This document comprises a prospectus relating to IWG Ordinary Shares (the "Prospectus") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("FCA") made under section 73A of the Financial Services and Markets Act 2000 ("FSMA"). This Prospectus has been approved by the FCA in accordance with section 87A of FSMA and made available to the public as required by Rule 3.2 of the Prospectus Rules.

This Prospectus has been prepared in connection with a scheme of arrangement pursuant to Article 125 of the Companies (Jersey) Law 1991 to introduce a new Jersey–incorporated holding company, IWG, to the Regus Group (the "Scheme") and has been prepared on the assumption that the Scheme will become effective in accordance with its current terms. A summary of the Scheme and other proposals is set out in Part I of this Prospectus. You should read this Prospectus in its entirety and in particular the risk factors relating to IWG and the IWG Ordinary Shares set out in the section of this Prospectus headed "Risk Factors".

The IWG Directors, whose names appear on page 31 of this Prospectus, and IWG, whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, accept responsibility for the information in this Prospectus. To the best of the knowledge of the IWG Directors and IWG, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Application will be made to the UK Listing Authority for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the IWG Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities ("**Admission**"), subject in each case to the Scheme becoming effective. If the Scheme proceeds as presently envisaged, it is expected that Admission will become effective, and that dealings in IWG Ordinary Shares on the London Stock Exchange's main market for listed securities will commence, on 19 December 2016.

No IWG Ordinary Shares have been marketed to, nor are any available for purchase or exchange, in whole or in part, by, the public in the United Kingdom or elsewhere in connection with Admission. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase or exchange any securities in IWG or to become a member of IWG.

IWG PLC

(incorporated in Jersey with registered number 122154)

Introduction of up to 1,000,000,000 IWG Ordinary Shares of one penny each to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

Investec Bank plc, sponsor and financial adviser

The IWG Ordinary Shares have not been, and will not be, registered under the US Securities Act. The IWG Ordinary Shares will be issued in reliance on the exemption provided by section 3(a)(10) of the US Securities Act. In addition, the IWG Ordinary Shares have not been and will not be registered under the securities laws of any state of the United States but will be issued pursuant to available exemptions from state law registration requirements. Neither the SEC nor any US state securities commission has reviewed or approved this Prospectus, any accompanying documents or the Scheme. Any representation to the contrary is a criminal offence in the United States.

This Prospectus does not constitute an invitation or offer to sell or exchange or the solicitation of an invitation or offer to buy or exchange any security or to become a member of IWG. None of the securities referred to in this Prospectus shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.

The distribution of this Prospectus in jurisdictions other than Jersey or the United Kingdom may be restricted by law and therefore this Prospectus may not be distributed or published in any jurisdiction except under circumstances which result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

A copy of this Prospectus has been delivered to the Jersey Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 and the Jersey Registrar of Companies has given, and not withdrawn, his consent to its circulation. The Jersey Financial Services Commission (the "**Commission**") has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of the IWG Ordinary Shares by IWG. It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the Commission takes any responsibility for the financial soundness of IWG or for the correctness of any statements made, or opinions expressed, with regard to IWG.

Nothing in this Prospectus or anything communicated to the holders or potential holders of any IWG Ordinary Shares (or interests in them) by or on behalf of IWG is intended to constitute or should be construed as advice on the merits of the purchase of, or subscription for, any IWG Ordinary Shares (or interests in them) or the exercise of any rights attached to the IWG Ordinary Shares (or interests in them) for the purposes of the Financial Services (Jersey) Law 1998. The contents of this Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice. It should be remembered that the price of securities and the income from them can go down as well as up.

Investec, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting for Old Regus and IWG and no-one else in relation to the Proposals and will not be responsible to anyone other than Old Regus and IWG for providing the protections afforded to clients of Investec or for providing advice in relation to the Proposals or any other matter referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility or liability whatsoever, and makes no representation or warranty, express or implied, in relation to the contents of this Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, Old Regus, IWG, the IWG Directors or any other person in connection with the Proposals or Admission, and nothing in this Prospectus shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Investec accordingly disclaims all and any liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

The date of this Prospectus is 3 November 2016.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E.

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element might be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of the words "not applicable".

Section A – Introductions and warnings		
Element		
A.1	**Introduction and warnings**	This summary should be read as an introduction to this Prospectus. Any decision to invest in IWG Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Subsequent resale of securities or final placement of securities through financial intermediaries**	Not applicable. No consent has been given by IWG or any person responsible for drawing up this Prospectus to use this Prospectus for subsequent sale or financial placement of securities by financial intermediaries.

Section B – Issuer		
Element		
B.1	**Legal and commercial name**	IWG plc ("**IWG**").
B.2	**Domicile/Legal Form/Legislation/Country of incorporation**	IWG is a public limited company, incorporated in Jersey, with registered number 122154 and registered office at 22 Grenville Street, St Helier, Jersey JE4 8PX. The principal legislation under which IWG operates is the Jersey Companies Law.
B.3	**Current operations/principal activities and markets**	IWG has been incorporated to be the ultimate holding company of the Regus Group. The Regus Group is the world's largest provider of flexible workspace solutions, with customers including some of the most successful entrepreneurs, individuals and multi-billion dollar corporations. As at 30 September 2016, the Regus Group's network includes 2,883 locations, operating across 114 countries. Through its range of office formats, as well as its growing mobile, virtual office, and workplace recovery businesses, the Regus Group enables people and businesses to work where they want, when they want, how they want, and at a range of price points.
B.4a	**Recent trends**	The Regus Group is pleased with the continued strong profit, cash generation and returns performance of its business which remain in line with management expectations. Having anticipated an increase in global macro-economic uncertainty, the Regus Group took specific actions early in 2016 to improve efficiencies across the business and its continued progress reflects those early actions. The Regus Group continued to build its national networks globally in the three months ended 30 September 2016, whilst maintaining its disciplined and flexible approach to investment throughout the economic cycle. The Regus Group's investments are continuing to deliver attractive returns, well ahead of its cost of capital. Looking forward to the remainder of 2016, the Regus Group remains confident of delivering a full year performance in line with management's expectations.
B.5	**Description of the Regus Group**	The Regus Group is the world's largest provider of flexible workspace solutions, with customers including some of the most successful entrepreneurs, individuals and multi-billion dollar corporations. IWG has been incorporated to be the ultimate holding

company of the Regus Group and to hold all of the shares in Old Regus.

B.6 Shareholders

Insofar as is known to IWG, based on the relevant notifications made to Old Regus by Old Regus Ordinary Shareholders (in relation to their holdings in Old Regus) pursuant to the Disclosure Guidance and Transparency Rules as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), and based on the total issued share capital of Old Regus as at 1 November 2016, the following people had substantial interests (over five per cent.) in Old Regus as at 1 November 2016:

Name	Number of Old Regus Ordinary Shares	Percentage of voting rights attached to Old Regus Ordinary Shares
Estorn Limited*	257,701,874	27.79 per cent.
Prudential Plc	80,776,178	8.71 per cent.
FMR LLC	47,602,597	5.13 per cent.

**Mark Dixon indirectly owns 100 per cent. of Estorn Limited.*

None of the shareholders referred to above has voting rights that are different from those of any other Old Regus Ordinary Shareholder in respect of any Old Regus Ordinary Shares held by them.

The IWG Directors are not aware of any person who directly or indirectly, jointly or severally, owns or could exercise control over Old Regus.

B.7 Selected historical key financial information

Not applicable. IWG has not traded since its date of incorporation and as such there is no historical key financial information.

The tables below set out financial information for the Regus Group for the periods indicated. The data has been extracted, without material adjustment, from the 2016 Interim Results, the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements.

Consolidated income statement

	Six months ended 30 June 2016 (£m)	**Six months ended 30 June 2015 (£m)**	**Year ended 31 Dec 2015 (£m)**	**Year ended 31 Dec 2014 (£m)**	**Year ended 31 Dec 2013 (£m)**
Revenue	1,077.6	937.0	1,927.0	1,676.1	1,533.5
Cost of sales	(852.4)	(728.0)	(1,498.6)	(1,293.0)	(1,159.7)
Gross profit (centre contribution)	225.2	209.0	428.4	383.1	373.8
Administration expenses before non-recurring expenses	(133.4)	(139.3)	(273.6)	(270.9)	(275.9)
Research & development	(2.2)	(5.1)	(10.3)	(8.7)	(7.2)
Administration expenses	(135.6)	(144.4)	(283.9)	(279.6)	(283.1)
Share of post-tax profit/(loss) of joint ventures	0.4	0.4	0.3	0.8	0.1
Operating profit (before non-recurring items)	90.0	65.0	144.8	104.3	90.8
Non-recurring items	(0.9)	21.3	15.3	-	-
Operating profit (including non-recurring items)	89.1	86.3	160.1	104.3	90.8
Finance expense	(4.9)	(7.4)	(15.0)	(17.3)	(10.5)
Finance income	0.1	0.2	0.6	0.1	1.2
Profit before tax for the year	84.3	79.1	145.7	87.1	81.5
Tax (charge) / credit	(16.9)	(11.9)	(25.8)	(17.2)	(14.6)
Profit after tax for the year	67.4	67.2	119.9	69.9	66.9
Attributable to:					
Equity shareholders of the parent	67.4	67.2	119.9	69.9	66.9

Minority interests	-	-	-	-	-
Profit after tax for the year	67.4	67.2	119.9	69.9	66.9
Earnings per ordinary share (EPS):					
Basic (p)	7.2	7.2	12.8	7.4	7.1
Diluted (p)	7.1	7.0	12.6	7.2	7.0
Weighted average number of shares outstanding ('000s)	931,329	937,074	933,458	944,082	943,775

Consolidated balance sheet

	As at 30 June 2016 (£m)	**As at 30 June 2015 (£m)**	**As at 31 Dec 2015 (£m)**	**As at 31 Dec 2014 (£m)**	**As at 31 Dec 2013 (£m)**
Non-current assets					
Goodwill	650.2	557.9	612.2	497.2	438.7
Other intangible assets	54.3	49.9	53.8	52.7	53.0
Property, plant and equipment	1,070.7	769.0	917.0	718.8	608.7
Deferred tax assets	35.4	36.6	36.4	40.0	33.4
Other long-term receivables	72.2	52.3	63.0	49.3	37.5
Investments in joint ventures	7.2	1.1	5.6	0.7	1.3
Total non-current assets	1,890.0	1,466.8	1,688.0	1,358.7	1,172.6
Current assets					
Trade and other receivables	577.8	512.3	557.8	440.1	376.9
Corporation tax receivable	26.2	15.1	17.9	12.5	8.1
Assets held for sale	1.2	-	-	62.6	-
Cash and cash equivalents	74.6	79.4	63.9	72.8	84.7
Total current assets	679.8	606.8	639.6	588.0	469.7
Total assets	2,569.8	2,073.6	2,327.6	1,946.7	1,642.3
Current liabilities					
Trade and other payables (inc. customer deposits)	(876.4)	(721.1)	(816.5)	(670.2)	(570.8)
Deferred income	(270.5)	(229.9)	(240.7)	(205.3)	(179.8)
Corporation tax payable	(13.5)	(15.4)	(14.0)	(10.3)	(6.2)
Obligations under finance leases	-	(0.1)	-	-	-
Bank and other loans	(7.7)	(2.1)	(9.2)	(1.4)	(1.2)
Provisions	(5.9)	(2.0)	(5.3)	(2.6)	(0.8)
Liabilities held for sale	(0.9)	-	-	(2.1)	-
Total current liabilities	(1,174.9)	(970.6)	(1,085.7)	(891.9)	(758.8)
Net current liabilities	(495.1)	(363.8)	(446.1)	(303.9)	(289.1)
Total assets less current liabilities	1,394.9	1,103.0	1,241.9	1,054.8	883.5
Non-current liabilities					
Other payables	(464.5)	(323.2)	(383.8)	(292.9)	(220.6)
Non-current derivative financial liabilities	(0.4)	(18.3)	(15.0)	(7.7)	(0.1)
Obligations under finance leases	-	-	-	(0.1)	(0.1)
Bank and other loans	(240.7)	(214.1)	(245.3)	(209.3)	(140.6)
Deferred tax liability	(1.1)	(0.9)	(1.6)	(2.2)	(1.6)
Provisions	(7.2)	(7.6)	(7.6)	(4.3)	(4.9)
Provision for deficit on joint ventures	(2.3)	(1.1)	(4.1)	(0.7)	(1.2)
Retirement benefit obligations	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)
Total non-current liabilities	(716.4)	(565.4)	(658.2)	(517.4)	(369.3)
Total liabilities	(1,891.3)	(1,536.0)	(1,743.9)	(1,409.3)	(1,128.1)
Total assets less liabilities	678.5	537.6	583.7	537.4	514.2
Total equity					
Issued share capital	9.5	9.5	9.5	9.5	9.5
Treasury shares	(46.6)	(43.7)	(42.9)	(19.9)	(4.1)
Foreign currency translation reserve	67.4	(3.1)	7.4	12.7	6.6
Hedging reserve	(0.4)	(2.0)	(2.1)	(2.7)	-
Revaluation reserve	10.5	10.5	10.5	10.5	10.5
Other reserves	15.3	15.3	15.3	15.3	15.3
Retained earnings	622.8	551.1	586.0	512.0	476.4
Total shareholders' equity	678.5	537.6	583.7	537.4	514.2
Non-controlling interests	-	-	-	-	-
Total equity	678.5	537.6	583.7	537.4	514.2
Total equity and liabilities	2,569.8	2,073.6	2,327.6	1,946.7	1,642.3

Consolidated cash flow statement

	Six months ended 30 June 2016 (£m)	**Six months ended 30 June 2015 (£m)**	**Year ended 31 Dec 2015 (£m)**	**Year ended 31 Dec 2014 (£m)**	**Year ended 31 Dec 2013 (£m)**
Profit before tax for the year	84.3	79.1	145.7	87.1	81.5
Adjustments for:					
Net finance expense	4.8	7.2	14.4	17.2	9.3
Share of profit of equity-accounted investees, net of tax	(0.4)	(0.4)	(0.3)	(0.8)	(0.1)
Depreciation charge	82.3	63.7	134.2	107.5	87.8
Gain on disposal of property, plant and equipment	(0.6)	(0.8)	(0.3)	(0.9)	0.9
Impairment of property, plant and equipment	-	-	0.9	-	-
Amortisation of intangible assets	6.3	7.6	11.0	13.0	9.7
Amortisation of acquired lease fair value adjustments	(1.5)	(2.7)	(4.6)	(5.2)	(4.9)
Increase in provisions	0.6	0.2	2.8	1.2	(4.0)
Share-based payments	1.4	1.5	2.2	2.6	2.7
Other non-cash movements	(2.4)	(5.7)	(3.0)	-	2.3
Operating cash flows before movements in working capital	174.8	149.7	303.0	221.7	185.2
Increase in trade and other receivables	23.2	(67.2)	(121.5)	(27.7)	(74.4)
Increase in trade and other payables	27.1	83.4	221.0	108.0	143.4
Cash generated from operations (before non-recurring items)	225.1	165.9	402.5	302.0	254.2

Profit on disposal of assets held for sale	0.1	(21.3)	(21.3)	-	-
Impairment of assets held for sale	2.0	-	-	-	-
Cash generated from operations	227.2	144.6	381.2	302.0	254.2
Interest paid	(10.0)	(6.5)	(13.8)	(13.6)	(6.7)
Tax paid	(20.2)	(9.8)	(29.1)	(20.9)	(17.1)
Net cash inflow from operating activities	197.0	128.3	338.3	267.5	230.4
Investing activities					
Purchase of subsidiary undertakings (net of cash acquired)	(0.3)	(54.9)	(99.4)	(91.0)	(93.0)
Proceeds on the sale of assets held for sale	3.1	84.0	84.0	-	-
Dividends received from joint ventures	0.1	-	-	1.0	0.8
Purchase of joint ventures	-	-	(1.9)	0.6	(0.4)
Proceeds on sale of property, plant and equipment	13.9	4.7	9.5	7.3	-
Purchase of property, plant and equipment	(150.7)	(117.1)	(311.5)	(205.4)	(248.9)
Purchase of intangible assets	(2.5)	(5.3)	(8.7)	(11.0)	(15.6)
Interest received	0.1	0.2	0.6	0.1	1.2
Net cash outflow from investing activities	(136.3)	(88.4)	(327.4)	(298.4)	(355.9)
Financing activities					
Net proceeds from issue of loans	385.8	186.6	383.2	438.2	132.7
Repayment of loans	(404.0)	(166.2)	(330.5)	(361.6)	(2.4)
Repayment of principal under finance leases	-	-	(0.1)	-	(0.5)
Acquisitions of non-controlling interests	-	-	-	-	(16.3)
Settlement of financial derivatives	(7.0)	-	-	-	-
Re-issuance of treasury shares	3.8	0.7	1.5	1.4	-
Purchase of shares	(7.5)	(24.5)	(24.5)	(17.2)	(2.3)
Settlement of share awards	(3.1)	(3.8)	(9.0)	(1.5)	(1.1)
Payment of ordinary dividend	(28.9)	(25.8)	(38.8)	(35.4)	(31.1)
Net cash inflow from financing activities	(60.9)	(33.0)	(18.2)	23.9	79.0
Net decrease in cash and cash equivalents	(0.2)	6.9	(7.3)	(7.0)	(46.5)
Cash and cash equivalents at beginning of year	63.9	72.8	72.8	84.7	132.3
Effect of exchange rate fluctuations on cash held	10.9	(0.3)	(1.6)	(4.9)	(1.1)
Cash and cash equivalents at end of year	74.6	79.4	63.9	72.8	84.7

In the six months ended 30 June 2016, Regus Group revenues increased 10.3 per cent. at constant currency to £1,077.6 million (H1 2015: £937.0 million), an increase of 15.0 per cent. at actual rates. This strong improvement reflected stable underlying like-for-like mature growth and the contribution from additional locations. In the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, revenue was £1,927.0 million, £1,676.1 million and £1,533.5 million, respectively.

