2014 Full Year Results Presentation

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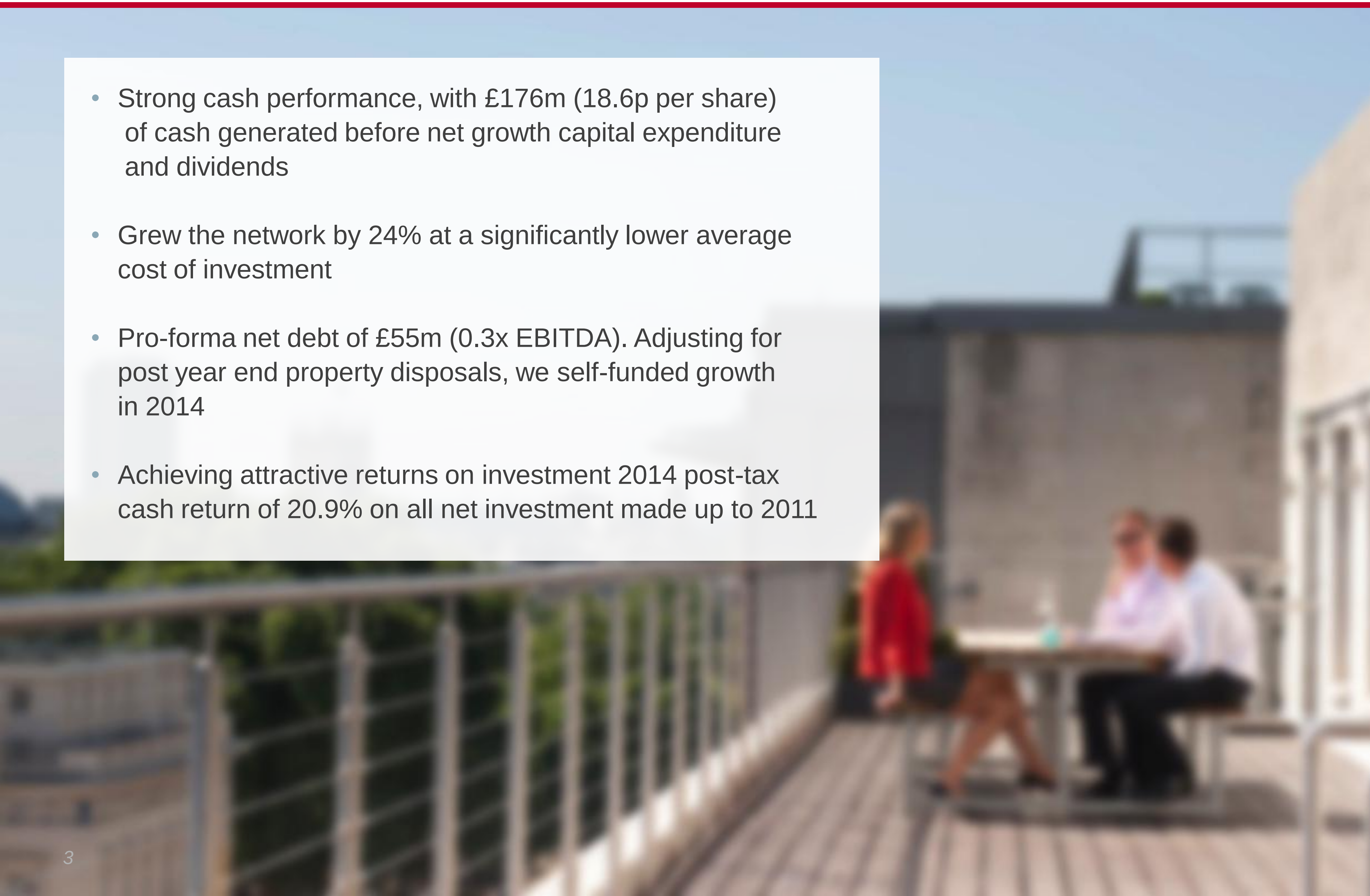
A Transformational Year

- Strong cash performance, with £176m (18.6p per share) of cash generated before net growth capital expenditure and dividends
- Grew the network by 24% at a significantly lower average cost of investment
- Pro-forma net debt of £55m (0.3x EBITDA). Adjusting for post year end property disposals, we self-funded growth in 2014
- Achieving attractive returns on investment 2014 post-tax cash return of 20.9% on all net investment made up to 2011



Highlights

Financial

- Group revenue increased by 15.8%* to £1,676.1m
- Group operating profit increased 27*% to £104.3m
- 11% increase in full year dividend to 4.0p

Operational

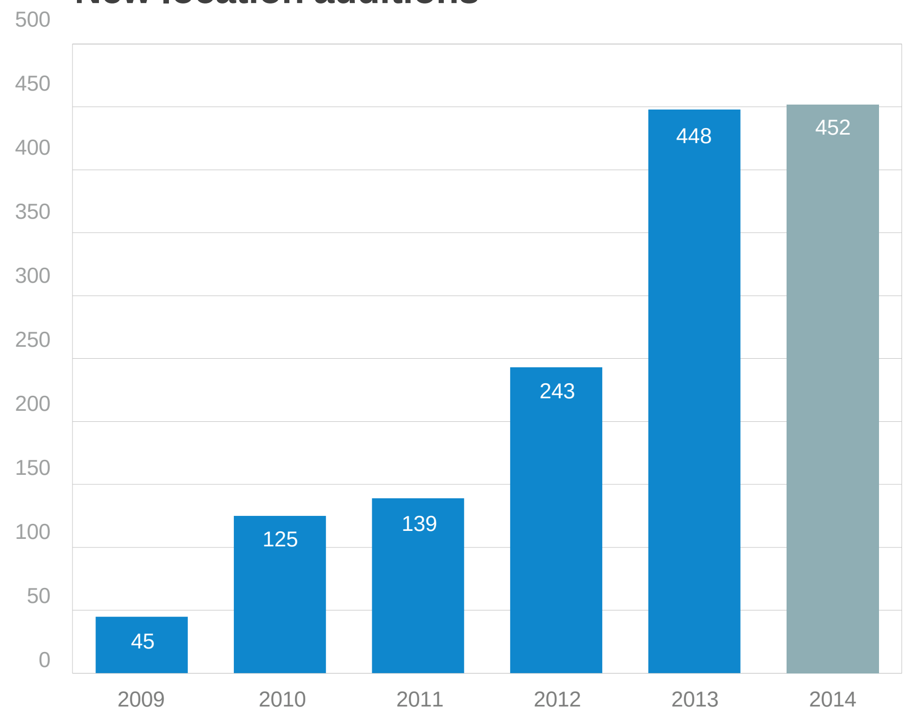
- Strengthened management team
- Material improvements in systems and processes
- Significant improvement in overhead efficiency
- Drive to make the business more scalable
- More sophisticated investment deals allowing us to grow with significantly less capital expenditure

