin	***9.5%***	***11.7%***

- Maintenance capex returning to normalised levels
- Prior year working capital benefited from increased rate of occupancy gains
- All finance costs allocated to mature
- Notional taxation at 20%

Net investment in new centres

£ million	2012	2011
EBITDA	**(33.0)**	**(14.8)**
Working capital	23.8	2.9
Growth capital expenditure	(64.3)	(28.8)
Taxation	8.4	3.7
Net investment in new centres	**(65.1)**	**(37.0)**

- 76 new centres
- Strong positive working capital from new openings

Income statement – new centres

£ million	2012	2011
New centres 2011		
Revenues	34.4	3.1
Gross profit	(0.4)	(2.3)
Growth overheads	(12.7)	(13.2)
Operating profit	**(13.1)**	**(15.5)**
New centres 2012		
Revenues	4.6	-
Gross profit	(5.6)	-
Growth overheads	(20.6)	-
Operating profit	**(26.2)**	**-**
New centre operating profit	**(39.3)**	**(15.5)**

New centres - 2011

- Progressing as expected
- Gross profit +£1.8m - 9.5% margin in Q2

New centres 2012

- 76 locations

Group results – overview

£ million	Total 2012	Accounting Changes	Adjusted 2012		Adjusted 2011	Accounting Changes	Total 2011
Revenue	608.6		**608.6**		**565.6**		565.6
Gross profit (centre contribution)	153.2	(10.9)	**142.3**		**129.4**	(0.8)	130.2
Gross margin	*25.2%*		***23.4%***		***22.9%***		*23.0%*
Overheads	(118.7)		**(118.7)**		**(115.2)**		(115.2)
Joint ventures	(0.3)		**(0.3)**		**0.1**		0.1
Operating profit	34.2	(10.9)	**23.3**		**14.3**	(0.8)	15.1
Operating margin	*5.6%*		***3.8%***		***2.5%***		*2.7%*
Net finance	(2.0)		**(2.0)**		**(1.3)**		(1.3)
Profit before tax	32.2	(10.9)	**21.3**		**13.0**	(0.8)	13.8
Taxation	(5.1)	0.9	**(4.2)**		**10.3**		10.3
Profit for the period	27.1	(10.0)	**17.1**		**23.3**	(0.8)	24.1
EPS	2.9						2.7
Dividend per share	1.0						0.9

Financial summary

Mature

- Good performance – 10s continue to narrow the gap
- Steady margin improvement accompanied by REVPOW gains

New

- Continued investment in quality assets
- 11s and 12s performing in line with expectations

Third Place

- Ventures in place, locations opening
- Significant opportunity

Balance sheet

- Strong with net cash of £153.3m
- New financing in place
    - Four-year £200m revolving credit facility with consortium of six leading banks
    - £2.8m annual charge before drawdown
    - Guarantee facility of £85m renewed for a further four years

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Prospects

Prospects

- Macro conditions expected to remain tough worldwide
- Business continues to perform well and in line with expectations
- Excellent growth opportunities

Margin growth

- Steady progress on the top line
- Further efficiencies on overhead
- Operating margin expected to gradually improve

Revenue growth

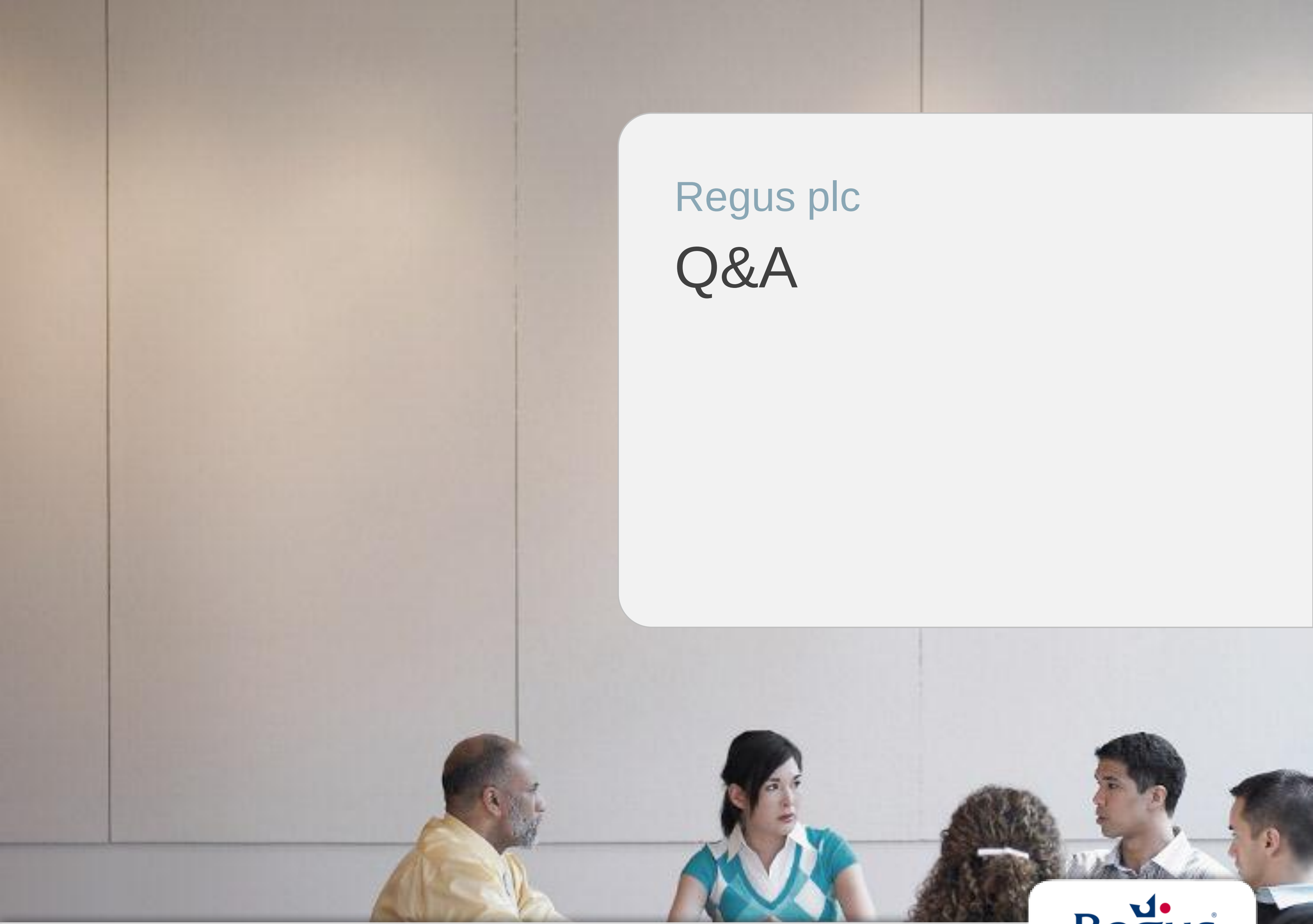
- Higher level of new centre opening expected in H2
- Addition of more countries – further strengthening our platform, reach and diversity