In the six months ended 30 June 2016, Regus Group gross profit improved three per cent. at constant currency rates to £225.2 million (H1 2015: £209.0 million), up eight per cent. at actual rates. In the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, gross profit was £428.4 million, £383.1 million and £373.8 million, respectively.

In the six months ended 30 June 2016, the Regus Group reported a non-recurring loss of £0.9 million. This was in respect of three items: the receipt of funds following the settlement of a third-party litigation action in the UK; additional provision relating to a litigation action in California; and a fair value adjustment to assets held for sale, which were disposed of subsequent to the half year. The non-recurring gain reported in the six months ended 30 June 2015 related to the sale of various portfolios of property assets acquired during 2014. The

		disposal raised £84 million of cash before expenses and resulted in a non-recurring profit of £21.3 million after expenses. The net finance charge for the six months ended 30 June 2016 decreased to £4.8 million from £7.2 million for the corresponding six month period in 2015. Although net debt as at 30 June 2016 was higher at £173.8 million compared with £136.9 million at 30 June 2015, the reduction in the net expense reflected lower funding costs in general but primarily a favourable foreign exchange movement, most notably in June 2016 following the weakness of sterling after the result of the UK referendum on membership of the EU. Within the overall net finance costs, the Regus Group also incurred a notional, non-cash, interest charge of £0.4 million in the six months ended 30 June 2016 (H1 2015: £0.8 million) relating to the accounting treatment of fair value adjustments on various acquisitions made in past years. In addition, there were also other non-cash costs of £1.2 million (H1 2015: £0.7 million) relating to the amortisation of upfront charges on the establishment of various borrowing facilities and the settlement of derivatives related to the Schuldschein Debt Securities. In the six months ended 30 June 2016, cash generated before the investment in growth capital expenditure, dividends and share repurchases, and excluding non-recurring items, increased 78 per cent. to £142.6 million (H1 2015: £79.9 million). In the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, cash generated before the investment in growth capital expenditure, dividends and share repurchases, and excluding non-recurring items, was £215.7 million, £175.6 million and £115.4 million, respectively. Save as set out above, there has been no significant change in Old Regus's financial condition and operating results during or subsequent to the period covered by the historical key financial information on Old Regus set out in this section.
B.8	**Selected key pro forma financial information**	Not applicable for IWG. IWG is a newly incorporated company and has not traded since its incorporation and, prior to the Scheme becoming effective, will not own any assets or have any liabilities. As a result of the Scheme becoming effective, IWG will become the ultimate holding company of the Regus Group and its assets, liabilities and earnings on a consolidated basis will be those of the Regus Group.
B.9	**Profit forecast / estimate**	Not applicable. No profit forecasts or estimates have been made.

B.10	**Audit report – qualifications**	Not applicable. The audit reports on the historical financial information contained in, or incorporated by reference into, this Prospectus are not qualified.
B.11	**Insufficient working capital**	Not applicable. IWG is of the opinion that, after taking into account available banking facilities, the working capital available to the Regus Group is sufficient for its present requirements; that is, for at least the next 12 months following the date of this Prospectus.

Section C – Securities		
Element		
C.1	**Type and class of securities**	Under the Scheme, based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) and assuming that no further Old Regus Ordinary Shares are issued or repurchased after 1 November 2016, the Old Regus Ordinary Shareholders will receive 927,275,319 ordinary shares of one penny each in the capital of IWG. When admitted to trading on the London Stock Exchange's main market for listed securities, the IWG Ordinary Shares will be registered with ISIN number JE00BYVQYS01 and SEDOL number BYVQYS0.
C.2	**Currency of issue**	The IWG Ordinary Shares will be denominated in pounds sterling and will be quoted and traded in pounds sterling.
C.3	**Issued share capital**	The aggregate nominal value of the issued share capital of IWG immediately following the Scheme becoming effective, based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) and assuming that no further Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased after 1 November 2016, is expected to be £9,272,753.19 divided into 927,275,319 ordinary shares of one penny each, all of which will be issued fully paid.
C.4	**Rights attaching to the IWG Ordinary Shares**	The IWG Ordinary Shares will be issued credited as fully paid and rank *pari passu* in all respects with each other, including in relation to any dividends or other distributions with a record date falling after the issue of the IWG Ordinary Shares. Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any IWG Ordinary Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other person(s) on the register for that share), IWG Ordinary Shareholders shall have the

		right to receive notice of and to attend and vote at general meetings of IWG. Subject to the provisions of the Jersey Companies Law, IWG may from time to time declare dividends and make other distributions on the IWG Ordinary Shares. IWG Ordinary Shareholders are entitled to participate in the assets of IWG attributable to their shares in a winding-up of IWG or other return of capital, but they have no rights of redemption.
C.5	**Restrictions on transfer**	The IWG Ordinary Shares are freely transferable and there are no restrictions on transfer. An IWG Ordinary Shareholder may transfer all or any of their IWG Ordinary Shares in any manner which is permitted by the Jersey Companies Law and is from time to time approved by the directors of IWG, subject to: • the absolute discretion of the directors of IWG to refuse to register any transfer of any certificated IWG Ordinary Share which is not fully paid up (but not so as to prevent dealings in IWG Ordinary Shares admitted to official listing by the UK Listing Authority from taking place on an open and proper basis) or on which IWG has a lien; • the absolute discretion of the directors of IWG to refuse to register any instrument of transfer of a certificated IWG Ordinary Share unless it is: (i) lodged at the registered office, or such other place as the directors of IWG may decide, for registration; (ii) accompanied by the share certificate for the IWG Ordinary Share to be transferred; (iii) accompanied by such other evidence as the directors of IWG may reasonably require to prove title of the intending transferor or his right to transfer the IWG Ordinary Share; and (iv) in respect of only one class of IWG Ordinary Shares; and • the restrictions on transfer which apply on the failure by a holder or interested person to provide requested information within 14 days of having been issued with a disclosure notice by IWG on the basis that IWG knows or has reasonable cause to believe that the person is either interested in IWG Ordinary Shares or has been so interested at any time during the three years immediately preceding the date on which the disclosure notice is issued.
C.6	**Admission to trading**	Application will be made to the UK Listing Authority for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the IWG Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities, subject in each case to the Scheme becoming effective. If the Scheme proceeds as

		currently envisaged, it is expected that such admissions will become effective and that dealings in the IWG Ordinary Shares will commence on the London Stock Exchange at 8:00 a.m. on 19 December 2016.
C.7	**Dividend policy**	Following the implementation of the Scheme, the IWG Directors intend to adopt the existing progressive dividend policy of Old Regus.

Section D - Risks		
Element		
D.1	**Key information on key risks that are specific to IWG or its industry**	• The Regus Group leases a substantial proportion of its centres. The profitability of the centres is impacted by movements in market rents, which, in turn, impact the price at which the Regus Group can sell to its customers. • In more difficult economic conditions, landlords may be willing to offer incentives such as rent-free periods or shorter leases. In addition, many companies may seek to reduce their costs by subletting, in many cases at below market rents. This may increase demand for traditional office space and adversely affect the Regus Group's business. • The Regus Group currently operates in a net debt position, meaning that an increase in interest rates would increase finance costs. • The Regus Group is subject to the significant influence of Mark Dixon. The Regus Group's business goals and those of Mr. Dixon may not always remain aligned. As a result, the market price of IWG Ordinary Shares could be adversely affected. • The Regus Group faces competition and if the Regus Group is unable to compete effectively it may be unable to maintain or expand its network of centres in the future and it may lose customers. • Current drivers of the growth of the flexible workspace market may not develop as expected and could hinder market demand for flexible workspaces. • Changes in the structure of the property industry could reduce demand for flexible workspaces.

		• Technological advances could require the Regus Group to make substantial investments to maintain its competitive position. • The Regus Group relies on relationships with its suppliers to build and operate its centres. Given the geographical spread of the business and ongoing growth in emerging markets, the Regus Group is exposed to the risk of fraud in the procurement process or through unlawful transactions with landlords or suppliers.
D.3	**Key information on the key risks that are specific to the securities**	• There are risks that the Proposals will not be implemented on a timely basis or at all. • The price of IWG Ordinary Shares may fluctuate. • The IWG Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in the IWG Ordinary Shares by a person whose principal currency is not pounds sterling exposes the investor to foreign currency risk.

Section E - Offer		
<u>Element</u>		
E.1	**Net proceeds/expenses**	IWG is not seeking to raise any capital from shareholders so there will be no proceeds of the Scheme. The total costs, charges and expenses payable by the Regus Group in connection with the Proposals are estimated to be £2.5 million (exclusive of amounts in respect of VAT). No expenses will be charged to the shareholders of Old Regus or IWG.
E.2a	**Reasons for the Scheme**	If the Scheme is implemented, a new company, incorporated in Jersey and with its head office in Switzerland, will become the holding company of the Regus Group. The new holding company will be called “IWG plc” (International Workplace Group). This change in name is to reflect the continuing progression of the Regus Group in its provision of a broad spectrum of flexible work solutions across multiple brands. It is also in recognition of the Board’s view of the broader market opportunities that the Regus Group can develop. However, the Regus Group will continue to use the Regus brand extensively, which has served it well for over 27 years.

		It is expected that the Regus Group will continue to develop as an international business. Since the relocation of the Regus Group's headquarters and place of central administration to Luxembourg in 2008 there have been a number of material changes in the way that the Regus Group operates and to the various regulatory frameworks that govern the business. The Board believes that the future growth of the Regus Group would now be supported by the relocation of the Regus Group's headquarters to Switzerland. As the Regus Group continues to develop worldwide there has been an increasing presence of senior management located in Switzerland. Significantly, in November 2015, the Regus Group appointed Dominik de Daniel to the position of Group Chief Financial Officer and Chief Operating Officer. Mr de Daniel lives in Switzerland and many of his direct and indirect reports are also based there. The Regus Group's financial control, treasury and procurement functions are all now run from Switzerland and, as the business continues to centralise its key functions in order to achieve synergies of scale, the Board considers that this hub will continue to grow further. The Board has also considered the current regulatory regime that governs Old Regus. Old Regus is incorporated in Jersey and has its place of central administration (head office) in Luxembourg. This means that both Jersey and Luxembourg company legislation applies to Old Regus. Whilst individually neither jurisdiction provides a particularly onerous regime, governance by two different regimes at the same time has become increasingly burdensome for the Regus Group to manage. In contrast, IWG, as a Jersey incorporated company having its head office in Switzerland, will not be governed by Swiss company law but only by Jersey company law. It is important to note that the Takeover Code will apply to IWG as it does to Old Regus. Accordingly, takeover bids and merger transactions of IWG, other transactions which have as their objective or potential effect obtaining or consolidating control of IWG, as well as partial offers for securities in IWG, will be regulated by the Takeover Panel. In addition to the immediate benefits that the Regus Group will enjoy from changing its corporate headquarters, there continues to be some medium to long term uncertainty surrounding the future shape of the EU and in particular its increasingly complex legislative environment. As Switzerland is outside the EU, the Board considers that there may be advantages from being domiciled there.
E.3	**Terms and conditions of the Scheme**	Under the Scheme, Old Regus Ordinary Shareholders at the Scheme Record Time will receive, in exchange for their Old Regus Ordinary Shares, IWG Ordinary Shares on the following basis:

		for every one Old Regus Ordinary Share, one IWG Ordinary Share Accordingly, immediately upon the Scheme becoming effective, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective. Implementation of the Scheme is conditional (amongst other things) upon: • the Scheme being approved by a majority in number, representing three-fourths in voting rights, of the Old Regus Ordinary Shareholders present and voting, either in person or by proxy, at the Court Meeting; • the resolutions set out in the notice of the Extraordinary General Meeting, which include certain matters in connection with the Scheme, being passed by the requisite majorities of Old Regus Ordinary Shareholders at the Extraordinary General Meeting; • the Scheme being sanctioned by the Jersey Court at the Court Hearing; and • a copy of the order of the Jersey Court sanctioning the Scheme having been delivered to the Jersey Registrar of Companies for registration. If the Scheme and related matters are approved by the required majorities at the Court Meeting and the Extraordinary General Meeting, an application will be made to the Jersey Court to sanction the Scheme at the Court Hearing. The IWG Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following conditions have been satisfied: • the UK Listing Authority has agreed to admit (subject to the satisfaction of the above conditions, save to the extent already satisfied) the IWG Ordinary Shares to be issued in connection with the Scheme to the Official List and its agreement has not been withdrawn prior to the Scheme Effective Date; and • the London Stock Exchange has agreed to admit the IWG Ordinary Shares to be issued in connection with the Scheme to trading on its main market for listed securities and its

		agreement has not been withdrawn prior to the Scheme Effective Date. If the conditions above are satisfied, the Scheme is expected to become effective, and dealings in IWG Ordinary Shares are expected to commence, at 8:00 a.m. on 19 December 2016.
E.4	**Material interests**	Not applicable. There are no interests known to IWG, including any conflicting interests, which are material to the issue of the IWG Ordinary Shares.
E.5	**Selling Shareholders and Lock-up**	Not applicable. There is no person or entity offering to sell the IWG Ordinary Shares and there are no lock-up arrangements.
E.6	**Dilution**	This Prospectus does not comprise an offer of IWG Ordinary Shares. If the Scheme becomes effective, existing Old Regus Ordinary Shareholders will receive, for every one Old Regus Ordinary Share held, one IWG Ordinary Share, and accordingly there will be no dilution for existing Old Regus Ordinary Shareholders.
E.7	**Expenses charged to the investor**	Not applicable. No commissions, fees or expenses will be charged to shareholders by IWG or Old Regus.

RISK FACTORS

An investment in the IWG Ordinary Shares is subject to a number of risks. Prior to investing in such securities, prospective investors should consider carefully the factors and risks associated with any investment in the IWG Ordinary Shares and the Regus Group and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Regus Group's business, its industry and the IWG Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the IWG Ordinary Shares. However, as the risks which the IWG Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks and uncertainties set out below, which are not set out in any order of priority, represent the risks and uncertainties associated with any investment in the IWG Ordinary Shares and the Regus Group and the industry in which it operates that are known to the IWG Directors as at the date of this Prospectus, which the IWG Directors consider to be material. Additional risks and uncertainties that are not currently known to the IWG Directors, or that the IWG Directors currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, results of operations or financial condition of the Regus Group and, if any such risk should materialise, the price of the IWG Ordinary Shares may decline and investors could lose all or part of their investment. Prospective investors should carefully consider whether an investment in the IWG Ordinary Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

The information given is as at the date of this Prospectus and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified in the section of this Prospectus headed 'Forward-looking statements'.

1. Risk factors related to the Regus Group's business

Profitability impacted by lease terms

The Regus Group leases a substantial proportion of its centres. The profitability of the centres is impacted by movements in market rents, which, in turn, impact the price at which the Regus Group can sell to its customers. The outstanding terms on leases with landlords are, on average, significantly longer than the outstanding terms on contracts with customers, which creates a potential mismatch if rentals fall significantly, which can impact profitability and cash flows.

Traditional office space may become a greater competitive threat in difficult economic conditions

In more difficult economic conditions, landlords may be willing to offer incentives such as rent-free periods or shorter leases. This is particularly the case in markets which have substantial excess capacity. In addition, many companies may seek to reduce their costs by subletting, in many cases at below market rents. This may increase demand for traditional office space and adversely affect the Regus Group’s business.

The Regus Group is exposed to foreign exchange, interest rate, economic and, in some instances, political risks as well as other geographical risks related to the countries in which the Regus Group operates, which could cause an adverse impact on the business of the Regus Group

The Regus Group operated in 114 countries around the world as at 30 September 2016 and its overall success as a global business depends, in part, upon its ability to succeed in differing economic, social and political conditions. The Regus Group is confronted with different legal and regulatory requirements in many jurisdictions. These include, but are not limited to, different tax regimes, laws relating to health and safety and laws relating to the repatriation of funds or nationalisation of assets. The Regus Group’s international operations also expose the Regus Group to different local business risks and challenges, such as exchange rate risks in translating non-pounds sterling profits, management and control of an international organisation and other political risks.