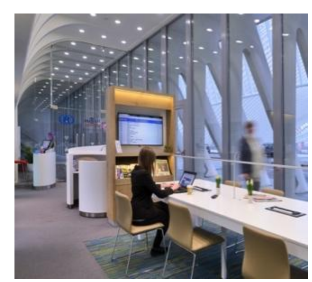
* Increase at constant currency

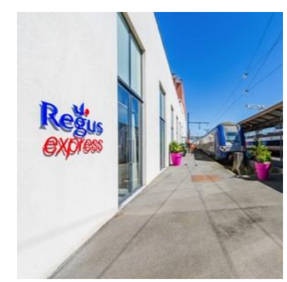
Strong growth of national networks

- Net growth capex of £207m
- 166 new towns and cities added in year, increasing depth and breadth of national networks
- Now in 850 cities
- 452 new locations added
- Increased network to 2,269 locations
- Across 104 countries
- Achieving significantly lower average cost of investment due to:
    - Geographic and size mix
    - Partner participation
    - New formats

New location additions





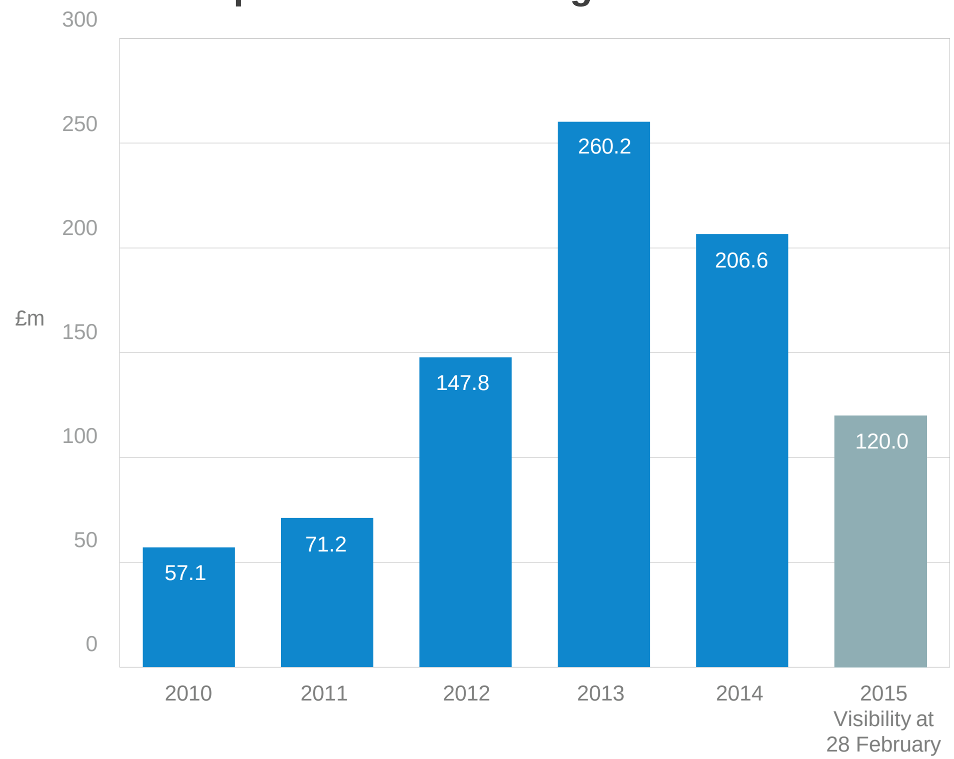


Improved investment profile

Strong pipeline in place

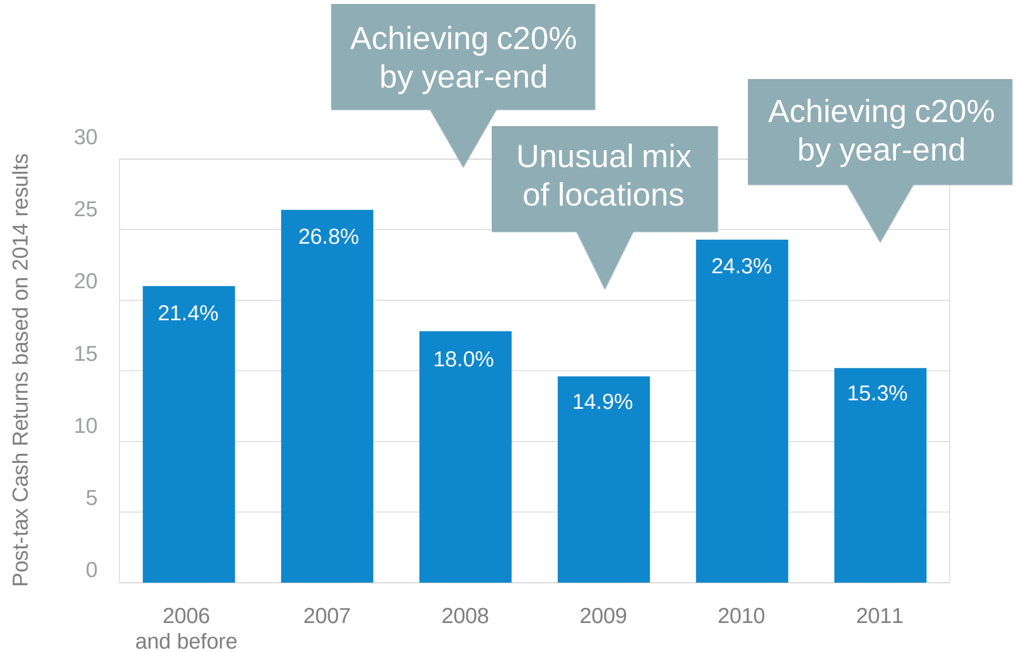
- As of 28 February had clear visibility on c. £120m of net capital investment relating to c. 400 locations
- Anticipate some further additional investment later in the year, which we will update on
- We expect lower average investment cost per location to continue