Additional opportunities

- More third place locations
- Further enhancement of our network
- Highly differentiated
- Well received by user base

Grow customer base

- More enterprise wins expected
- Growing pipeline
- New products to drive momentum



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Q&A

Appendices

1. Financial performance by maturity
2. Mature 09s and 10s
3. Consolidated cash flow
4. Overheads allocation methodology
5. Enterprise Programme benefits

Financial performance by maturity

£ million	2012				2011			
	Mature centres	New centres	Closed centres	Total	Mature centres	New centres	Closed centres	Total
Revenue	568.0	39.0	1.6	608.6	553.4	3.1	9.1	565.6
Cost of sales	(407.3)	(45.0)	(3.1)	(455.4)	(419.7)	(5.4)	(10.3)	(435.4)
Gross Profit (centre contribution)	160.7	(6.0)	(1.5)	153.2	133.7	(2.3)	(1.2)	130.2
Overheads	(85.1)	(33.3)	(0.3)	(118.7)	(100.5)	(13.2)	(1.5)	(115.2)
Share of profit on joint venture	(0.3)	–	–	(0.3)	0.1	–	–	0.1
Operating profit	75.3	(39.3)	(1.8)	34.2	33.3	(15.5)	(2.7)	15.1

Mature 09s and 10s

£ million	Mature 09s	10s	Total
Revenues	513.2	54.8	568.0
Gross profit (centre contribution)	148.9	11.8	160.7
CBITDA[1] margin	**32.5%**	**28.9%**	**32.2%**

- Performance gap is narrowing
- 10s on average still less than two years old

[1] Centre Contribution before Interest, Tax, Depreciation & Amortisation

Consolidated cash flow

£ million	2012	2011
Mature free cash flow	**53.7**	**65.0**
New investment in new centres	**(65.1)**	**(37.0)**
Closed centres cash flow	(1.5)	(2.0)
Exceptional items	-	(2.6)
Total net cash flow from operations	**(12.9)**	**23.4**
Dividends	(18.8)	(16.5)
Corporate financing activities	(0.7)	(2.0)
Change in net cash	**(32.4)**	**4.9**
Opening net cash	188.3	191.5
Exchange movements	(2.6)	1.5
Closing net cash	**153.3**	**197.9**

Overheads allocation methodology

Four key elements

1. New centre opening costs estimated at £130,000 per centre. Reflects the costs incurred to the point of opening.
2. Property team costs. It is estimated that 90% of the property teams' costs are spent on supporting the growth programme.
3. Sales and marketing costs. The principle is that the allocation is made on the basis of new workstation sales as the nature of the spend is to generate new enquiries and convert into new sales. Renewals are excluded, as these are handled by the centre staff, who form part of our cost of sales.
4. All other overhead costs are allocated pro rata by reference to available workstation numbers.

Enterprise Programme benefits

Significant cost savings

- Material reductions in real estate costs
- Preferential discounts on short-stay products
- Complimentary Businessworld membership

Convenience

- Online booking and management portal
- Simple global services agreement
- Electronic invoicing & payment

Management reporting and visibility

- Full usage reporting ensuring accurate forward budgeting
- Visibility and control of spend by department, business unit or person

Flexibility

- Workspace available to purchase by the day or hour
- Increase, decrease, relocate office at any time
- Work from any of 1,268 locations