Foreign currency exchange rate risk

The principal exposures of the Regus Group are to the US dollar and the Euro, with approximately 34 per cent. of the Regus Group’s revenues being attributable to the US dollar and 13 per cent. to the Euro respectively as at 31 December 2015.

Given that transactions generally take place in the functional currency of the Regus Group companies, the Regus Group’s exposure to transactional foreign exchange is limited. However, the translation into pounds sterling of overseas profits and net assets will be affected by prevailing exchange rates. In the event that either the US dollar or Euro were to depreciate or appreciate significantly against pounds sterling, this would have an adverse or beneficial impact to the Regus Group’s reported performance and position respectively.

Interest rate risk

The Regus Group operates in a net debt position, meaning that an increase in interest rates would increase finance costs. The Regus Group must therefore constantly monitor its interest rate exposure. The debt provided under the RCF is at a floating rate. However, as part of the Regus Group's balance sheet management and to protect against a future increase in interest rates, in the six months ended 30 June 2016, £50 million was swapped into a fixed rate liability for a three year period with an average fixed rate of 0.6310 per cent. (excluding funding margin).

The Regus Group may incur significant costs related to the refurbishment of its centres or the reinstatement of the properties it rents

The terms of most building leases require the Regus Group to ensure that a property is kept in repair throughout the lease term and that alterations carried out to the premises are reinstated at the end of the lease term. The Regus Group cannot guarantee that reinstatement costs and, if the Regus Group has failed to comply with its repairing obligations during the lease term, full repairing costs may not be incurred on termination of such leases, causing an adverse impact on its results of operations and financial condition. However, landlords often regard the nature of the changes made to properties by the Regus Group as improvements and so the Regus Group estimates that any material dilapidation costs are unlikely.

Holders of IWG Ordinary Shares may have difficulty assessing the business of the Regus Group because the flexible workspace market is a developing and rapidly evolving sector and there are very few other public companies in this sector

IWG Ordinary Shareholders may have difficulty assessing the business of the Regus Group because the flexible workspace market is a developing and rapidly evolving sector and there are very few other public companies in this sector. Performance and trends are therefore more difficult to assess than in many other more established sectors.

The Regus Group is subject to the significant influence of Mark Dixon

Immediately upon the Scheme becoming effective, the Chief Executive Officer of the Regus Group, Mark Dixon, is expected to own approximately 27.79 per cent. of the IWG Ordinary Shares (assuming that no Old Regus Ordinary Shares are purchased or sold by Mr. Dixon after 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), and no Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased by Old Regus or IWG after 1 November 2016).

As a major shareholder of IWG, Mr. Dixon will be able to exercise significant influence over the Regus Group's operations, including the election of the Board, the declaration of some dividends, the approval or disapproval of major corporate transactions and the determination of other matters to be decided by IWG Ordinary Shareholders. The Regus Group's business goals and those of Mr. Dixon may not always remain aligned. As a result, the market price of IWG Ordinary Shares could be adversely affected. However, Mr. Dixon, in his capacity as a director, is under a fiduciary duty at law to act honestly and in good faith with a view to the best interests of IWG.

Demand for the Regus Group's products and services may be adversely affected by general economic conditions and consumer trends beyond the Regus Group's control

As with other industries, demand for the Regus Group's products and services is influenced by general economic conditions and consumer trends beyond the Regus Group's control. There can be no assurance that the Regus Group's business, financial condition and results of operations will not be adversely affected by general economic conditions or consumer trends.

Exposure to UK political developments, including the outcome of the UK referendum on membership of the EU

On 23 June 2016, a referendum was held on the UK's membership of the EU, the outcome of which was a vote in favour of leaving the EU. The result of the referendum means that the long term nature of the UK's relationship with the EU is unclear and this seems likely to result in a sustained period of political and economic uncertainty. Any such uncertainty could result in significant volatility in financial markets and could adversely affect the value of pounds sterling. Furthermore, depending on the terms reached as regards any exit from the EU, it is possible that there may be adverse practical and/or operational implications for the Regus Group. This is particularly the case because some of the Regus Group's operations are based in the UK. The Regus Group is monitoring political developments to identify and assess the medium- to long-term implications of the UK's vote to exit the EU and the impact that it may have on the business of the Regus Group.

The Regus Group relies on a centrally managed applications and systems environment

The Regus Group's systems and applications are housed in a central data centre. The data centre could be impacted as a result of circumstances outside the Regus Group's control. While the Regus Group has in place back up and other mitigating measures to protect its critical systems, an impact resulting from circumstances outside the Regus Group's control could have an adverse impact on the Regus Group's operations and therefore its financial results.

The Regus Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees for the success of its business

The successful management and operations of the Regus Group are reliant upon the contributions of its senior management and other key personnel, including the employees that service its customers and maintain its client relationships. In addition, the Regus Group's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified employees. There can be no assurances that the Regus Group will be able to retain its senior management or other key personnel, or that the Regus Group will be able to attract new personnel to support the growth of its business.

The Regus Group may not be able to obtain additional financing on favourable terms, or at all

The Regus Group relies on external funding to support a net debt position of £158.1 million as at 30 September 2016. In the event that its current sources of liquidity do not satisfy the Regus Group's needs, it may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the Regus Group's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Regus Group's long- or short-term financial prospects if it incurs large investment losses or if the level of business activity decreased due to a market downturn. Any failure by the Regus Group to obtain required financing successfully may have a material adverse effect on the Regus Group's reputation, financial condition and results of operations.

This paragraph is not intended to qualify the working capital statement set out in Part I of this Prospectus.

The Regus Group is subject to regulation regarding the use of personal data

The Regus Group is required to comply with strict data protection and privacy legislation in the jurisdictions in which the Regus Group operates. Such laws restrict the Regus Group's ability to collect and use personal information relating to its customers and third parties, including the marketing use of that information. The need to comply with data protection legislation is a significant control, operational and reputational risk which can affect the Regus Group in a number of ways including, for example, making it more difficult to grow and maintain marketing data and also through potential litigation relating to the alleged misuse of personal data. In some cases, the Regus Group may rely on third party contractors and employees to maintain its databases and seeks to ensure that procedures are in place to comply with the relevant data protection regulations. The Regus Group is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of the Regus Group. If the Regus Group or any third party service providers on which it may rely fails to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Regus Group could face liability under data protection laws and/or suffer reputational damage from the resulting lost goodwill of individuals such as customers or employees, as well as deterring new customers.

Changes in tax laws or their application or interpretation may adversely impact the Regus Group

The Regus Group operates in a large number of countries. Accordingly, its earnings are subject to tax in many jurisdictions. Relevant authorities may amend the substance or interpretation of tax laws that apply to the Regus Group's businesses, in a manner that is adverse to the Regus Group (for example as a result of changes in fiscal circumstances or priorities). The Regus Group is growing its business in emerging markets where tax frameworks are not as well developed which increases this risk. There can therefore be no assurance that the various levels of taxation to which the Regus Group is subject will not be increased or changed in a manner that is adverse to the Regus Group. In addition, if any Regus Group company is found to be, or to have been, tax resident in any jurisdiction other than those in which the Regus Group company is currently deemed to be tax resident or to have a permanent establishment (or other form of liability to tax) in any such jurisdiction (whether on the basis of existing law or the current application and interpretation of any tax authority or by reason of a change in law or application or interpretation), then that may have a material adverse effect on the amount of tax payable by the Regus Group.

The Regus Group may be adversely affected by enforcement of and changes in legislation and regulation affecting its businesses and that of its customers

The Regus Group, like its customers, is required to comply with various laws, regulations, administrative actions and policies. Compliance with these laws and regulations may impose significant compliance costs and restrictions on the Regus Group. If the Regus Group fails to comply with these laws and regulations, the Regus Group may have to pay penalties or private damages awards. In addition, such regulations often provide broad discretion to the administering authorities and changes in existing laws or regulations, or in their interpretation or enforcement, could require the Regus Group to incur additional costs in complying with those laws, or require changes to its strategy, operations or accounting and reporting systems, leading to additional costs or loss of revenue.

Returns on investment for new centres may be lower than those achieved historically

The strategy of the Regus Group is to address the significant structural growth opportunity in the flexible workspace market by developing national networks through the addition of new locations, both organically and by acquisition. Accordingly, the Regus Group invests significant amounts in net growth capital expenditure in new locations. Whilst the Regus Group retains a disciplined approach to such investment and seeks to enhance returns and reduce risk through detailed country plans and use of partnership deals, for example, it is possible that future post-tax cash returns on investment may be lower than those achieved historically and/or management's expectations.

Landlord and supplier and procurement related fraud

The Regus Group relies on relationships with its suppliers to build and operate its centres. Given the geographical spread of the business and ongoing growth in emerging markets, the Regus Group is exposed to the risk of fraud in the procurement process or through unlawful transactions with landlords or suppliers. The Regus Group manages this risk through a rigorous investment approval process and from significant oversight on supplier arrangements and spend. The Regus Group also operates a strict governance framework with zero tolerance over bribery and corruption. A material fraud, however, could have an adverse financial and reputational impact on the Regus Group.

2. Risk factors related to the flexible workspace industry

The Regus Group faces competition and if the Regus Group is unable to compete effectively it may be unable to maintain or expand its network of centres in the future and it may lose customers

Barriers to entry into the flexible workspace market at the local level are low. Although barriers to establishing a national or international network are higher, the Regus Group cannot guarantee that these barriers will remain or will deter new entrants or existing competitors. In addition, there is the potential for local operators to overcome these barriers to establishing wider networks by forming alliances. There is also the potential for property companies, hotel operators or other companies to enter the market, either alone or in collaboration with service providers such as the Regus Group. If the Regus Group is unable to respond adequately to the competitive challenges it faces or to establish a sustainable competitive advantage, it may be unable to maintain its network of centres and it may lose market share. In addition, in more competitive markets there is pressure on the Regus Group's prices causing an adverse impact on its revenue and profitability.

Current drivers of the growth of the flexible workspace market may not develop as expected and could hinder market demand for flexible workspaces

There can be no assurance that the factors that the Regus Group expects to drive the long-term growth of the flexible workspace market in the future will in fact do so. For example, the trends towards globalisation of trade and increased outsourcing of office and related services may not develop as expected.

Changes in the structure of the property industry could reduce demand for flexible workspaces

In some markets, the attraction of the Regus Group's products derives in part from the long term nature of leases for traditional office space. A shortening of normal lease terms or other changes in the property market could make flexible workspaces less attractive to customers.

Technological advances could require the Regus Group to make substantial investments to maintain its competitive position

The Regus Group provides its customers with access to information technology and telecommunications equipment and infrastructure for use in their businesses. The Regus Group cannot guarantee that there will not be significant developments in the technology which businesses use that would require the Regus Group to make a further substantial investment in new technology to maintain its competitive position or which would adversely affect the attraction of the products of the Regus Group.

Technological trends could increase the Regus Group's risk to cyber attacks

The trend towards an integrated digital economy requires the Regus Group to offer its customers a comprehensive range of online capability including extensive Wi-Fi and external cloud services. This in turn increases the risk of malicious attacks and other cyber security risks.

3. Risk factors relating to the Proposals and IWG Ordinary Shares

There are risks that the Proposals will not be implemented on a timely basis or at all

Implementation of the Proposals is conditional upon, among other things, approval of the Scheme at the Court Meeting, approval of the Scheme at the Extraordinary General Meeting and sanction of the Scheme by the Jersey Court at the Court Hearing. There are risks that the conditions of the Proposals will not be satisfied on a timely basis or at all. If such conditions are not satisfied, or where applicable, waived, the Proposals will not be implemented and the benefits expected to result from the Proposals will not be achieved. There is also a risk that, even if the Proposals are implemented, the benefits expected to result therefrom will not be achieved.

The price of IWG Ordinary Shares may fluctuate

The price of Old Regus Ordinary Shares has fluctuated and the price of the IWG Ordinary Shares may continue to do so. The price of IWG Ordinary Shares may fluctuate as a result of a variety of factors including: the financial performance of the Regus Group; the operating and share price performance of other companies in the industry and markets in which the Regus Group operates; speculation about the Regus Group's business in the press, media or the investment community; changes to the Regus Group's sales or profit estimates; the publication of research reports by analysts; and general market conditions. The price of IWG Ordinary

Shares may go down as well as up and investors may, therefore, not recover their original investment.

Although the IWG Directors are not currently aware of any reason to do so, IWG may issue additional shares in the future, which may adversely affect the price of IWG Ordinary Shares in the longer term.

Substantial sales of IWG Ordinary Shares could cause the price to decline

There can be no assurance that the directors of IWG and executive officers of the Regus Group, including Mark Dixon, will not elect to sell their IWG Ordinary Shares at some point in the future. The market price of IWG Ordinary Shares could decline as a result of any such sale by the directors of IWG or executive officers of the Regus Group or the perception that these sales could occur. If these, or any other, sales were to occur, the Regus Group may have difficulty in offering or selling securities in the future at a time or at a price it deems appropriate.

An investor whose principal currency is not pounds sterling is exposed to foreign currency risk

The IWG Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in the IWG Ordinary Shares by a person whose principal currency is not pounds sterling exposes the investor to foreign currency risk.

The ability of IWG to declare future dividends cannot be guaranteed

The ability of IWG to pay dividends on the IWG Ordinary Shares and effect certain returns of capital is dependent upon, among other things, it having sufficient cash resources (and, where necessary, sufficient distributable reserves) out of which any proposed distribution, return of capital or dividend may be paid. IWG is a holding company and is dependent on payment of dividends, distributions, loans or advances to IWG by its subsidiaries in order to make distributions. Any payment of dividends, distributions, loans or advances to IWG by its subsidiaries is dependent upon the business and financial condition, earnings and cash flow position and other factors affecting such subsidiaries. Any reduction in dividends paid on the IWG Ordinary Shares from those historically paid, or the failure to pay dividends in any financial year, could adversely affect the market price of IWG Ordinary Shares.

US and other non-EU shareholders may not be able to participate in future equity offerings

In the case of certain increases in IWG's issued share capital, existing shareholders of IWG are generally entitled to pre-emption rights to subscribe for such shares, unless shareholders waive such rights by a resolution at a shareholders' meeting, or in certain other circumstances as stated in the IWG Articles. US and certain other non-EU holders of shares are customarily excluded from exercising any such pre-emption rights they may have, unless exemptions from any overseas securities law requirements are available. IWG cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other non-EU holders to exercise such pre-emption rights or, if available, that IWG will utilise any such exemption.

IMPORTANT INFORMATION

1. General

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and any documents incorporated by reference and, if given or made, such information or representations must not be relied on as having been so authorised by IWG, the IWG Directors or Investec. Without prejudice to any obligation of IWG to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any allotment of IWG Ordinary Shares as a result of the Scheme will, under any circumstances, create any implication that there has been no change in the affairs of the Regus Group since the date of this Prospectus or that the information in it is correct as of any time that is subsequent to the date of this Prospectus.

Nothing in this Prospectus or anything communicated to the holders or potential holders of any IWG Ordinary Shares (or interests in them) by or on behalf of IWG is intended to constitute or should be construed as advice on the merits of the purchase of, or subscription for, any IWG Ordinary Shares (or interests in them) or the exercise of any rights attached to the IWG Ordinary Shares (or interests in them). The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice. It should be remembered that the price of securities and the income from them can go down as well as up.

Investec, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the UK, is acting for IWG and no one else in connection with the Proposals and/or Admission and will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Proposals and will not be responsible to anyone other than IWG for providing the protections afforded to its clients or for providing advice in relation to the Proposals, Admission, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility or liability whatsoever, and makes no representation or warranty, express or implied, in relation to the contents of this Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, Old Regus, IWG, the IWG Directors or any other person in connection with the Proposals or Admission, and nothing in this Prospectus shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Investec accordingly disclaims all and any liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

Investec and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, Old Regus and IWG, for which they would have received customary fees. Investec and its affiliates may provide such services to Old Regus and IWG and any of their affiliates in the future.

2. Presentation of financial information

Unless otherwise stated, financial information relating to the Regus Group has been extracted without material adjustment from:

- the 2016 Interim Results;
- the 2015 Financial Statements;
- the 2014 Financial Statements; and
- the 2013 Financial Statements,

(together, the "**Financial Statements**").

The Financial Statements have been incorporated by reference in this Prospectus. Please refer to Part III of this Prospectus.

Unless otherwise indicated (including in paragraph 3 below), financial information in this Prospectus relating to the Regus Group has been prepared in accordance with IFRS and in accordance with the Regus Group's accounting policies.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Regus Group's accounting policies. Please see paragraph 4 of Part II for further information. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information, are disclosed in the notes to the Financial Statements incorporated by reference in this Prospectus.