Net capital investment in growth



Generating attractive returns

- We have consistently generated returns in excess of our cost of capital
- For all locations opened on or before 31 December 2011 these returns were 20.9% in 2014 – returns pre net maintenance capex were 25.2%
- We are confident that recent year group investments will achieve similarly attractive returns
- Performance in the ‘11 year groups improved materially as these locations were fully mature by end 2014. Pro-forma returns for ‘11 locations now c20%
- Similarly, pro-forma returns for 08 locations are now also c20%



	2006 and before	2007	2008	2009	2010	2011
Net Growth Capital Investment *(£m)	**458.2**	**49.6**	**44.1**	**20.5**	**53.4**	**79.7**

*Net investment represents the Growth Capital Expenditure relating to locations opened in the period only

Definition

$$\text{Post-tax cash return on net investment} = \frac{\text{EBITDA less amortisation of partner contribution less tax on EBIT, less maintenance capex}}{\text{Growth capital expenditure less partner contribution}}$$

Driven by existing & fast developing demand

1. Smartphones
2. Broadband
3. Work at home
4. Work anywhere
5. Company adoption
6. Employee popularity
7. Network convenience
8. Marketing visibility
9. Environmental

Size of opportunity / Timing

- At least 20,000 locations mapped
- 2014 best investment/growth ratio
- Envisage more partnering/JV's, less capital
- Continued focus on returns
- Grow at a rate we can manage/finance
- Prudent balance sheet ceiling – 1.5x Net Debt/Group EBITDA

Benchmarks

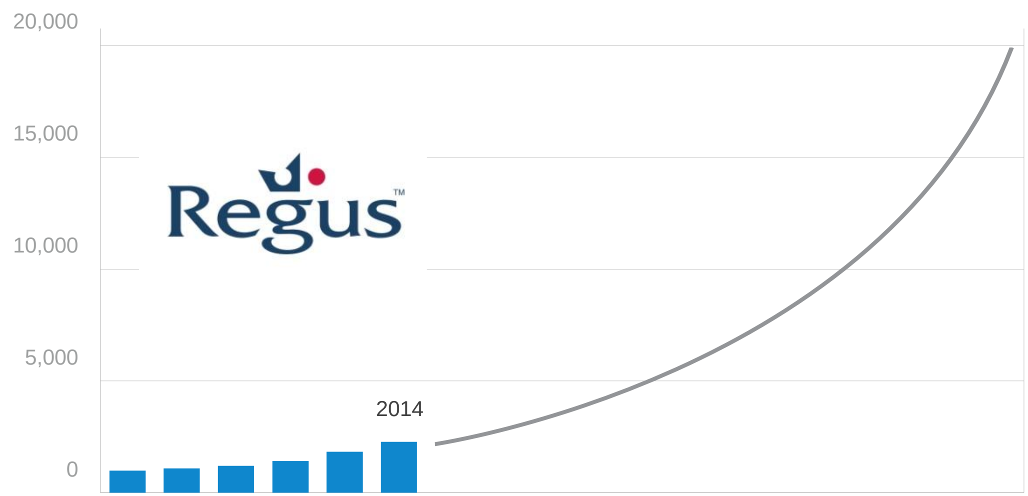
McDonald's

- 36,000 restaurants
- 119 countries

Starbucks

- 21,000 locations
- 66 countries

Growth rate



11 years at today's growth rate

Our brands

Regus HQ

Exclusive

Regus

Mid-price

Openoffice

Budget

SPACES.