3. Non-IFRS financial information

In this Prospectus, certain financial measures are presented that are not recognised IFRS, as set out below:

£'m, unless otherwise indicated	**Six months ended 30 June**		**Year ended 31 December**		
(Unaudited)	**2016**	**2015**	**2015**	**2014**	**2013**
Group revenue increase at constant currency	10.3%	-	15.9%	15.8%	-
Group operating profit increase at constant currency	3.0%	-	12.0%	9.0%	-
Group overheads increase at constant currency	(9.0%)	-	2.0%	4.0%	-
Underlying operating profit	90.0	65.0	144.8	-	-
Underlying operating margin	-	-	7.5%	-	-
Underlying profit before tax	85.2	57.8	-		-
Underlying effective tax rate	20.3%	20.6%	19.9%	-	-
Underlying profit for the period	67.9	45.9	-		-
EBITDA	177.7	157.6	-		-
Underlying EBITDA	178.6	136.3	-		-
Underlying EPS	7.3p	4.9p	11.2p	-	-
Underlying cash generation	142.6	79.9	215.7	175.6	115.4
Net growth capital expenditure	(83.1)	(120.0)	(284.9)	(206.6)	(260.2)

Since the Regus Group operated in 114 countries as at 30 September 2016, it is exposed to translation risk on fluctuations in foreign exchange rates, and as such the Regus Group's reported revenue, operating profit and EBITDA (earnings before interest, taxation, depreciation and amortisation) will be impacted by movements in actual exchange rates. Old Regus presents its financial results on a constant currency basis in order to eliminate the impact of foreign exchange rates on reported revenues, operating profit and EBITDA and to evaluate the underlying operational performance of the Regus Group's businesses. A description of constant currency appears below under ''Constant currency''.

Old Regus also presents its financial results on an underlying basis to eliminate the impact of non-recurring items on the underlying performance of the operations. The Directors use this underlying performance to enhance comparability between periods in evaluating the Regus Group's business performance and like-for-like growth.

Underlying cash generation is calculated as the cash flows generated before growth capital expenditure, share repurchases, dividends and non-recurring disposal proceeds.

Net growth capital expenditure represents the net investment in the growth of the Regus Group estate (defined as the investment in those centres opened in the current and prior calendar year). The investment is calculated as the gross capital expenditure incurred less the partner contributions received.

These non-IFRS financial measures are included in this Prospectus as they are used by management to monitor and report to the Board on the Regus Group's trading performance and financial position. The Directors believe that these measures enhance prospective investors' understanding of the Regus Group's underlying business performance. Certain non-IFRS financial measures, such as EBITDA, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity.

However, these non-IFRS financial measures are not measures based on IFRS or any other internationally accepted accounting principles, and prospective investors should not consider such items as an alternative to the historical financial position of the Regus Group or other indicators of the Regus Group's cash flow and forward position based on IFRS measures. The non-IFRS financial measures, as defined herein, may not be comparable to similarly-titled measures as presented by other companies due to differences in the way the Regus Group's non-IFRS financial measures are calculated. Even though the non-IFRS financial measures are used by management to assess the Regus Group's financial position and these types of measures are commonly used by investors, they have important limitations as analytical tools, and prospective investors should not consider them in isolation or as substitutes for analysis of the Regus Group's position or results as reported under IFRS.

4. Constant currency

Financial information on a constant currency basis is unaudited and reflects an adjustment to eliminate the effect of exchange rate movements on the Regus Group's financial results. The Directors use financial information, including revenue, gross profits and operating profit, on a constant currency basis to eliminate the impact of exchange rate movements and to enhance comparability between periods in evaluating the Regus Group's business performance and like-for-like growth.

In this Prospectus, financial information on a constant currency basis has been presented based on the following applicable exchange rates:

Per £ sterling	**Year ended 31 December**			
	2016	**2015**	**2014**	**2013**
Euro	1.36	1.28	1.20	1.23
US Dollar	1.48	1.56	1.65	1.62
Japanese Yen	179	186	174	140

The Regus Group believes that constant currency measures have limitations, particularly as the currency effects that are eliminated may constitute a significant element of the Regus Group's revenue and expenses and could materially impact the Regus Group's performance. The Directors do not evaluate the Regus Group's results and performance on a constant currency basis without also evaluating the Regus Group's financial information prepared at actual foreign exchange rates in accordance with IFRS.

Constant currency measures should be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS.

5. Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Regus Group's intentions, beliefs or current expectations concerning, amongst other things, the Regus Group's prospects, growth and strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Regus Group's actual performance, achievements and financial condition may differ materially from those described in, or suggested by, the forward-looking statements in this Prospectus. In addition, even if the results of operations and financial position, and the development of the markets and the industry in which the Regus Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors are advised to read, in particular, the section of this Prospectus headed "Risk Factors" and Part II of this Prospectus for a more complete discussion of the factors that could affect IWG's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur.

Any forward-looking statements in this Prospectus speak only as at the date of such statement, and none of IWG, the IWG Directors or Investec undertakes any obligation to update such statements unless required to do so by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules or any other applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

The contents of these paragraphs relating to forward-looking statements are not intended to qualify the working capital statement set out in Part I of this Prospectus.

6. Currency presentation

The Regus Group operates in a number of countries and earns money and makes payments in different currencies. The Regus Group prepares its financial statements in pounds sterling. All references in this Prospectus to “pounds sterling”, “sterling”, “£”, “pence”, “penny” or “p” are to the lawful currency of the UK, all references to “US” or “US dollars” are to the lawful currency of the US, and all references to “€” or “Euro” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community.

7. Rounding

Percentages and certain amounts which appear in this Prospectus have been subject to rounding adjustments and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

8. Sources of information

Where information contained in this Prospectus has been sourced from a third party, IWG and the IWG Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information in this Prospectus has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. IWG has not independently verified any of the data from third party sources nor has it ascertained the underlying economic assumptions relied upon therein.

9. Defined terms

Certain terms used in this Prospectus, including certain capitalised terms and certain technical and other terms, are defined in Part VII of this Prospectus.

10. References to time

Unless otherwise stated, all references to time in this Prospectus are to the time on the relevant date in London, United Kingdom.

11. Incorporation by reference

Certain information has been incorporated by reference in this Prospectus. Please see Part VI of this Prospectus for further details of the information incorporated by reference.

12. No incorporation of website

Neither the content of the Regus Group's website, nor the content of any website accessible from hyperlinks on the Regus Group's website, is incorporated into, or forms part of, this Prospectus, and investors should not rely on them, without prejudice to the documents incorporated by reference into this Prospectus, which are expected to be made available on the Regus Group's website.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

IWG DIRECTORS

Douglas Sutherland – Chairman
Mark Dixon – Chief Executive Officer
Dominik de Daniel – Chief Financial Officer and Chief Operating Officer
Lance Browne – Senior Independent Non-executive Director
Elmar Heggen – Independent Non-executive Director
Florence Pierre – Independent Non-executive Director
François Pauly – Independent Non-executive Director
Nina Henderson – Independent Non-executive Director

COMPANY SECRETARY	Timothy Regan	**REGISTERED OFFICE**	22 Grenville Street, St Helier, Jersey JE4 8PX
SPONSOR AND FINANCIAL ADVISER	Investec Bank plc, 2 Gresham Street, London, EC2V 7QP, United Kingdom	**HEAD OFFICE**	Dammstrasse 19, CH-6300, Zug, Switzerland
AUDITOR OF OLD REGUS	KPMG Luxembourg, Société coopérative, 39, Avenue John F. Kennedy, L-1855 Luxembourg	**LEGAL ADVISERS TO THE SPONSOR AND FINANCIAL ADVISER**	Osborne Clarke LLP, One London Wall, London EC2Y 5EB, United Kingdom
AUDITOR OF IWG	KPMG Ireland, 1 Stokes Place, St Stephen's Green, Dublin 2, Ireland	**LEGAL ADVISERS ON ENGLISH LAW**	Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom
REGISTRARS OF OLD REGUS	Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT	**LEGAL ADVISERS ON JERSEY LAW**	Mourant Ozannes, 22 Grenville Street, St Helier, Jersey JE4 8PX
REGISTRARS OF IWG	Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT	**LEGAL ADVISERS ON SWISS LAW**	Bär & Karrer Ltd, Brandschenkestrasse 90 CH-8027, Zurich, Switzerland
RECEIVING AGENT	Capita Asset Services, Corporate Actions, The Registry, 34, Beckenham Road, Beckenham, Kent BR3 4TU		

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

1:00 p.m. (London time) / 2:00 p.m. (Luxembourg time) on 1 December 2016	Latest time for receipt by the Registrars of BLUE form of proxy from Old Regus Ordinary Shareholders for the Court Meeting (1)
1:15 p.m. (London time) / 2:15 p.m. (Luxembourg time) on 1 December 2016	Latest time for receipt by the Registrars of WHITE form of proxy from Old Regus Ordinary Shareholders for the Extraordinary General Meeting
6:00 p.m. (London time) / 7:00 p.m. (Luxembourg time) on 1 December 2016	Voting Record Time for the Court Meeting and the Extraordinary General Meeting (2)
1:00 p.m. (London time) / 2:00 p.m. (Luxembourg time) on 5 December 2016	Court Meeting
1:15 p.m. (London time) / 2:15 p.m. (Luxembourg time) on 5 December 2016	Extraordinary General Meeting (3), (4)

The following dates are indicative only (5)

10:00 am (London time) / 11:00 a.m. (Luxembourg time) on 15 December 2016	Jersey Court Hearing to sanction the Scheme (5)
16 December 2016	Last day of dealings in Old Regus Ordinary Shares (5)
6:00 p.m. (London time) / 7:00 p.m. (Luxembourg time) on 16 December 2016	Scheme Record Time (5)
19 December 2016	Scheme Effective Date (5)
8:00 a.m. (London time) / 9:00 a.m. (Luxembourg time) on 19 December 2016	Delisting of Old Regus Ordinary Shares, admission and listing of IWG Ordinary Shares, crediting of IWG Ordinary Shares in uncertificated form to CREST accounts and commencement of dealings in IWG Ordinary Shares on the London Stock Exchange's main market for listed securities (5)
At or around 12:00 pm (London time) / 1:00 pm (Luxembourg time) on 19 December 2016	IWG Reduction of Capital becomes effective (5)
Within 10 Business Days of the Scheme becoming Effective	Dispatch of share certificates in respect of IWG Ordinary Shares in certificated form (5)

Notes:

(1) BLUE forms of proxy for the Court Meeting not returned by this time may be handed to the Chairman or the Registrars at the Court Meeting prior to the vote being taken (to be valid, WHITE forms of proxy for the Extraordinary General Meeting must be lodged at least 48 hours (excluding non-working days) before the time appointed for the Extraordinary General Meeting).

(2) If either the Court Meeting or the Extraordinary General Meeting is adjourned, the voting record time for the adjourned meeting will be 6:00 p.m. (London time) on the date falling two days (excluding non-working days) before the adjourned meeting.

(3) Under Luxembourg law, the quorum for the Extraordinary General Meeting is members representing at least 50 per cent. of the issued share capital (excluding shares which do not carry a right to attend and vote at general meetings and treasury shares) present in person or by proxy. In the event that the Extraordinary General Meeting is adjourned, it may be reconvened on not less than 17 clear days' notice.

(4) To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned.

(5) These times and dates are indicative only and will depend, amongst other things, on whether the Court Meeting and the Extraordinary General meeting are adjourned for any reason, the date on which the Jersey Court

sanctions the Scheme, the date on which the Act of Court issued by the Jersey Court is delivered to the Jersey Registrar of Companies for registration and / or the date on which the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law are registered by the Jersey Registrar of Companies.

The dates given are based on the IWG Directors' expectations and may be subject to change. If the scheduled date of the Jersey Court Hearing to sanction the Scheme is changed, Old Regus will give notice of the change by issuing an announcement through a Regulatory Information Service. All Old Regus Ordinary Shareholders have the right to attend, in person or by counsel, to support or oppose the Jersey Court Hearing to sanction the Scheme.

PART I – INFORMATION ON IWG AND THE REGUS GROUP

1. The Proposals

1.1 Background to and reasons for the Scheme

If the Scheme is implemented, a new company, incorporated in Jersey and with its head office in Switzerland, will become the holding company of the Regus Group.

The new holding company will be called “IWG plc” (International Workplace Group). This change in name is to reflect the continuing progression of the Regus Group in its provision of a broad spectrum of flexible work solutions across multiple brands. It is also in recognition of the Board’s view of the broader market opportunities that the Regus Group can develop. However, the Regus Group will continue to use the Regus brand extensively, which has served it well for over 27 years.

It is expected that the Regus Group will continue to develop as an international business. Since the relocation of the Regus Group’s headquarters and place of central administration to Luxembourg in 2008 there have been a number of material changes in the way that the Regus Group operates and to the various regulatory frameworks that govern the business. The Board believes that the future growth of the Regus Group would now be supported by the relocation of the Regus Group’s headquarters to Switzerland.

As the Regus Group continues to develop worldwide there has been an increasing presence of senior management located in Switzerland. Significantly, in November 2015, the Regus Group appointed Dominik de Daniel to the position of Group Chief Financial Officer and Chief Operating Officer. Mr de Daniel lives in Switzerland and many of his direct and indirect reports are also based there. The Regus Group’s financial control, treasury and procurement functions are all now run from Switzerland and, as the business continues to centralise its key functions in order to achieve synergies of scale, the Board considers that this hub will continue to grow further.

The Board has also considered the current regulatory regime that governs Old Regus. Old Regus is incorporated in Jersey and has its place of central administration (head office) in Luxembourg. This means that both Jersey and Luxembourg company legislation applies to Old Regus. Whilst individually neither jurisdiction provides a particularly onerous regime, governance by two different regimes at the same time has become increasingly burdensome for the Regus Group to manage. In contrast, IWG, as a Jersey incorporated company having its head office in Switzerland, will not be governed by Swiss company law but only by Jersey company law. It is important to note that the Takeover Code will apply to IWG as it does to Old Regus. Accordingly, takeover bids and merger transactions of IWG, other transactions which have as their objective or potential effect obtaining or consolidating control of IWG, as well as partial offers for securities in IWG, will be regulated by the Takeover Panel.

In addition to the immediate benefits that the Regus Group will enjoy from changing its corporate headquarters, there continues to be some medium to long term uncertainty surrounding the future shape of the EU and in particular its increasingly complex legislative environment. As Switzerland is outside the EU, the Board considers that there may be advantages from being domiciled there.

1.2 **The Scheme**

If the Scheme becomes effective, a new holding company of the Regus Group incorporated in Jersey and with its head office in Switzerland, IWG, will be put in place through a Jersey Court approved scheme of arrangement under Article 125 of the Jersey Companies Law. IWG is called "IWG plc" and, if the Scheme becomes effective, will have its primary listing on the main market of the London Stock Exchange and is expected to be included in the FTSE UK Index Series upon listing. There will be no substantive changes to corporate governance and investor protection measures. In particular, upon implementation of the Scheme, the Takeover Code will apply to IWG and IWG intends to comply with the Corporate Governance Code and institutional shareholder guidelines to the same extent that Old Regus does currently.

Following the implementation of the Scheme, the IWG Directors intend to adopt the existing progressive dividend policy of Old Regus.

If the Scheme becomes effective, it will result in Old Regus Ordinary Shareholders holding IWG Ordinary Shares in the same proportions in which they hold Old Regus Ordinary Shares immediately prior to the Scheme becoming effective and in Old Regus becoming a wholly-owned subsidiary of IWG. Under the Scheme, Old Regus Ordinary Shareholders at the Scheme Record Time will receive, in exchange for their Old Regus Ordinary Shares, IWG Ordinary Shares on the following basis:

for every one Old Regus Ordinary Share, one IWG Ordinary Share

Accordingly, immediately upon the Scheme becoming effective, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective. IWG will have substantially the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date. Application will be made for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities.

The board of Old Regus considered a number of factors in determining the most appropriate structure to establish its head office in Switzerland rather than Luxembourg, including 'migrating' Old Regus to Switzerland and establishing IWG as a Swiss-incorporated company. These options gave rise to a number of complexities and disadvantages, including the need to comply with company legislation in two jurisdictions. The board concluded the most straight-forward and advantageous option, which would also protect shareholders' existing rights, was to establish IWG as a Jersey-incorporated company. Corporate governance and investor protection measures will remain in essence as they were; the listing in London will be preserved; and the Takeover Code will apply to IWG as it currently does to Old Regus.

The IWG Ordinary Shares will be issued by IWG at a price equivalent to the closing price of the Old Regus Ordinary Shares on the last day of dealings in those shares, which is expected to be 16 December 2016. As a result, an amount approximately equal to the market capitalisation of Old Regus as at close of business on the last day of dealings in Old Regus Ordinary Shares will be credited to IWG's share premium account. As explained at paragraph 1.3 below, that amount will, pursuant to the IWG Reduction of Capital, be re-characterised as profits or retained earnings.

Dividends paid by Old Regus in respect of Old Regus Ordinary Shares are generally not subject to Luxembourg withholding tax at present. Similarly it is expected that dividends paid by IWG in respect of IWG Ordinary Shares will not be subject to Swiss withholding tax, to the extent they are paid out of profits or retained earnings created as a result of the IWG Reduction of Capital (as described in paragraph 1.3 below). Further information is provided in paragraph 2.1 of Part IV of this Prospectus.

1.3 **The IWG Reduction of Capital**

The purpose of the IWG Reduction of Capital is to create profits or retained earnings in the accounts of IWG to support the payment of future dividends and share repurchases by IWG in the medium to long term. Distributions from these profits or retained earnings should be regarded for UK tax purposes as a dividend on receipt by UK shareholders and distributions paid out of qualifying capital contribution reserves (as described in paragraph 2.1 (Withholding tax) of Part IV of this Prospectus) should not be subject to Swiss withholding tax.

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG's share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied toward any other lawful purpose.

The IWG Reduction of Capital is conditional upon:

(A) the passing of a resolution by the IWG Initial Subscriber Shareholders approving the IWG Reduction of Capital and the passing of the resolutions approving the Scheme and the IWG Reduction of Capital as set out in the notice of the Extraordinary General Meeting;

(B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG's register of members;

(C) the Scheme becoming effective; and

(D) the Jersey Registrar of Companies registering the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law.

The amount of the profits or retained earnings to be created by the IWG Reduction of Capital will depend upon the price at which IWG Ordinary Shares are issued by IWG pursuant to the Scheme. Such IWG Ordinary Shares will be issued at a price equal to the actual closing price of Old Regus Ordinary Shares on the last day of dealings in Old Regus Ordinary Shares (currently anticipated to be 16 December 2016).

Based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) and on the closing price of an Old Regus Ordinary Share of 247.50 pence on 1 November 2016 and assuming that no further Old Regus Ordinary Shares are issued or repurchased after 1 November 2016, the IWG Reduction of Capital will create profits or retained earnings of approximately £2,285,733,661.34 in the accounts of IWG and leave IWG with paid up share capital of approximately £9,272,753.19.

The necessary shareholder resolution for IWG to implement the IWG Reduction of Capital is expected to be passed by the IWG Initial Subscriber Shareholders shortly before the Scheme Effective Date, conditional upon the Scheme becoming effective. Approval relating to the IWG Reduction of Capital is being sought from the Old Regus Ordinary Shareholders as one of the resolutions to be proposed at the Extraordinary General Meeting.

The IWG Reduction of Capital is expected to become effective on or around 19 December 2016.

2. History and development

The Regus business ("**Regus**") was founded in 1989 by Mark Dixon, the Chief Executive, shortly before Regus opened its first business centre in Brussels. Regus merged its operations with a slightly larger organisation owned by Reinhold City A.B., in 1990. In 1992, an investment vehicle owned by Mark Dixon, Maxon Investments, bought out the majority shareholder. By the end of 1992, Regus operated eleven centres in eight countries through operating companies owned by Regus Business Centre B.V.

In July 1998, Regus reorganised its operations by inserting a UK holding company, Regus Business Centres plc, between Regus Business Centre B.V. and Maxon Investments. In July 2000, Regus Business Centres plc changed its name to "Regus plc".

In October 2000, Regus plc completed an initial public offering of 128,829,075 shares raising approximately £254 million for Regus and £81 million for certain selling shareholders. At that time, Regus plc listed its ordinary shares on the London Stock Exchange and American Depositary Shares ("**ADSs**") on the Nasdaq.

In November 2002, Regus voluntarily delisted its ADSs from the Nasdaq in view of the relatively small number of ADSs outstanding at the time and the low levels of trading volumes on the Nasdaq. On 11 August 2004, Regus deregistered from the SEC.

In December 2002, Regus plc sold a 58 per cent. stake in its UK business to Rex 2002 Limited, a company beneficially owned by Alchemy Partners.

In January 2003, certain Regus companies filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the Court of the Southern District of New York in order to re-organise the loss making divisions of Regus plc. In August 2003, Regus plc announced a plan of re-organisation which would lead to the Regus Group's successful exit from Chapter 11.

As part of the re-organisation process, Regus plc inserted a new group holding company, Regus Group plc, through a court approved scheme of arrangement under section 425 of the UK Companies Act 1985 (the predecessor to what are now sections 895 to 899 of the UK Companies Act 2006), which was completed in December 2003. In addition, a related 1 for 3 rights issue of up to 195,873,430 shares at a price of 28 pence per share in Regus Group plc was carried out.

In August 2004, Regus Group plc completed the acquisition of the entire issued share capital of HQ Global Holdings, Inc., a leading provider of out-sourced office solutions in the US, for a total consideration of up to £163.5 million and a related placing and open offer on a 1 for 4 basis at 62.25p per new ordinary share to raise approximately £119 million to finance part of the cash consideration for the acquisition.

In April 2006, the Regus Group reached agreement with Rex 2002 Limited for the acquisition of the 58 per cent. stake in the UK business which it had sold to them in December 2002, for a cash consideration of £88 million to be part funded by a £100 million committed revolving facility and part funded by a new £50 million acquisition facility.

On 14 October 2008, the Regus Group completed a capital reorganisation which resulted in the introduction of the new holding company of the Regus Group, Old Regus, a company incorporated in Jersey with its place of central administration (head office) in Luxembourg and accordingly being registered as a *société anonyme*.

On 20 February 2013, the Regus Group acquired 75.22 per cent. of MWB Business Exchange Plc. The remaining non-controlling interest ("**NCI**") of 24.78 per cent. was subsequently acquired on 22 March 2013. The total purchase consideration for MWB Business Exchange Plc (the "**MWB Acquisition**") was £65.7 million. In addition, a further £56.8 million was invested in a further twelve business and net asset acquisitions during the year ending 31 December 2013.

In 2014, the Regus Group completed a project to dispose of the assets and liabilities of specific non-core operations to release the related capital originally invested in these operations. The sale of these assets and liabilities completed during February 2015 for a consideration of £84 million and a non-recurring profit of £21.3 million after expenses.

3. Business overview

3.1 Business review

(A) Introduction

The Regus Group is the world's largest provider of flexible workspace solutions, with customers including some of the most successful entrepreneurs, individuals and multi-billion dollar corporations.

As at 30 September 2016, the Regus Group's network includes 2,883 locations, operating across 114 countries. Through its range of office formats, as well as its growing mobile, virtual office, and workplace recovery businesses, the Regus Group enables people and businesses to work where they want, when they want, how they want, and at a range of price points.

(B) Strategy

The Regus Group is the leading global flexible workspace provider. The Regus Group's strategy addresses the clear structural growth drivers in this global market.

The Regus Group is constantly striving to improve its business and future potential returns. Whilst this is an ongoing process, the Regus Group has implemented two important changes.

The first change is that the Regus Group has changed the field structure to introduce a clustering approach to the local management of locations. This has improved the cost structure of the business going forward and will lead to higher productivity. With the in-field selling resource now focused on a specific number of locations, the Regus Group believes this will better promote the active marketing of the whole range of what is offered by the entire cluster, including format and price point. So, as well as improving operational leverage, this structural change also has the potential to deliver incremental revenues.

The other important change the Regus Group has implemented is to improve the compensation basis for location managers. Under the previous system bonuses consisted primarily of sales commissions. This has now been replaced by a quarterly profit share bonus scheme that better aligns rewards within the business with the interests of shareholders.

Despite the Regus Group's existing market leadership, the Regus Group has scope for significant growth. The Regus Group's future is therefore about realising that potential, both in larger markets like China, India and the US, and in its most developed networks, such as the UK.

In doing so, the Regus Group wants to ensure that it can provide a solution for customers with every potential budget. The Regus Group is focused on capturing the growth opportunity it has and realising the potential of the business, thereby generating significant value for shareholders as it moves towards a potential 20,000 locations. Effective planning, strong partnerships and product innovation will be the key factors in attaining this goal.

(C) **Principal activities**

The Regus Group has an international network of locations allowing its customers to outsource, in whole or in part, their office requirements. The Regus Group's locations represent an alternative to the traditional office space offering including a mix of products as detailed below.

Office space

The Regus Group provides office space to clients who may require a long term solution but also for clients who require a shorter term solution. Various services are available, including business support (copying and printing services, administrative support and reception and concierge services) and IT connectivity (secure, business-grade Wi-Fi and phone handset and lines).

Co-working

The Regus Group provides co-working options which offer a sociable way of working in a communal workspace, with flexible options including open co-working (which allows customers to drop in whenever they need, with desk space in a professional, shared environment on a first- come first-served basis) and reserved co-working (which allows customers to make themselves at home with a personal desk and storage facilities in a professional, shared environment). Various services are available including business support (copying and printing services, administrative support and reception and concierge services) and IT connectivity (secure, business-grade Wi-Fi and phone handset and lines).

Virtual offices

The Regus Group offers virtual office solutions for home-based workers, start-ups, and established firms moving into new markets, ranging from the provision of prestigious business addresses, to telephone services, and mail management.

Meeting rooms

The Regus Group offers meeting rooms, board rooms, training and conference rooms, and videoconferencing facilities, which are available by the hour or day. Various services are available including business support (copying and printing services, administrative support and reception and concierge services) and IT connectivity (secure, business-grade Wi-Fi and phone handset and lines).

Businessworld

The Businessworld membership initiative gives access to professional day offices, business lounges and meeting rooms in any of the Regus Group locations. Four levels of membership are available (namely Pay as You Go, Gold, Platinum and Platinum Plus) providing customers with a variety of services such as unlimited use of business lounges and access to any of the private offices.

Workplace recovery

The Regus Group ensures business continuity in the event of a disaster through access to its international network of business centres and 24/7 support from its dedicated operations team. The Regus Group's workplace recovery product provides local recovery in the optimal locations based upon the type of disaster.

Formats

The Regus Group is seeing a generational shift in what people want from their workspace, meaning different customers require different solutions. The Regus Group's growing range of formats enables it to deliver a working environment that matches the needs of each customer. Formats include: Regus; Spaces; and Regus Express.

(D) Principal markets

The total revenues for each market by geographical location in which the Regus Group operates in respect of the period covered by the historical financial information is as follows. All revenue is derived from the provision of the flexible workspace products described in paragraph 3.1(C) above.

Region	**Six months ended 30 June 2016 (£m)**	**Six months ended 30 June 2015 (£m)**	**Year ended 31 Dec 2015 (£m)**	**Year ended 31 Dec 2014 (£m)**	**Year ended 31 Dec 2013 (£m)**
Americas	438.0	381.7	779.2	677.9	639.7
EMEA	229.4	199.6	406.6	369.5	337.9
Asia Pacific	172.0	139.2	289.1	242.0	225.1
UK	236.4	215.7	449.2	386.1	329.1
Other	1.8	0.8	2.9	0.6	1.7
TOTAL	1,077.6	937.0	1,927.0	1,676.1	1,533.5

Americas

The Americas remains the Regus Group's largest region, comprising Canada, US and Latin America. The Americas encompassed 1,199 locations across 20 countries as at 30 September 2016.

Total revenues increased 8.5 per cent. to £438.0 million (up 14.7 per cent. at actual rates) in the six months ended 30 June 2016, primarily due to the development of the locations added most recently. On a like-for-like basis, mature revenues increased 0.8 per cent. at constant currency to £398.4 million in the six months ended 30 June 2016 (up 6.6 per cent. at actual rates) driven by good demand in the US partially offset by Latin America and Canada. Brazil has continued to see an improvement in its business but Mexico slowed during the six months ended 30 June 2016. The Regus Group has a good business in Canada but it has had to contend with challenging market conditions in Western Canada, particularly around the region's oil industry. Average mature occupancy was 79.5 per cent. in the six months ended 30 June 2016 (H1 2015: 79.6 per cent.). The gross profit margin was 23.5 per cent. in the six months ended 30 June 2016 and the Regus Group has since simplified its business structure which has led to a significant reduction in the region's overheads.

The Regus Group added 48 new locations during the six months ended 30 June 2016, expanding geographically into more parts of the region. The Regus Group also announced the opening of Barbados through a partnering agreement in the six months ended 30 June 2016. The average number of available workstations increased from 144,053 to 169,828 in the six months ended 30 June 2016, with a total of 173,927 as at 30 June 2016.

EMEA

The Regus Group's EMEA business comprises Europe, the Middle East and Africa and encompassed 767 locations across 66 countries as at 30 September 2016.

Total revenues increased 9.3 per cent. to £229.4 million at constant currency (up 14.9 per cent. at actual rates) during the six months ended 30 June 2016. Mature revenues on a constant currency basis increased 0.8 per cent. to £198.7 million in the six months ended 30 June 2016 but were up 5.9 per cent. at actual rates. Occupancy on the mature business increased from 74.7 per cent. to 78.7 per cent. in the six months ended 30 June 2016, reflecting the continued maturation of the newer year group additions within the mature business. There was a good improvement in the gross profit margin from 22.9 per cent. in the six months ended 30 June 2015 to 26.2 per cent. in the six months ended 30 June 2016. During the six months ended 30 June 2016, the Regus Group added 27 new locations, taking the total number of locations to 754. The average number of workstations increased from 74,480 to 89,539 in the six months ended 30 June 2016. As at 30 June 2016, the Regus Group had 93,383 workstations.

The Regus Group has experienced strong growth in the diverse regions of the Middle East and Africa. In Europe, across the many countries in which the Regus Group operates, there has been a mixture of performance, but the overall result has been good. The Regus Group experienced good performance in Continental Europe in the six months ended 30 June 2016 and is looking to invest further in Germany, Austria, Sweden and Italy among others. Turkey and Belgium, however, experienced tougher market conditions in the six months ended 30 June

2016. Russia has also been a difficult market requiring the renegotiation of rental agreements, which is now complete. As in the past, these challenging conditions also provided opportunities and the Regus Group has seen an increase in partnership deals in the region.

Asia Pacific

The Regus Group's Asia Pacific business encompassed 583 locations across 23 countries as at 30 September 2016.

Asia Pacific was the Regus Group's fastest growth region overall in the six months ended 30 June 2016, with 30 new locations being added to take the total locations in the region to 573. Reflecting the growth the Regus Group had seen in recent years, overall revenues in the region increased 17.2 per cent. at constant currency to £172.0 million (up 23.6 per cent. at actual rates) in the six months ended 30 June 2016. Mature revenue growth was stronger than the Regus Group average with an increase of 1.7 per cent. to £146.6 million at constant currency (up 7.2 per cent. at actual rates) in the six months ended 30 June 2016. Mature occupancy increased to 79.0 per cent. in the six months ended 30 June 2016 (H1 2015: 77.5 per cent.) driven primarily by the continued maturation of the locations added during 2014. The expansion in 2014 also saw the Regus Group broaden its position in the region with the addition of lower relative REVPOW markets and the expansion of existing ones such as China, India and Indonesia. Gross margin increased from 24.0 per cent. to 25.9 per cent in the six months ended 30 June 2016. The average number of workstations increased from 72,612 to 93,501 in the six months ended 30 June 2016. As at 30 June 2016, the Regus Group had 96,257 workstations, making it the Regus Group's second largest region.

There remains significant opportunity for growth in Asia Pacific, both from building out in existing countries and adding new countries. The Regus Group has continued to expand its business in India which has remained strong. China continues to grow but the rate of growth has decelerated and the Regus Group's focus now is on growth through partnership deals. Japan has witnessed a slowdown in demand from international companies, in part as a result of the Japanese yen/US dollar exchange rate.

UK

The Regus Group's UK business comprised 334 locations as at 30 September 2016.

Total revenues in the UK increased 9.6 per cent. to £236.4 million during the six months ended 30 June 2016. Mature revenues were unchanged at £188.0 million in the six months ended 30 June 2016 (H1 2015: £187.9 million). In part this reflects that the Regus Group has grown its UK business predominantly through acquisitions in recent years, which generally do not exhibit the same maturation profile of an organic opening. Growing by acquiring portfolios of leases signed at a more attractive point in the cycle reflected the Regus Group's more cautious approach to the commercial property market, especially in London. The UK economy was also softening slightly before the UK referendum on membership of the EU. Mature occupancy in the six months ended 30 June 2016 was 76.0 per cent. compared to 82.0 per cent. in the corresponding period in 2015. A significant factor behind this reduction was a more than 6 per cent. increase in available inventory due to space optimisation which took place during the six months ended 30 June 2016. The Regus Group's UK business also selectively sought improved pricing at the expense of some occupancy in the near-term. Mature gross margin remained strong at 25.2 per cent. in the six months ended 30 June 2016 (H1 2015: 25.0 per cent.). The UK, whilst already a very operationally efficient business, contributed to the strong overhead performance, which increased operating profit significantly.

Reflecting the Regus Group's selective and prudent approach to growth, during the first half of 2016, only eight new locations were added in the UK, predominately outside of London, taking the total number of locations to 338, net of closures. The Regus Group is continuing to see more growth in regional locations in the UK, particularly through partnership deals, to complement its presence in the major cities. Total average workstations increased to 72,775 as at 30 June 2016 (H1 2015: 62,597).