Media / Tech

DROP IN LOCATIONS

Regus express

Road

Rail

Air

Retail

Regus kora

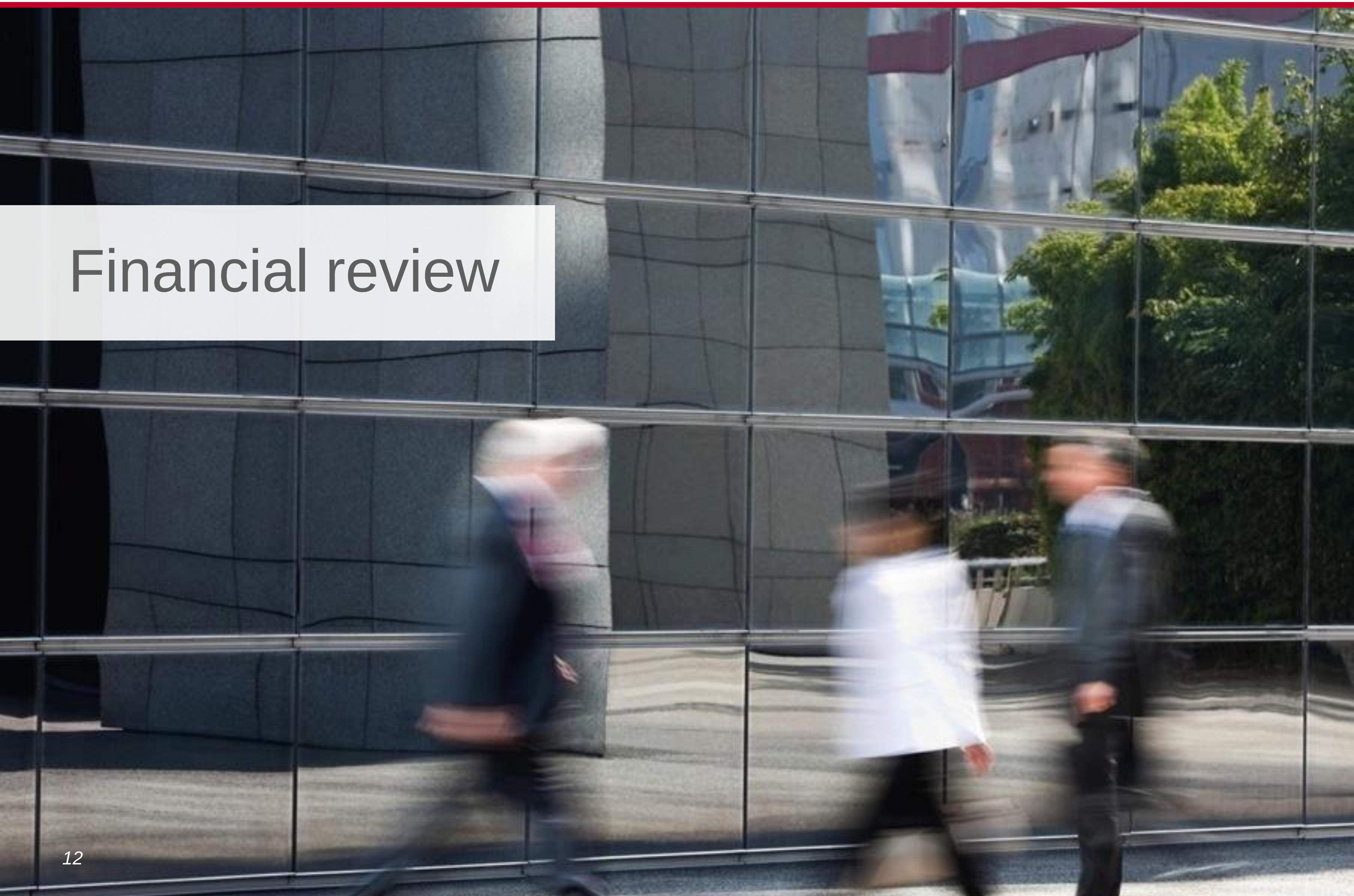
Libraries

Unis

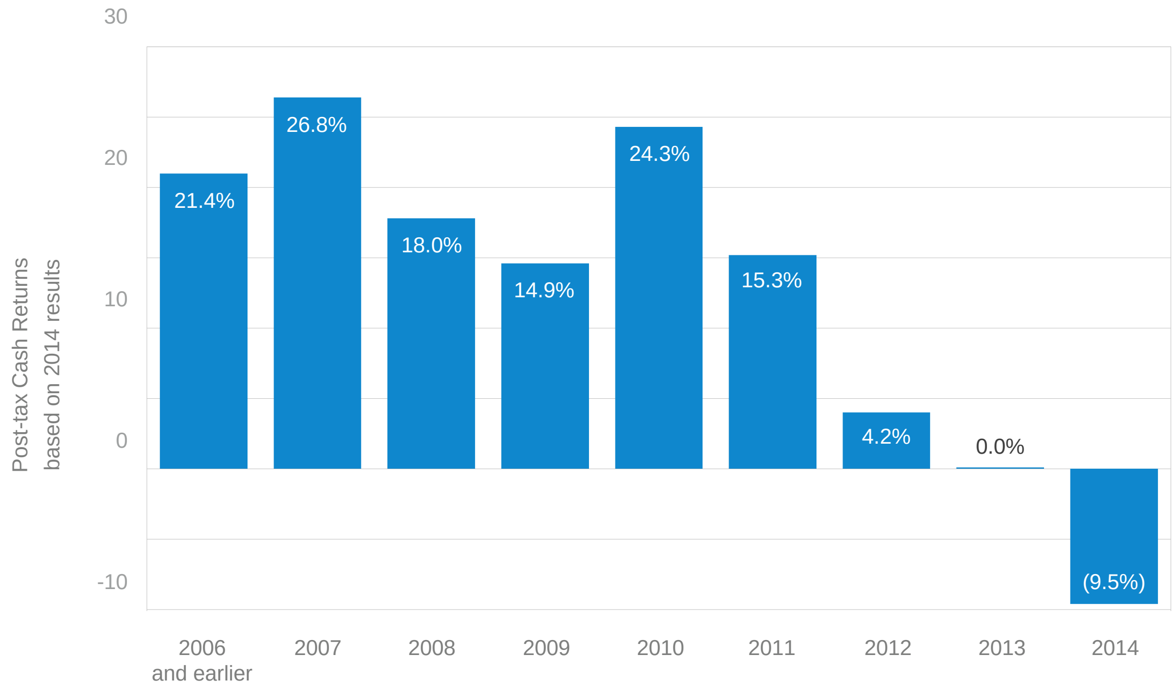
Summary

- Transformational year
- Good set of results with Regus performing well
- Attractive cash returns on net investment
- Firm control of overheads
- Excellent rates of network growth and healthy pipeline
- New openings performing in line with expectations
- All achieved whilst continuing our progressive dividend policy and maintaining a healthy balance sheet
- Dividend raised 11%
- Pro-forma net debt of £55m – 0.3x net debt : EBITDA

Financial review



Continued attractive returns



	2006 and earlier	2007	2008	2009	2010	2011	2012	2013	2014
Net Growth Capital Investment *(£m)	**458.2**	**49.6**	**44.1**	**20.5**	**53.4**	**79.7**	**146.8**	**250.0**	**196.1**

*Net investment represents the Growth Capital Expenditure relating to locations opened in the period only

- A conservative measure of cash return
- Simplified approach to overhead split to calculate individual year group return on net investment with no weighting for growth
- Opening losses offset by positive working capital profile
- Once locations reach financial maturity, the returns consistently exceed our cost of capital
- New year groups progressing as expected

Definition

$$\text{Returns on invested capital} = \frac{\text{EBITDA less amortisation of partner contribution, less tax on EBIT, less maintenance capex}}{\text{Growth capital expenditure less partner contribution}}$$

2014 post-tax cash return on net investment

A worked example – 2011 aggregated locations

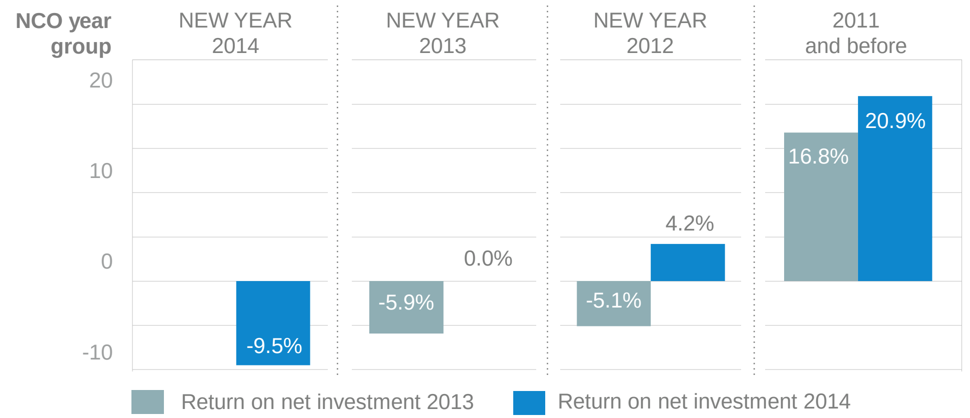
Description	2011 aggregation £m
Gross profit	**334.5**
Elimination of profit on asset disposals	(1.8)
Adjusted gross profit	**332.7**
Overheads	(166.9)
Adjusted operating profit	**165.8**
Tax @ 20% of adjusted operating profit	(33.2)
Depreciation and amortisation	64.8
Amortisation of partner contribution	(16.0)
Non-cash amortisation of lease fair value adjustments	(3.2)
Net maintenance capital expenditure	(30.7)
Net cash return	**147.4**
Total historic net investment in these locations	**705.5**
Post cash return on net investment	**20.9%**