3.2 **Intellectual property**

The Regus Group owns intellectual property that is important to its success. This intellectual property can be categorised as the brands held by the Regus Group and the systems and processes required for the operation of the Regus Group.

The Regus Group's brands comprise its main brand, "Regus", the original brand under which the majority of the Regus centres operate. The Regus Group is also developing other formats under brands such as "Spaces" and "Regus Express". These brands are important to the success of the Regus Group as they generate customer recognition and loyalty which is important in maintaining the Regus Group's position as the market leader in its field.

The Regus Group's intellectual property contained in its systems and processes includes the business strategies, product offerings, operations knowledge and network of locations which create the Regus Group. Specifically, this comprises the business strategies required to operate the world's largest network of flexible workspaces, the ability to develop products in a fast moving industry, the knowledge of the processes required to evaluate the markets for business centres and then to open and operate such locations and the benefits which exist through the operation of flexible workspaces as a group, such as referrals.

The Regus Group also makes significant investments in new technologies, specifically in communications and IT related technologies. Technologies include:

- Marketplace – an online trading platform that allows customers to promote services to each other, as well as giving them access to specially curated offers from the Regus Group's partners around the world;

- Access control – cloud-based electronic access control simplifies lock and key administration, while providing customers with mobile app convenience and improved control over their workplace;

- Client app – an easy to use client self-service application that allows individuals, corporates and enterprises to find locations, book rooms, access benefits and facilitate administration; and

- Cloud communications – integrated audio, video, and web-based communications, allowing customers to make and take office calls wherever they are and whenever they want on the device of their choice.

3.3 **Principal investments**

During the period covered by the historical information and up to the date of this Prospectus, the only principal investment made by the Regus Group was the MWB Acquisition (further described in paragraph 2 of this Part I).

3.4 **Property, plant and equipment**

The Regus Group leases its office space and does not consider any particular individual site to be material by itself to the Regus Group as a whole.

3.5 **Employees**

For the period covered by the historical financial information, the average number of persons employed by the Regus Group (including executive directors), analysed by category and geography, was as follows:

	2016 Average full time equivalents*	2015 Average full time equivalents	2014 Average full time equivalents	2013 Average full time equivalents
Centre staff	6,631	6,842	6,159	5,582
Sales and marketing staff	313	467	601	787
Finance staff	801	778	742	856
Other staff	1,064	1,203	1,198	1,150
Total	8,809	9,290	8,700	8,375
Americas	2,839	3,064	3,065	3,110
EMEA	2,067	2,107	1,929	1,724
Asia Pacific	1,757	1,832	1,497	1,255
United Kingdom	969	996	1,046	1,151
Corporate functions	1,176	1,291	1,163	1,135
Total	8,809	9,290	8,700	8,375

**Figures calculated to 30 June 2016.*

4. Selected historical financial information

Set out below is selected historical financial information in respect of the Regus Group. This has been extracted without material adjustment from the 2016 Interim Results, the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements, which are incorporated by reference into this Prospectus. Investors should read in full the financial information set out in the 2016 Interim Results, the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements, and should not rely solely on the information summarised below.

No financial information is available in respect of IWG as IWG has not traded since incorporation.

(A) Consolidated income statement

	Six months ended 30 June 2016 (£m)	Six months ended 30 June 2015 (£m)	Year ended 31 Dec 2015 (£m)	Year ended 31 Dec 2014 (£m)	Year ended 31 Dec 2013 (£m)
Revenue	1,077.6	937.0	1,927.0	1,676.1	1,533.5
Cost of sales	(852.4)	(728.0)	(1,498.6)	(1,293.0)	(1,159.7)
Gross profit (centre contribution)	225.2	209.0	428.4	383.1	373.8
Administration expenses before non-recurring expenses	(133.4)	(139.3)	(273.6)	(270.9)	(275.9)
Research & development	(2.2)	(5.1)	(10.3)	(8.7)	(7.2)
Administration expenses	(135.6)	(144.4)	(283.9)	(279.6)	(283.1)
Share of post-tax profit/(loss) of joint ventures	0.4	0.4	0.3	0.8	0.1
Operating profit (before non-recurring items)	90.0	65.0	144.8	104.3	90.8
Non-recurring items	(0.9)	21.3	15.3	-	-
Operating profit (including non-recurring items)	89.1	86.3	160.1	104.3	90.8
Finance expense	(4.9)	(7.4)	(15.0)	(17.3)	(10.5)
Finance income	0.1	0.2	0.6	0.1	1.2
Profit before tax for the year	84.3	79.1	145.7	87.1	81.5
Tax (charge) / credit	(16.9)	(11.9)	(25.8)	(17.2)	(14.6)
Profit after tax for the year	67.4	67.2	119.9	69.9	66.9
Attributable to:					
Equity shareholders of the parent	67.4	67.2	119.9	69.9	66.9
Minority interests	-	-	-	-	-
Profit after tax for the year	67.4	67.2	119.9	69.9	66.9
Earnings per ordinary share (EPS):					
Basic (p)	7.2	7.2	12.8	7.4	7.1
Diluted (p)	7.1	7.0	12.6	7.2	7.0
Weighted average number of shares outstanding (‘000s)	931,329	937,074	933,458	944,082	943,775

(B) Consolidated balance sheet

	As at 30 June 2016 (£m)	As at 30 June 2015 (£m)	As at 31 Dec 2015 (£m)	As at 31 Dec 2014 (£m)	As at 31 Dec 2013 (£m)
Non-current assets					
Goodwill	650.2	557.9	612.2	497.2	438.7
Other intangible assets	54.3	49.9	53.8	52.7	53.0
Property, plant and equipment	1,070.7	769.0	917.0	718.8	608.7
Deferred tax assets	35.4	36.6	36.4	40.0	33.4
Other long-term receivables	72.2	52.3	63.0	49.3	37.5
Investments in joint ventures	7.2	1.1	5.6	0.7	1.3
Total non-current assets	1,890.0	1,466.8	1,688.0	1,358.7	1,172.6
Current assets					
Trade and other receivables	577.8	512.3	557.8	440.1	376.9
Corporation tax receivable	26.2	15.1	17.9	12.5	8.1
Assets held for sale	1.2	-	-	62.6	-
Cash and cash equivalents	74.6	79.4	63.9	72.8	84.7
Total current assets	679.8	606.8	639.6	588.0	469.7
Total assets	2,569.8	2,073.6	2,327.6	1,946.7	1,642.3
Current liabilities					
Trade and other payables (inc. customer deposits)	(876.4)	(721.1)	(816.5)	(670.2)	(570.8)
Deferred income	(270.5)	(229.9)	(240.7)	(205.3)	(179.8)
Corporation tax payable	(13.5)	(15.4)	(14.0)	(10.3)	(6.2)
Obligations under finance leases	-	(0.1)	-	-	-
Bank and other loans	(7.7)	(2.1)	(9.2)	(1.4)	(1.2)
Provisions	(5.9)	(2.0)	(5.3)	(2.6)	(0.8)
Liabilities held for sale	(0.9)	-	-	(2.1)	-
Total current liabilities	(1,174.9)	(970.6)	(1,085.7)	(891.9)	(758.8)
Net current liabilities	(495.1)	(363.8)	(446.1)	(303.9)	(289.1)
Total assets less current liabilities	1,394.9	1,103.0	1,241.9	1,054.8	883.5
Non-current liabilities					
Other payables	(464.5)	(323.2)	(383.8)	(292.9)	(220.6)
Non-current derivative financial liabilities	(0.4)	(18.3)	(15.0)	(7.7)	(0.1)

	As at 30 June 2016 (£m)	As at 30 June 2015 (£m)	As at 31 Dec 2015 (£m)	As at 31 Dec 2014 (£m)	As at 31 Dec 2013 (£m)
Obligations under finance leases	-	-	-	(0.1)	(0.1)
Bank and other loans	(240.7)	(214.1)	(245.3)	(209.3)	(140.6)
Deferred tax liability	(1.1)	(0.9)	(1.6)	(2.2)	(1.6)
Provisions	(7.2)	(7.6)	(7.6)	(4.3)	(4.9)
Provision for deficit on joint ventures	(2.3)	(1.1)	(4.1)	(0.7)	(1.2)
Retirement benefit obligations	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)
Total non-current liabilities	(716.4)	(565.4)	(658.2)	(517.4)	(369.3)
Total liabilities	(1,891.3)	(1,536.0)	(1,743.9)	(1,409.3)	(1,128.1)
Total assets less liabilities	678.5	537.6	583.7	537.4	514.2
Total equity					
Issued share capital	9.5	9.5	9.5	9.5	9.5
Treasury shares	(46.6)	(43.7)	(42.9)	(19.9)	(4.1)
Foreign currency translation reserve	67.4	(3.1)	7.4	12.7	6.6
Hedging reserve	(0.4)	(2.0)	(2.1)	(2.7)	-
Revaluation reserve	10.5	10.5	10.5	10.5	10.5
Other reserves	15.3	15.3	15.3	15.3	15.3
Retained earnings	622.8	551.1	586.0	512.0	476.4
Total shareholders' equity	678.5	537.6	583.7	537.4	514.2
Non-controlling interests	-	-	-	-	-
Total equity	678.5	537.6	583.7	537.4	514.2
Total equity and liabilities	2,569.8	2,073.6	2,327.6	1,946.7	1,642.3

(C) Consolidated cash flow statement

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Year ended 31 Dec 2015 £m	Year ended 31 Dec 2014 £m	Year ended 31 Dec 2013 £m
Profit before tax for the period	84.3	79.1	145.7	87.1	81.5
Adjustments for:					
Net finance expense	4.8	7.2	14.4	17.2	9.3
Share of profit of equity-accounted investees, net of tax	(0.4)	(0.4)	(0.3)	(0.8)	(0.1)
Depreciation charge	82.3	63.7	134.2	107.5	87.8
Gain on disposal of property, plant and equipment	(0.6)	(0.8)	(0.3)	(0.9)	0.9
Impairment of property, plant and equipment	-	-	0.9	-	-
Amortisation of intangible assets	6.3	7.6	11.0	13.0	9.7
Amortisation of acquired lease fair value adjustments	(1.5)	(2.7)	(4.6)	(5.2)	(4.9)
Increase in provisions	0.6	0.2	2.8	1.2	(4.0)
Share-based payments	1.4	1.5	2.2	2.6	2.7
Other non-cash movements	(2.4)	(5.7)	(3.0)	-	2.3
Operating cash flows before movements in working capital	174.8	149.7	303.0	221.7	185.2
Increase in trade and other receivables	23.2	(67.2)	(121.5)	(27.7)	(74.4)
Increase in trade and other payables	27.1	83.4	221.0	108.0	143.4
Cash generated from operations (before non-recurring items)	225.1	165.9	402.5	302.0	254.2
Profit on disposal of assets held for sale	0.1	(21.3)	(21.3)	-	-
Impairment of assets held for sale	2.0	-	-	-	-
Cash generated from operations	227.2	144.6	381.2	302.0	254.2
Interest paid	(10.0)	(6.5)	(13.8)	(13.6)	(6.7)
Tax paid	(20.2)	(9.8)	(29.1)	(20.9)	(17.1)
Net cash inflow from operating activities	197.0	128.3	338.3	267.5	230.4
Investing activities					
Purchase of subsidiary undertakings (net of cash acquired)	(0.3)	(54.9)	(99.4)	(91.0)	(93.0)
Proceeds on the sale of assets held for sale	3.1	84.0	84.0	-	-
Dividends received from joint ventures	0.1	-	-	1.0	0.8
Purchase of joint ventures	-	-	(1.9)	0.6	(0.4)
Proceeds on sale of property, plant and equipment	13.9	4.7	9.5	7.3	-
Purchase of property, plant and equipment	(150.7)	(117.1)	(311.5)	(205.4)	(248.9)
Purchase of intangible assets	(2.5)	(5.3)	(8.7)	(11.0)	(15.6)
Interest received	0.1	0.2	0.6	0.1	1.2
Net cash outflow from investing activities	(136.3)	(88.4)	(327.4)	(298.4)	(355.9)
Financing activities					
Net proceeds from issue of loans	385.8	186.6	383.2	438.2	132.7
Repayment of loans	(404.0)	(166.2)	(330.5)	(361.6)	(2.4)
Repayment of principal under finance leases	-	-	(0.1)	-	(0.5)

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Year ended 31 Dec 2015 £m	Year ended 31 Dec 2014 £m	Year ended 31 Dec 2013 £m
Acquisitions of non-controlling interests	-	-	-	-	(16.3)
Settlement of financial derivatives	(7.0)	-	-	-	-
Re-issuance of treasury shares	3.8	0.7	1.5	1.4	-
Purchase of shares	(7.5)	(24.5)	(24.5)	(17.2)	(2.3)
Settlement of share awards	(3.1)	(3.8)	(9.0)	(1.5)	(1.1)
Payment of ordinary dividend	(28.9)	(25.8)	(38.8)	(35.4)	(31.1)
Net cash inflow from financing activities	(60.9)	(33.0)	(18.2)	23.9	79.0
Net decrease in cash and cash equivalents	(0.2)	6.9	(7.3)	(7.0)	(46.5)
Cash and cash equivalents at beginning of year	63.9	72.8	72.8	84.7	132.3
Effect of exchange rate fluctuations on cash held	10.9	(0.3)	(1.6)	(4.9)	(1.1)
Cash and cash equivalents at end of year	74.6	79.4	63.9	72.8	84.7

5. Capitalisation and indebtedness

5.1 Capitalisation and indebtedness of the Regus Group

The following table shows the capitalisation of the Regus Group as at 30 June 2016. There have been no material changes to the figures since 30 June 2016. The financial information below has been extracted without material adjustment from the 2016 Interim Results.

	£m
Total current debt	7.7
-guaranteed	-
-secured	-
-unguaranteed/unsecured	7.7
Total non-current debt (excluding current portion of long-term debt)	240.7
-guaranteed	-
-secured	-
-unguaranteed/unsecured	240.7
Shareholders' equity	
Share capital	9.5
Treasury shares	(46.6)
Legal reserve	-
Other reserves	715.6
Total	678.5

The following table shows the net financial indebtedness of the Regus Group as at 30 September 2016.

	£m
Cash	51.4
Cash equivalents	-
Trading securities	-
Liquidity	51.4
Current financial receivable	
Current bank debt	3.4
Current portion of non-current debt	
Other current financial debt	-
Current financial debt	3.4
Net current financial indebtedness	(48.0)
Non-current bank loans	206.1
Bonds issued	-
Other non-current loans	-
Non-current financial indebtedness	206.1
Net financial indebtedness	158.1

(A) **Contingent and indirect indebtedness**

The Regus Group has bank guarantees and letters of credit held with certain banks, substantially in support of leasehold contracts with a variety of landlords, amounting to £137.9 million as at 30 June 2016. There are no material lawsuits pending against the Regus Group other than the class action referred to in paragraph 16 of Part VI of this Prospectus.

5.2 **Capitalisation and indebtedness of IWG**

As at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), IWG had no outstanding indebtedness.

As at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), IWG's total capitalisation was £0.02 consisting of two issued and fully paid up ordinary shares of one penny each.

6. Working capital

IWG is of the opinion that, after taking into account the available banking facilities, the working capital available to the Regus Group is sufficient for its present requirements; that is, for at least the next 12 months following the date of this Prospectus.

7. Dividend policy

Old Regus has adopted a progressive dividend policy.

The full year dividend for the year ending 31 December 2015 was 4.5p per Old Regus Ordinary Share (2014: 4.0p; 2013: 3.6p). This comprised an interim dividend of 1.4p per share (2014: 1.25p; 2013: 1.1p) and a final dividend of 3.10p per share (2014: 2.75p; 2013: 2.5p). In line with this policy, the 2016 interim dividend was increased by 11 per cent. to 1.55 p per share (H1 2015: 1.40 p per share).

Following the implementation of the Scheme, the IWG Directors intend to adopt the existing progressive dividend policy of Old Regus.

8. Current trading and prospects

On 3 November 2016, Old Regus announced the following trading statement for the period ended 30 September 2016:

> *"The Group has generated revenue growth of 8.1% for the nine months to 30 September 2016 at constant currency, enjoying strong profit performance with excellent cash conversion. Importantly, post-tax cash returns on net growth investment have also increased further. Overall we are pleased with this result and remain confident of delivering a full year performance in line with management's expectations.*
>
> *This year has been an important transitional period in the development of the Group. As previously announced we have implemented a new field structure and made significant progress towards our goals of cost leadership and achieving more capital-light growth.*

In the three months ended 30 September 2016, Group revenue increased to £566.9m compared with £478.8m in the corresponding period last year, an increase of 3.8% at constant currency rates (up 18.4% at actual rates). For the nine months ended 30 September 2016, Group revenue increased to £1,644.5m compared with £1,415.8m for the same period last year, an improvement of 8.1% at constant currency rates (up 16.2% at actual rates).

Group underlying operating profit performance has been strong and for the nine months ended 30 September 2016, in constant currency, remains consistent with the 30% improvement reported with the interim results. The operating profit at actual rates has benefitted further from prevailing exchange rates which have provided a tailwind on the translation of our results during the third quarter.

The Group's focus remains on building long-term shareholder value through delivering attractive returns from our existing business and continuing with the disciplined investment in new locations. Returns on our existing business have developed well and the returns to 30 September 2016 are ahead of those reported with our interim results, on a 12 month rolling basis. For those locations open on or before 31 December 2012 the returns are at record levels, driven by continued operational leverage.

Underlying cash generation has remained strong. For the nine months ended 30 September 2016 underlying cash generation has increased 52% year-on-year to £208.9m (nine months to September 2015: £137.8m), reflecting the strong profit performance.

During the third quarter we added 56 new locations to our global network with associated net growth capital investment of £43.1m. This investment included £12.9m spent on acquiring properties in which we will establish centres. As with previous property investments we expect strong returns. In the nine months ended 30 September 2016 the Group has added 169 new locations and net capex of £126.2m, representing over 2.4m sq. ft. of space added to the network, which now totals more than 47m sq. ft. globally. These new locations were predominately organic openings.

We have used this period as an opportunity to refresh some of our existing estate and in accordance with the CMA ruling have disposed of certain acquired locations in the UK. These factors have driven the closure of 54 locations in the year to date, which is a slightly higher level of closures than has been seen in recent years.

As at 30 September 2016, the Group had a total of 2,883 locations, with the total number of co-working seats / workstations (including non-consolidated) increasing to 467,507 (459,747 as at 30 June 2016).

The Group had net debt at 30 September 2016 of £158.1m, a decrease on the 30 June 2016 position of £173.8m, notwithstanding the £43.1m investment in the quarter in net growth capital expenditure and £7.8m on share repurchases. Achieving this reflects the continuation of a good profit performance which has converted strongly into cash.

2016 growth plans

We have continued to maintain our selective approach to growth during the third quarter and only to invest where we expect strong returns. Our pipeline of new openings remains solid, with a number of previously scheduled late 2016 openings now anticipated to open in early 2017 and the majority of the associated investment having been incurred in 2016. Accordingly, our visibility on net capital expenditure for the whole of 2016 is now approximately £150m, representing c240 locations and 3.4m sq. ft. of additional space.

Mature performance

Revenues for the three months ended 30 September 2016 from our mature business (centres opened on or before 31 December 2014, now comprising a total of 2,171 locations representing approximately 75% of our global portfolio), decreased 2.6% at constant currency to £481.0m (up 11.4% at actual exchange rates). This reflects some variation in market conditions across certain geographies and an element of cannibalisation from the enlarged Group network.

For the nine months ended 30 September 2016 mature revenues increased to £1,406.5m compared to £1,310.1m for the comparable period in 2015, broadly flat at constant currency (up 7.4% at actual rates). Based on this stable revenue performance together with the strong discipline in respect of overheads, operating profit and return on investment has been strong.

Year-on-year mature occupancy for the nine months ended 30 September 2016 reduced 0.7 percentage points on a like-for-like basis to 78.5%. …

Summary

We are pleased with the continued strong profit, cash generation and returns performance of our business which remain in line with management expectations. Having anticipated an increase in global macro-economic uncertainty, we took specific actions early in the year to improve efficiencies across the business and our continued progress reflects those early actions.

We have continued to build our national networks globally, whilst maintaining our disciplined and flexible approach to investment throughout the economic cycle. Our investments are continuing to deliver attractive returns, well ahead of our cost of capital.

Looking forward to the remainder of 2016, we remain confident of delivering a full year performance in line with management's expectations."

PART II – OPERATING AND FINANCIAL REVIEW OF THE REGUS GROUP

The following summary of the operating and financial condition of the Regus Group should be read in conjunction with Part I and Part III of this Prospectus and the information relating to the business of the Regus Group contained elsewhere in this Prospectus. Investors should read the whole of this Prospectus and the documents incorporated herein by reference and should not rely on the summary operating and financial information set out in this Part II.

Unless otherwise stated, the financial information for the Regus Group referred to in this Part II has been extracted without material adjustment from the 2016 Interim Results, the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements, which are incorporated into this Prospectus by reference. The financial statements for the three years ended 31 December 2015 have been prepared in accordance with IFRS.

The principal risks and uncertainties facing the Regus Group's business that may cause a difference in the Regus Group's actual results include, but are not limited to, those discussed in the section of this Prospectus headed "Forward-looking statements" and "Risk Factors".

The following discussion contains forward-looking statements. The Regus Group's actual results could differ materially from those contained in any forward-looking statements.

1. Management discussion and analysis of financial condition and operating results

1.1 Business overview

The Regus Group's principal revenue stream for the three years ended 31 December 2015 and the six months ended 30 June 2016 was derived from the provision of flexible workspaces, which generated:

- revenue from continuing operations of £1,927.0 million and operating profit from continuing operations of £144.8 million in the year ended 31 December 2015; and
- revenue from continuing operations of £1,077.6 million and operating profit from continuing operations of £90.0 million in the six months ended 30 June 2016.

Further details in relation to the strategy of the Regus Group are set out in paragraph 3.1(B) of Part I of this Prospectus.

1.2 General factors which affect operating results and financial condition

For a summary of the industry-related factors which have had and are likely to continue to have a material effect on the Regus Group, please refer to the section of this Prospectus headed "Risk Factors".

1.3 Operating results for the six months ended 30 June 2016 compared with the six months ended 30 June 2015

The financial table below indicates the development of the Regus Group's business over the course of the two six-month periods ended 30 June 2016 and 30 June 2015 respectively in terms of revenue, costs, operating profit, profit before taxation and earnings per share. All numbers are stated on a comparable basis in accordance with IFRS.

	Six months ended 30 June 2016 (£m)	Six months ended 30 June 2015 (£m)
Revenue	1,077.6	937.0
Gross profit (centre contribution)	225.2	209.0
Overheads	(135.6)	(144.4)
Underlying operating profit (inc. JV)	**90.0**	**65.0**
Non-recurring items	(0.9)	21.3
Operating profit (inc. JV)	89.1	86.3
Underlying profit before tax	**85.2**	**57.8**
Profit before tax	84.3	79.1
Underlying taxation	(17.3)	(11.9)
Taxation	(16.9)	(11.9)
Underlying profit for the period	67.9	45.9
Profit for the period	67.4	67.2
Underlying EBITDA	**178.6**	**136.3**
EBITDA	177.7	157.6
Underlying earnings per share (p)	7.3	4.9
Reported earnings per share (p)	7.2	7.2

Revenues for the Regus Group increased 10.3 per cent. at constant currency to £1,077.6 million (H1 2015: £937.0 million), an increase of 15.0 per cent. at actual rates. This strong improvement reflected stable underlying like-for-like mature growth and the contribution from additional locations. Mature revenues (from 2,179 like-for-like locations added on or before 31 December 2014) grew 0.9 per cent. at constant currency to £933.5 million (H1 2015: £887.0 million), up 5.2 per cent. at actual rates. This represented a deceleration in the pace of year-on-year growth in the second quarter of 2016 compared with the first quarter of 2016 from 14.5 per cent. in the first quarter of 2016 to 6.4 per cent. in the second quarter of 2016. Approximately half of the reduction reflected the base-line effect of acquisitions and the remainder was primarily a function of softening demand. Mature occupancy was 78.6 per cent. (H1 2015: 78.5 per cent.).

Gross profit for the Regus Group improved three per cent. at constant currency rates to £225.2 million (H1 2015: £209.0 million), up eight per cent. at actual rates. The reduction in gross margin from 22.3 per cent. to 20.9 per cent. reflected the dilution from a relatively large number of immature locations resulting from the significant investment in growing the network over recent years. The mature gross margin improved more than one percentage point from 23.8 per cent. to 24.9 per cent.

The Regus Group achieved further scale benefits but also reduced overheads in absolute terms. Some of the changes implemented to the business model and structure to improve future performance and productivity also helped to streamline overheads. As a consequence, in spite of further controlled growth of the business, total overheads actually declined by 9 per cent. at constant currency to £135.6 million (down 6 per cent. at actual rates). As a percentage of revenues, total overheads declined from 15.4 per cent. in the six months ended 30 June 2015 to 12.6 per cent. in the six months ended 30 June 2016. This also represented a further significant improvement on the 14.1 per cent. achieved in the six months ended 31 December 2015 and the full year outturn of 14.7 per cent. The Regus Group's strong focus on overheads is expected to be an important factor in maintaining profitability in the likelihood of a more challenging business environment in the near- to medium-term.

The achievement of an absolute reduction in Regus Group overheads together with the incremental gross profit resulted in the Regus Group's operating profit increasing 30 per cent. at constant currency to £90.0 million (H1 2015: £65.0 million) (up 38 per cent. at actual rates). Consequently, the underlying Regus Group's operating margin increased 150bp from 6.9 per cent. in the six months ended 30 June 2015 to 8.4 per cent. in the six months ended 30 June 2016, notwithstanding the £78.9 million of losses incurred in aggregate by the new locations added since 2014 which are still developing financially.

During the six months ended 30 June 2016, the Regus Group reported a non-recurring loss of £0.9 million. This was in respect of three items: the receipt of funds following the settlement of a third-party litigation action in the UK; additional provision relating to a litigation action in California; and a fair value adjustment to assets held for sale, which were disposed of subsequent to the half year. The non-recurring gain reported in the six months ended 30 June 2015 related to the sale of various portfolios of property assets acquired during 2014. The disposal raised £84 million of cash before expenses and resulted in a non-recurring profit of £21.3 million after expenses.

The net finance charge for the six months ended 30 June 2016 decreased to £4.8 million from £7.2 million for the corresponding six months in 2015. Although net debt as at 30 June 2016 was higher at £173.8 million compared with £136.9 million as at 30 June 2015, the reduction in the net expense reflects lower funding costs in general but primarily a favourable foreign exchange movement, most notably in June 2016 following the weakness of pounds sterling after the result of the UK referendum on membership of the EU.

Within the overall net finance costs, the Regus Group also incurred a notional, non-cash, interest charge of £0.4 million (H1 2015: £0.8 million) relating to the accounting treatment of fair value adjustments on various acquisitions made in past years. In addition, there were also other non-cash costs of £1.2 million (H1 2015: £0.7 million) relating to the amortisation of upfront charges on the establishment of various borrowing facilities and the settlement of derivatives related to the Schuldschein Debt Securities.

The underlying effective tax rate for the six months ended 30 June 2016 was 20.3 per cent. (H1 2015: 20.6 per cent.).

Underlying Regus Group earnings per share increased significantly in the six months ended 30 June 2016 to 7.3p (H1 2015: 4.9p), an increase of 49 per cent. reflecting the strong growth in underlying Regus Group operating profit. Including the non-recurring items, statutory Regus Group earnings per share were 7.2p (H1 2015: 7.2p).

1.4 **Operating results for the financial year ended 31 December 2015 compared with prior financial year**

The financial table below indicates the development of the Regus Group's business over the course of the two years ended 31 December 2015 in terms of revenue, costs, operating profit, profit before taxation and earnings per share. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2015 (£m)	Year ended 31 Dec 2014 (£m)
Revenue	1,927.0	1,676.1
Cost of sales	(1,498.6)	(1,293.0)
Gross profit (centre contribution)	428.4	383.1
Administration expenses before non-recurring expenses	(273.6)	(270.9)
Research & development	(10.3)	(8.7)
Administration expenses	(283.9)	(279.6)
Share of post-tax profit/(loss) of joint ventures	0.3	0.8
Operating profit (before non-recurring items)	144.8	104.3
Non-recurring items	15.3	-
Operating profit (including non-recurring items)	160.1	104.3
Finance expense	(15.0)	(17.3)
Finance income	0.6	0.1
Profit before tax for the year	145.7	87.1
Tax (charge) / credit	(25.8)	(17.2)
Profit after tax for the year	119.9	69.9
Attributable to:		
Equity shareholders of the parent	119.9	69.9
Minority interests	-	-
Profit after tax for the year	119.9	69.9
Earnings per ordinary share (EPS):		
Basic (p)	12.8	7.4
Diluted (p)	12.6	7.2
Weighted average number of shares outstanding ('000s)	933,458	944,082

Revenues for the Regus Group increased 15.9 per cent. at constant currency to £1,927.0 million (2014: £1,676.1 million), an increase of 15.0 per cent. at actual rates. This strong improvement reflected good underlying like-for-like growth as well as the contribution from additional locations. Mature revenues (from 1,771 like-for-like locations added on or before 31 December 2013) grew a healthy 4.3 per cent. at constant currency to £1,628.2 million (2014: £1,572.5 million), up 3.5 per cent. at actual rates. Mature occupancy was 82.4 per cent. (2014: 79.6 per cent.).

Gross profit for the Regus Group improved 12 per cent. at constant currency rates to £428.4 million (2014: £383.1 million), up 12 per cent. at actual rates. The slight reduction in gross margin from 22.9 per cent. to 22.2 per cent. reflected the dilution from a relatively large number of immature locations resulting from the significant investment in growing the network over recent years. The mature gross margin improved from 24.6 per cent. to 26.7 per cent.

The Regus Group made further strong progress in relation to overhead efficiency, thereby building on the progress achieved in recent years. The Regus Group benefited from its investment in management, systems and processes. As a consequence, in spite of significant growth, total overheads (including R&D expenditure) grew only 2 per cent. at constant currency to £283.9 million (up 2 per cent. at actual rates). As a percentage of revenues, total overheads declined from 16.7 per cent. in 2014 to 14.7 per cent. in 2015.

Investment in R&D increased 18 per cent. from £8.7 million in 2014 to £10.3 million in 2015.

As a result of the strong control of overheads, the incremental gross profit almost completely fell through to augment the Regus Group's operating profit, which increased 37 per cent. at constant currency to £144.8 million (2014: £104.3 million) (up 39 per cent. at actual rates). Consequently, the underlying Regus Group operating margin increased from 6.2 per cent. in 2014 to 7.5 per cent. in 2015.

During the first quarter of 2015, the Regus Group completed the sale of various portfolios of property assets acquired during 2014. The disposal raised £84 million of cash before expenses and resulted in a non-recurring profit of £21.3 million after expenses. During the second half of 2015, two non-recurring items, relating to a litigation action in California and the Competition and Markets Authority's review of the acquisition of Avanta in the UK, reduced the overall net gain by £6 million to £15.3 million.

Notwithstanding the increase in net debt from an opening position of £138.0 million to £190.6 million, the Regus Group's net finance costs decreased from £17.2 million to £14.4 million, reflecting strong treasury discipline and a favourable foreign exchange movement on inter-company balances compared with 2014. During 2015, the Regus Group incurred the additional cost of the Schuldschein Debt Securities, but this was largely offset through subsequent lower utilisation of the Regus Group's revolving credit facility.

Within the overall net finance costs, the Regus Group also incurred a notional, non-cash, interest charge of £1.6 million (2014: £2.0 million) relating to the accounting treatment of fair value adjustments on various acquisitions made in past years. In addition, there were also other non-cash costs of £1.4 million (2014: £1.3 million) relating to the amortisation of upfront charges on the establishment of various borrowing facilities.

The underlying effective tax rate for the year was 19.9 per cent. The Regus Group's reported tax rate was 17.7 per cent. (2014: 19.7 per cent.).

Statutory Regus Group earnings per share increased significantly to 12.8p (2014: 7.4p). Excluding the positive contribution from the non-recurring items, underlying earnings per share of the Regus Group increased 51 per cent. to 11.2p, reflecting the strong growth in underlying operating profit of the Regus Group.

1.5 Operating results for the financial year ended 31 December 2014 compared with prior financial year

The financial table below indicates the development of the Regus Group's business over the course of the two years ended 31 December 2014 in terms of revenue, costs, operating profit, profit before taxation and earnings per share. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2014 (£m)	**Year ended 31 Dec 2013 (£m)**
Revenue	1,676.1	1,533.5
Cost of sales	(1,293.0)	(1,159.7)
Gross profit (centre contribution)	383.1	373.8
Administration expenses before non-recurring expenses	(270.9)	(275.9)
Research & development	(8.7)	(7.2)
Administration expenses	(279.6)	(283.1)
Share of post-tax profit/(loss) of joint ventures	0.8	0.1
Operating profit (before non-recurring items)	104.3	90.8
Non-recurring items	-	-
Operating profit (including non-recurring items)	104.3	90.8
Finance expense	(17.3)	(10.5)
Finance income	0.1	1.2
Profit before tax for the year	87.1	81.5
Tax (charge) / credit	(17.2)	(14.6)
Profit after tax for the year	69.9	66.9
Attributable to:		
Equity shareholders of the parent	69.9	66.9

	Year ended 31 Dec 2014 (£m)	Year ended 31 Dec 2013 (£m)
Minority interests	-	-
Profit after tax for the year	69.9	66.9
Earnings per ordinary share (EPS):		
Basic (p)	7.4	7.1
Diluted (p)	7.2	7.0
Weighted average number of shares outstanding ('000s)	944,082	943,775

Revenues for the Regus Group increased 15.8 per cent. at constant currency to £1,676.1 million (2013: £1,533.5 million), an increase of 9.3 per cent. at actual rates.