Recent year groups maturing as expected

Post tax return on net investment

- New year groups progressing as expected

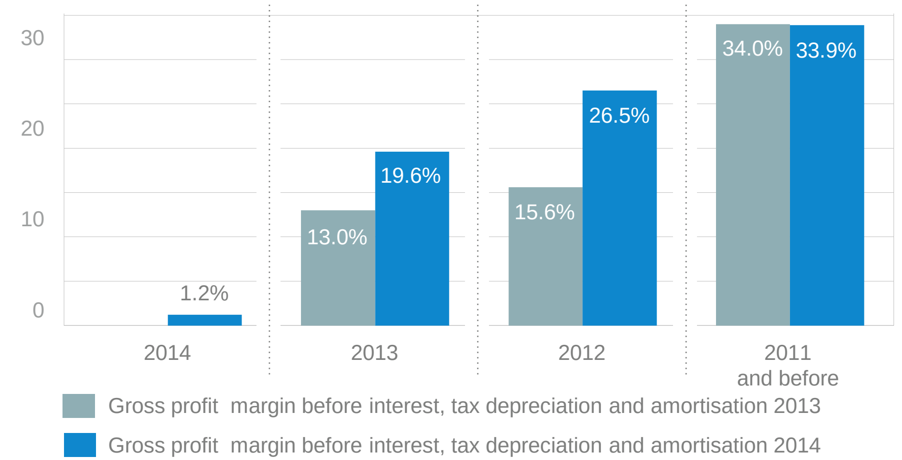
Post-tax cash return on net investment



Gross profit margin before interest, tax, depreciation and amortisation

- 2012 additions closing the gap
- 2013 and 2014 locations progressing as planned

Gross profit margin before interest, tax, depreciation and amortisation



Revenue indicators

	Workstations (Period end)	Index	Occupancy	2014 REVPOW	Gross margin (before depreciation and amortisation)
Mature	224,460	100	82.0%	7,134	33.0%
2013	62,080	95	70.6%	6,677	19.6%
2014	56,187	65	*	*	*
Total	342,727				

*As these locations opened during the year, REVPOW and Gross Margin data for the 2014 additions is not meaningfully representative of the performance of the whole year group.

- Margins of new centres should tend to mature margins over time, subject to variations in deal dynamics
- Indexation a reasonable guide as to likely eventual revenue development per occupied workstation

A good set of numbers

Group income statement

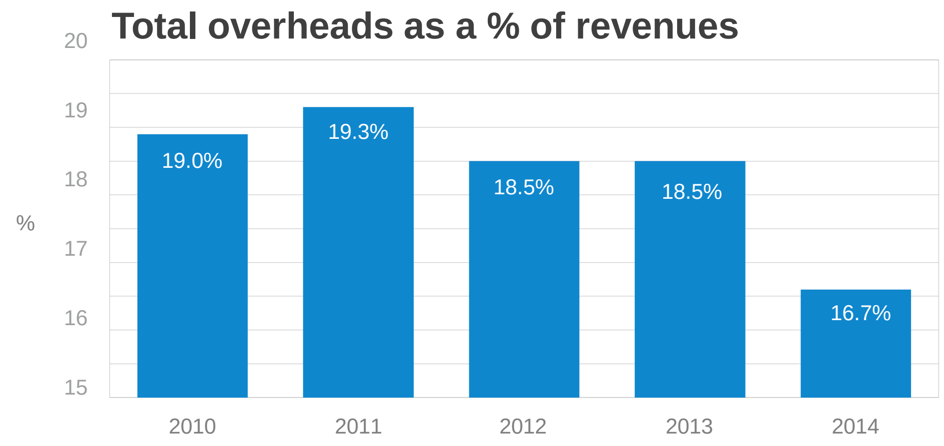
£ million	2014	2013	% change (actual currency)	% change (constant currency)
Revenue	1,676.1	1,533.5	9.3%	15.8%
Gross profit (centre contribution)	383.1	373.8	2%	9%
Overheads	(270.9)	(275.9)	2%	(3%)
Investment in R&D	(8.7)	(7.2)	(21%)	(22%)
Operating profit*	104.3	90.8	15%	27%
Net finance	(17.2)	(9.3)		
Profit before tax	87.1	81.5	7%	19%
Taxation	(17.2)	(14.6)		
Profit for the period	69.9	66.9	4%	17%
EPS (p)	7.4	7.1	4%	17%
Dividend per share (p)	4.0	3.6	11%	
EBITDA	224.8	188.3	19%	29%

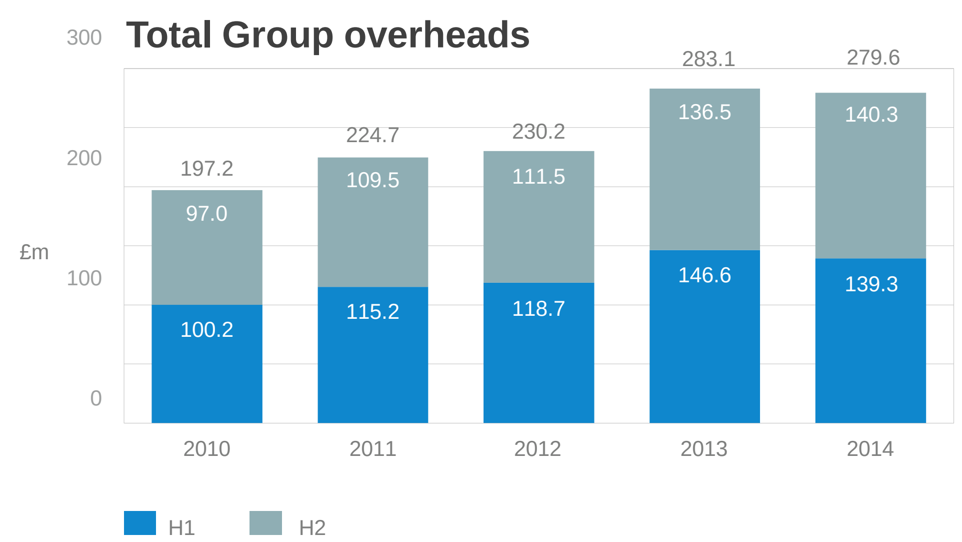
- Revenue up 15.8% (up 9.3% at actual rates reflecting significant currency headwinds)
- Operating profit up 27% to £104.3m (up 15% at actual rates)
- Scale benefits delivered overhead efficiency increasing operating profit
- R&D spend up 21%
- Net finance costs reflect increased net debt, swap arrangements and increased financing headroom
- Dividend up 11%

* Including contribution from joint ventures

Improved overhead efficiency

- Strong performance on overheads despite significant investment in building scalability
- Overall up only 4% at constant currency compared to 24% increase in network
- Overheads as a percentage of revenues decreased to 16.7% from 18.5% as we continue to benefit from scale
- Expect further % reduction in 2015



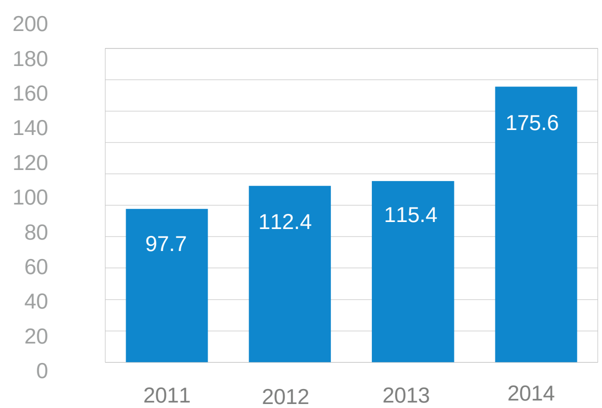


Strong cash flow

£ million	2014	2013
Group EBITDA	**224.8**	**188.3**
Working capital	75.1	64.1
Less growth related partner contributions	(47.0)	(60.4)
Maintenance capital	(53.8)	(53.2)
Taxation	(20.9)	(17.1)
Finance costs	(13.5)	(5.5)
Other items	10.9	(0.8)
Cash flow before growth expenditure	**175.6**	**115.4**

- Group EBITDA increased by 29% at constant currency (19% at actual rates)
- Cash generated before net growth investment increased to £175.6m (or 18.6p per share)

Cash flow before net growth capital expenditure (£m)



A healthy balance sheet

£ million	2014	2013
Cash flow before growth expenditure	**175.6**	**115.4**
Net growth capital expenditure	(206.6)	(260.2)
Total net cash flow from operations	**(31.0)**	**(144.8)**

£ million	2014	2013
Total net cash flow from operations	**(31.0)**	**(144.8)**
Corporate finance / Share repurchase	(17.3)	(0.4)
Dividends	(35.4)	(31.1)
Opening net debt	(57.2)	120.0
Exchange movements	2.9	(1.7)
Closing net debt	**(138.0)**	**(57.2)**
Net Debt : EBITDA ratio	**0.6x**	**0.3x**

Balance Sheet

- Prudent approach to balance sheet management
- Generated £23m of net cash in H2
- Reported net debt to Group EBITDA leverage ratio of 0.6x
- Pro-forma net debt to Group EBITDA of 0.3x
- Intention remains to maintain target ratio of less than 1.5x

Financial Headroom

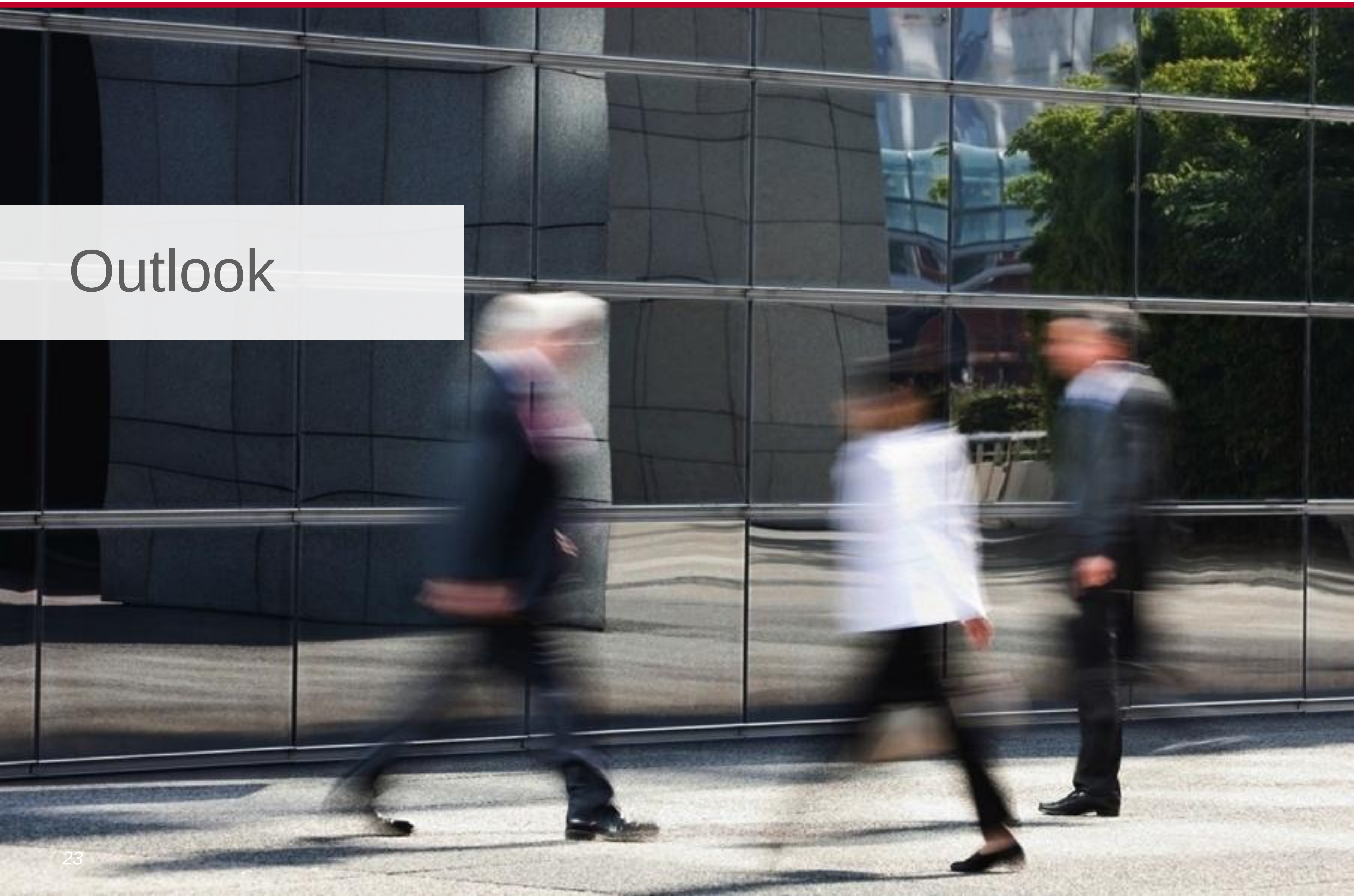
- Raised £164m via a loan note – well received by investor base
- Available funding of £484m with improved maturity profile

Post balance sheet event

- On February 26, Regus sold various properties to a third party for £84m
- Long-term management agreement secures these locations for Regus
- Significantly reduces our net investment in 2014 locations
- ‘Exceptional’ profit of c£20m in 2015
- No other knock-on impact

Financial summary

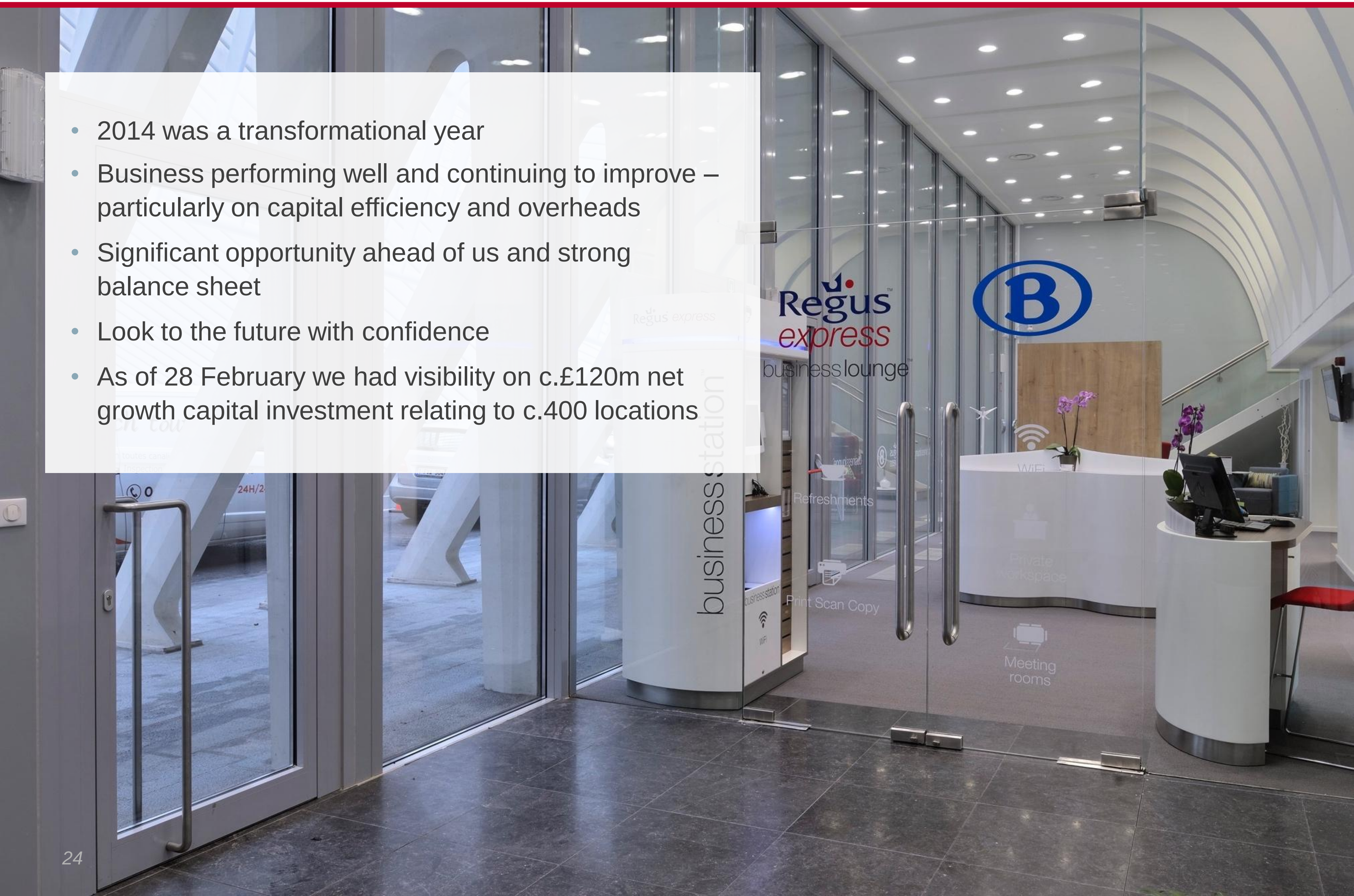
- Business continues to deliver attractive returns
- A good Group result despite continued investment in growth and currency headwind
- Pro-forma net debt of £55m (0.3x EBITDA) despite 24% network growth
- Healthy balance sheet maintained with significant borrowing headroom
- Further growth in dividend, in line with our progressive policy



Outlook

Continued confidence in growth

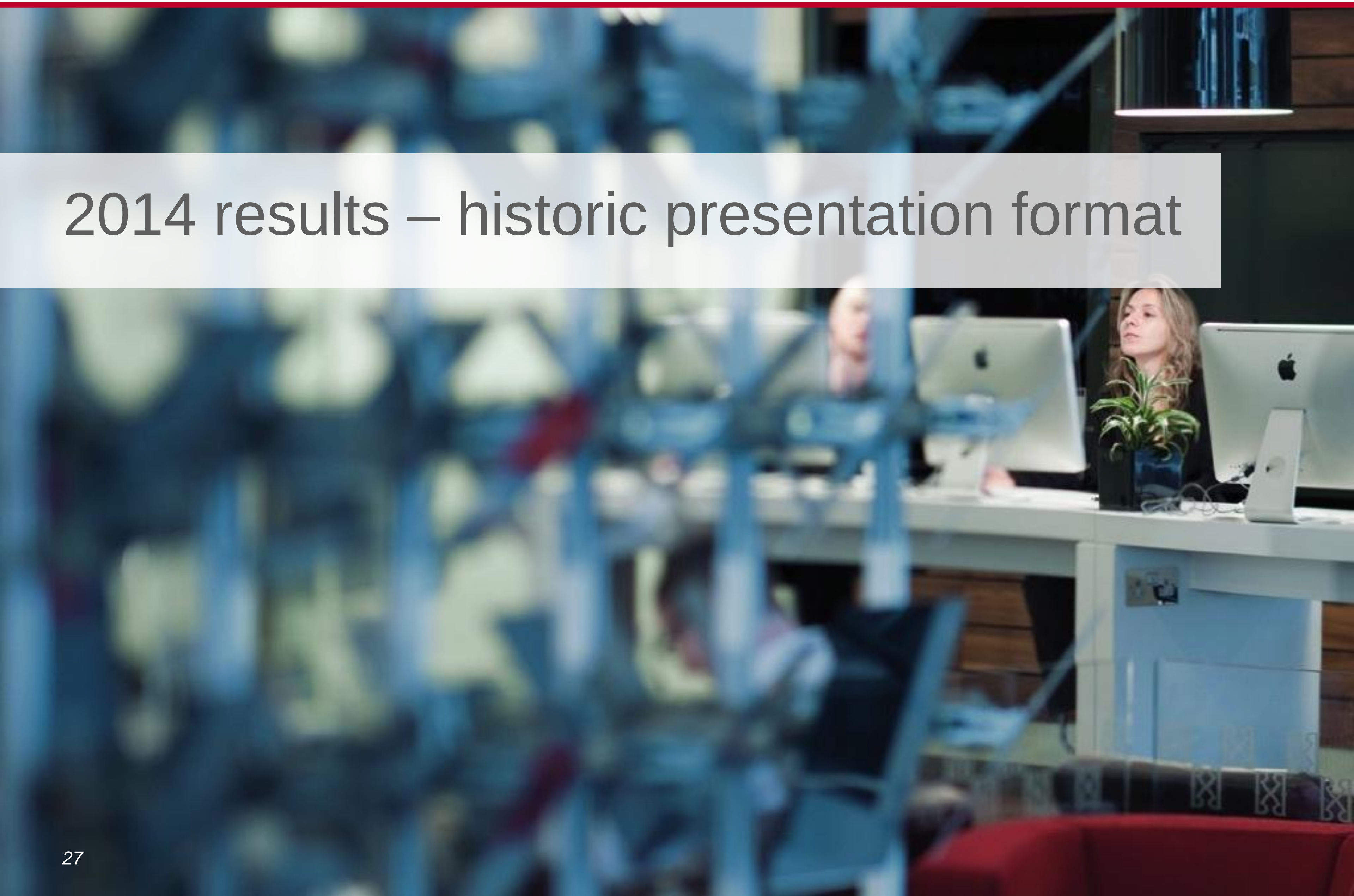
- 2014 was a transformational year
- Business performing well and continuing to improve – particularly on capital efficiency and overheads
- Significant opportunity ahead of us and strong balance sheet
- Look to the future with confidence
- As of 28 February we had visibility on c.£120m net growth capital investment relating to c.400 locations



Questions

Appendices

2014 results – historic presentation format



2014 results – historic presentation format

Financial performance by maturity

£m	2014				2013			
	Mature centres	New centres	Closed centres	Total	Mature centres	New centres	Closed centres	Total
Revenue	**1,305.5**	**363.9**	**6.7**	**1,676.1**	**1,348.7**	**156.8**	**28.0**	**1,533.5**
Cost of sales	(944.2)	(341.0)	(7.8)	(1,293.0)	(986.6)	(150.4)	(22.7)	(1,159.7)
Gross profit (centre contribution)	**361.3**	**22.9**	**(1.1)**	**383.1**	**362.1**	**6.4**	**5.3**	**373.8**
Overheads	(155.1)	(123.7)	(0.8)	(279.6)	(194.9)	(84.9)	(3.3)	(283.1)
Share of profit on joint venture	0.8	-	-	0.8	0.1	-	-	0.1
Operating profit	**207.0**	**(100.8)**	**(1.9)**	**104.3**	**167.3**	**(78.5)**	**2.0**	**90.8**
EBITDA	**287.7**	**(62.4)**	**(0.5)**	**224.8**	**249.0**	**(63.8)**	**3.1**	**188.3**

2014 results – historic presentation format

Income statement – mature locations

£ million	2014	2013	% change (actual currency)	% change (constant currency)
Revenue	**1,305.5**	1,348.7	(3.2)%	3.1%
Gross profit (centre contribution)	**361.3**	362.1	0%	7%
Gross margin	***27.7%***	*26.8%*		
Overheads	**(155.1)**	(194.9)	20%	15%
Overheads as % of sales	***11.9%***	*14.5%*		
Operating profit*	**207.0**	167.3	24%	33%
Operating margin	***15.9%***	***12.4%***		
EBITDA	**287.7**	249.0	16%	24%
EBITDA margin	***22.0%***	*18.5%*		
Mature EPS (p)	***17.2***	***13.7***	25%	35%

* After contribution from joint ventures

2014 results – historic presentation format

Regional performance – mature locations

£ million	Mature revenue		Mature contribution		Mature margin (%)	
	2014	2013	2014	2013	2014	2013
Americas	579.8	603.9	166.6	171.8	28.7%	28.4%
EMEA	290.9	310.7	77.8	81.3	26.7%	26.2%
Asia Pacific	214.7	219.8	65.5	60.6	30.5%	27.6%
UK	219.5	212.6	51.2	49.8	23.3%	23.4%
Other	0.6	1.7	0.2	(1.4)	-	-
Total	**1,305.5**	**1,348.7**	**361.3**	**362.1**	**27.7%**	**26.8%**

2014 results – historic presentation format

Cash flow– mature locations

£ million	2014	2013
EBITDA	**287.7**	**249.0**
Working capital	(8.8)	13.8
Maintenance capital expenditure	(53.8)	(53.2)
Other items	14.5	7.8
Net finance costs	(4.3)	(5.2)
Taxation	(40.5)	(32.4)
Mature free cash flow	**194.8**	**179.8**
Mature free cash flow per share (p)	**20.6**	**19.1**
Free cash flow margin	**14.9%**	**13.3%**

2014 results – historic presentation format

Net investment in new locations

£ million	2014	2013
EBITDA	**(62.4)**	**(63.8)**
Working capital	83.9	50.3
Growth capital expenditure	(253.6)	(320.6)
Other items	0.2	(2.1)
Finance costs	(12.9)	(4.1)
Taxation	19.6	15.3
Net investment in new locations	**(225.2)**	**(325.0)**

2014 results – historic presentation format

Income statement – new locations

£ million	2014	2013
New centres 2013		
Revenues	**291.1**	**156.8**
Gross profit	29.4	6.4
Growth overheads	(45.9)	(84.9)
Operating loss	**(16.5)**	**(78.5)**
New centres 2014		
Revenues	**72.8**	**-**
Gross profit	(6.5)	-
Growth overheads	(77.8)	-
Operating loss	**(84.3)**	
New location operating loss	**(100.8)**	**(78.5)**

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