Gross profit for the Regus Group improved 9 per cent. at constant currency rates to £383.1 million (2013: £373.8 million), up 2 per cent. at actual rates. The decline in the gross margin for the Regus Group from 24.4 per cent. to 22.9 per cent. reflected the impact of dilution from a relatively higher number of immature locations as the Regus Group invested significantly in growing the network in the preceding couple of years. The mature gross margin (from locations added on or before 31 December 2012), based on a like-for-like estate, improved from 26.8 per cent. to 27.7 per cent.

All of the Regus Group's functions underwent some restructuring in the year as the Regus Group invested in management and looked to further streamline its processes and maximise the value of its shared service centres. As a consequence, and in spite of significant growth, overheads grew only 4 per cent. at constant currency to £279.6 million (down 1 per cent. at actual rates), against a 24 per cent. increase in the Regus Group's network of locations. The Regus Group also continued to increase investment in R&D, up 21 per cent. to £8.7 million, and in its network development function to support future growth. As a percentage of revenues, total overheads declined from 18.5 per cent. in 2013 to 16.7 per cent. in 2014.

As a result of this strong cost discipline and scale benefits, operating profit increased 27 per cent. at constant currency to £104.3 million (2013: £90.8 million), up 15 per cent. at actual rates. Consequently, the Regus Group statutory operating profit margin increased from 5.9 per cent. to 6.2 per cent.

The Regus Group's net finance costs increased significantly from £9.3 million to £17.2 million. This increase reflected the following factors:

- net debt increased significantly, from £57 million to £138 million as the Regus Group invested in growth;
- available debt finance increased by £164 million to £484 million to ensure appropriate financing headroom. With the increased availability came the attendant carry costs; and
- taking advantage of the low interest rate environment and to provide the Regus Group with certainty of financing costs and protection against higher interest rates, swaps were utilised during the period to convert a substantial portion of debt from floating to fixed rates.

Within the overall net finance costs, the Regus Group also incurred a notional, non-cash, interest charge of £2.0 million (2013: £2.1 million) relating to the accounting treatment of fair value adjustments on various acquisitions in past years.

The tax charge for the year was 19.7 per cent. (2013: 17.9 per cent.). This tax rate was consistent with the Regus Group's anticipated long-term effective tax rate of 20 per cent.

Regus Group earnings per share increased 17 per cent. at constant currency to 7.4p (2013: 7.1p), up 4 per cent. at actual rates. This reflected the increase in net income, after higher interest costs associated with growing the business, the increase in the effective tax rate noted above and the attendant initial losses associated with new locations.

1.6 Operating results for the financial year ended 31 December 2013 compared with prior financial year

The financial table below indicates the development of the Regus Group's business over the course of the two years ended 31 December 2013 in terms of revenue, operating profit, profit before taxation and earnings per share. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2013 (£m)	Year ended 31 Dec 2012 (£m)
Revenue	1,533.5	1,244.1
Cost of sales	(1,159.7)	(923.4)
Gross profit (centre contribution)	373.8	320.7
Administration expenses before non-recurring expenses	(275.9)	(225.7)
Research & development	(7.2)	(4.5)
Administration expenses	(283.1)	(230.2)
Share of post-tax profit/(loss) of joint ventures	0.1	(0.3)
Operating profit (before non-recurring items)	90.8	90.2
Non-recurring items	-	-
Operating profit (including non-recurring items)	90.8	90.2
Finance expense	(10.5)	(5.9)
Finance income	1.2	0.8
Profit before tax for the year	81.5	85.1
Tax (charge) / credit	(14.6)	(14.2)
Profit after tax for the year	66.9	70.9
Attributable to:		
Equity shareholders of the parent	66.9	70.9
Minority interests	-	-
Profit after tax for the year	66.9	70.9
Earnings per ordinary share (EPS):		
Basic (p)	7.1	7.5
Diluted (p)	7.0	7.5
Weighted average number of shares outstanding ('000s)	943,775	941,922

Regus Group revenue increased 23.3 per cent. to £1,533.5 million and reported gross profit increased 17 per cent. to £373.8 million.

Reported operating profit was marginally ahead of the corresponding period at £90.8 million (2012: £90.2 million) despite the significant initial drag on profitability from growth, the £7.4 million of transaction and restructuring costs related to the MWB Acquisition and the heavy initial overhead cost profile that came with it.

Expenditure on R&D for 2013 increased 60 per cent. to £7.2 million (2012: £4.5 million).

2013 was another period of significant expansion for the Regus Group and it continued to invest to support its growing business. Total Regus Group SG&A costs (excluding R&D) as a percentage of revenues declined modestly to 18.0 per cent. compared with 18.1 per cent. in

2012. As well as investing to support the resource-hungry new centre growth, 2013 also included £7.4 million of transaction and restructuring costs related to the MWB Acquisition (as referred to above) as well as a level of associated overheads during the integration phase well above the incremental overhead required to support the combined UK business. Notwithstanding this, total SG&A (excluding R&D) costs per available workstation reduced by 3.8 per cent. reflecting further underlying improvement in overhead efficiency.

The significant investment in new centre growth moved the Regus Group into a net debt position. As a consequence the net finance charge increased to £9.3 million (2012: £5.1 million). Within the year's charge was £3.8 million of fees relating to the loan and guarantee facilities, of which approximately £0.5 million resulted from the extension and amendment in September of its loan facility by £120 million to £320 million. Utilisation of this facility resulted in additional interest payments of £1.6 million.

The Regus Group also incurred a notional, non-cash, interest charge of £2.1 million (2012: £1.4 million) relating to the accounting treatment of fair value adjustments on various acquisitions. The fair value adjustment relating to the MWB Acquisition during 2013 added approximately £0.9 million to the notional charge for 2013.

The tax charge for the year was 17.9 per cent. (2012: 16.7 per cent.). This tax rate was consistent with the Regus Group's anticipated long-term effective tax rate of 20 per cent. as it continued to benefit in 2013 from accounting changes implemented in 2012.

Regus Group earnings per share, after costs associated with the MWB Acquisition and integration of MWB, were 7.1p (2012: 7.5p), primarily reflecting the higher interest costs associated with growing the business.

1.7 **Current trading and future prospects**

See paragraph 8 of Part I for a description of the Regus Group's current trading and future prospects.

2. Liquidity and capital resources

2.1 **Six months ended 30 June 2016 compared with the six months ended 30 June 2015**

The table below reflects the Regus Group's cash flow in the six month periods ended 30 June 2016 and 30 June 2015, respectively. All numbers are stated on a comparable basis in accordance with IFRS.

	Six months ended 30 June 2016 (£m)	**Six months ended 30 June 2015 (£m)**
Group EBITDA	178.6	136.3
Working capital	48.8	17.5
Less: growth-related partner contributions	(23.7)	(24.5)
Maintenance capital expenditure	(33.6)	(32.8)
Taxation	(20.2)	(9.8)
Finance costs	(9.9)	(6.3)
Other items	2.6	(0.5)
Cash flow before growth capital expenditure, share repurchases, dividends and non-recurring disposal proceeds	**142.6**	**79.9**
Gross growth capital expenditure	(106.8)	(144.5)
Less: growth-related partner contributions	23.7	24.5

	Six months ended 30 June 2016 (£m)	Six months ended 30 June 2015 (£m)
Net growth capital expenditure	**(83.1)**	**(120.0)**
Total net cash flow from operations	**59.5**	**(40.1)**
Non-recurring disposal proceeds	-	84.0
Less: costs of disposal	-	(4.0)
Corporate financing activities	(12.6)	(27.6)
Dividend	(28.9)	(25.8)
Opening net cash/debt	(190.6)	(138.0)
Exchange movements	(1.2)	14.6
Closing net debt	**(173.8)**	**(136.9)**

The table below reflects the Regus Group's consolidated cash flow statement for the six month periods ended 30 June 2016 and 30 June 2015, respectively. All numbers are stated on a comparable basis in accordance with IFRS.

	Six months ended 30 June 2016 (£m)	Six months ended 30 June 2015 (£m)
Profit before tax for the period	84.3	79.1
Adjustments for:		
Net finance expense	4.8	7.2
Share of profit of equity-accounted investees, net of tax	(0.4)	(0.4)
Depreciation charge	82.3	63.7
Gain on disposal of property, plant and equipment	(0.6)	(0.8)
Impairment of property, plant and equipment	-	-
Amortisation of intangible assets	6.3	7.6
Amortisation of acquired lease fair value adjustments	(1.5)	(2.7)
Increase in provisions	0.6	0.2
Share based payments	1.4	1.5
Other non-cash movements	(2.4)	(5.7)
Operating cash flows before movements in working capital	174.8	149.7
Increase in trade and other receivables	23.2	(67.2)
Increase in trade and other payables	27.1	83.4
Cash generated from operations (before non-recurring items)	225.1	165.9
Loss/(Profit) on disposal of assets-held-for-sale	0.1	(21.3)
Impairment of assets-held-for-sale	2.0	-
Cash generated from operations (after non-recurring items)	**227.2**	**144.6**
Interest paid	(10.0)	(6.5)
Tax paid	(20.2)	(9.8)
Net cash inflows from operating activities	**197.0**	**128.3**
Investing activities		
Purchase of subsidiary undertakings (net of cash acquired)	(0.3)	(54.9)
Dividends received from joint ventures	0.1	-
Proceeds on the sale of assets-held-for-sale	3.1	84.0
Proceeds on sale of property, plant and equipment	13.9	4.7
Purchase of property, plant and equipment	(150.7)	(117.1)
Purchase of intangible assets	(2.5)	(5.3)
Interest received	0.1	0.2
Cash outflows from investing activities	(136.3)	(88.4)
Financing activities		
Net proceeds from issue of loans	385.8	186.6
Repayment of loans	(404.0)	(166.2)
Repayment of principal under finance leases	-	-
Settlement of financial derivatives	(7.0)	-
Re-issuance of treasury shares	3.8	0.7
Purchase of treasury shares	(7.5)	(24.5)
Settlement of share awards	(3.1)	(3.8)
Payment of ordinary dividend	(28.9)	(25.8)
Cash outflow from financing activities	(60.9)	(33.0)
Net (decrease)/increase in cash and cash equivalents	(0.2)	6.9
Cash and cash equivalents at beginning of period	63.9	72.8
Effect of exchange rate fluctuations on cash held	10.9	(0.3)
Cash and cash equivalents at end of period	74.6	79.4

Cash generated before the investment in growth capital expenditure, dividends and share repurchases, and excluding non-recurring items, increased 78 per cent. in the six months ended 30 June 2016 to £142.6 million (H1 2015: £79.9 million), reflecting the strong growth in underlying Regus Group operating profit and improved working capital management. As well as the normal positive working capital development stemming from the Regus Group's network growth programme and the maturation of these locations, the Regus Group also benefitted from more specific focus on the balance sheet to unlock working capital.

2.2 Year ended 31 December 2015 compared with prior financial year

The table below reflects the Regus Group's cash flow in the two years ended 31 December 2015. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2015 (£m)	Year ended 31 Dec 2014 (£m)
Group EBITDA	290.0	224.8
Working capital	103.5	80.3
Less: growth-related partner contributions	(59.8)	(47.0)
Maintenance capital expenditure	(74.9)	(53.8)
Taxation	(29.1)	(20.9)
Finance costs	(13.2)	(13.5)
Other items	(0.8)	5.7
Cash flow before growth capital expenditure, share repurchases, dividends and non-recurring disposal proceeds	**215.7**	**175.6**
Gross growth capital expenditure	(344.7)	(253.6)
Less: growth-related partner contributions	59.8	47.0
Net growth capital expenditure	**(284.9)**	**(206.6)**
Total net cash flow from operations	**(69.2)**	**(31.0)**
Non-recurring disposal proceeds	84.0	-
Less: costs of disposal	(4.0)	-
Corporate financing activities	(32.0)	(17.3)
Dividend	(38.8)	(35.4)
Opening net cash/debt	(138.0)	(57.2)
Exchange movements	7.4	2.9
Closing net debt	**(190.6)**	**(138.0)**

The table below reflects the Regus Group's consolidated cash flow statement for the two years ended 31 December 2015. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2015 (£m)	Year ended 31 Dec 2014 (£m)
Profit before tax for the year	145.7	87.1
Adjustments for:		
Net finance expense	14.4	17.2
Share of profit of equity-accounted investees, net of tax	(0.3)	(0.8)
Depreciation charge	134.2	107.5
Gain on disposal of property, plant and equipment	(0.3)	(0.9)
Impairment of property, plant and equipment	0.9	-
Amortisation of intangible assets	11.0	13.0
Amortisation of acquired lease fair value adjustments	(4.6)	(5.2)
Increase in provisions	2.8	1.2
Share-based payments	2.2	2.6
Other non-cash movements	(3.0)	-
Operating cash flows before movements in working capital	303.0	221.7
Increase in trade and other receivables	(121.5)	(27.7)
Increase in trade and other payables	221.0	108.0
Cash generated from operations (before non-recurring items)	402.5	302.0
Profit on disposal of assets held for sale	(21.3)	-
Cash generated from operations	381.2	302.0
Interest paid	(13.8)	(13.6)
Tax paid	(29.1)	(20.9)
Net cash inflow from operating activities	338.3	267.5
Investing activities		
Purchase of subsidiary undertakings (net of cash acquired)	(99.4)	(91.0)
Proceeds on the sale of assets held for sale	84.0	-
Dividends received from joint ventures	-	1.0
Purchase of joint ventures	(1.9)	0.6

	Year ended 31 Dec 2015 (£m)	Year ended 31 Dec 2014 (£m)
Proceeds on sale of property, plant and equipment	9.5	7.3
Purchase of property, plant and equipment	(311.5)	(205.4)
Purchase of intangible assets	(8.7)	(11.0)
Interest received	0.6	0.1
Net cash outflow from investing activities	(327.4)	(298.4)
Financing activities		
Net proceeds from issue of loans	383.2	438.2
Repayment of loans	(330.5)	(361.6)
Repayment of principal under finance leases	(0.1)	-
Re-issuance of treasury shares	1.5	1.4
Purchase of shares	(24.5)	(17.2)
Settlement of share awards	(9.0)	(1.5)
Payment of ordinary dividend	(38.8)	(35.4)
Net cash inflow from financing activities	(18.2)	23.9
Net decrease in cash and cash equivalents	(7.3)	(7.0)
Cash and cash equivalents at beginning of year	72.8	84.7
Effect of exchange rate fluctuations on cash held	(1.6)	(4.9)
Cash and cash equivalents at end of year	63.9	72.8

Cash generated before the investment in growth capital expenditure, dividends and share repurchases, and excluding the non-recurring £80 million disposal proceeds after expenses, increased 23 per cent. in 2015 to £215.7 million (2014: £175.6 million), reflecting the strong growth underlying the Regus Group operating profit and very strong cash conversion.

The Regus Group net debt increased from £138.0 million at 31 December 2014 to £190.6 million at 31 December 2015. This increase came after taking the growth capital expenditure and disposal proceeds into account, and after paying dividends of £38.8 million and spending approximately £32.0 million on a combination of buying its own shares as a further hedge against the cost of the exercise of options by Regus Group employees across its various option and long term incentive plans, and cash-settling the exercise of some of those options.

This represented an underlying Regus Group net debt: EBITDA leverage ratio of 0.66 times, which was well below the Regus Group's internal 1.5 times limit and reflected the Regus Group's continued prudent approach to the Regus Group's capital structure.

2.3 Year ended 31 December 2014 compared with prior financial year

The table below reflects the Regus Group's cash flow in the two years ended 31 December 2014. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2014 (£m)	Year ended 31 Dec 2013 (£m)
Group EBITDA	224.8	188.3
Working capital	75.1	64.1
Less: growth-related partner contributions	(47.0)	(60.4)
Maintenance capital expenditure	(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 capital expenditure, share repurchases, dividends and non-recurring disposal proceeds	175.6	115.4
Gross growth capital expenditure	(253.6)	(320.6)
Less: growth-related partner contributions	47.0	60.4
Net growth capital expenditure	**(206.6)**	**(260.2)**
Total net cash flow from operations	**(31.0)**	**(144.8)**
Corporate financing activities	(17.3)	0.4
Dividend	(35.4)	(31.1)
Opening net cash/debt	(57.2)	120.0
Exchange movements	2.9	(1.7)
Closing net debt	**(138.0)**	**(57.2)**

The table below reflects the Regus Group's consolidated cash flow statement for the two years ended 31 December 2014. All numbers are stated on a comparable basis in accordance with IFRS.

	Year ended 31 Dec 2014 (£m)	**Year ended 31 Dec 2013 (£m)**
Profit before tax for the year	87.1	81.5
Adjustments for:		
Net finance expense	17.2	9.3
Share of profit of equity-accounted investees, net of tax	(0.8)	(0.1)
Depreciation charge	107.5	87.8
(Gain) / loss on disposal of property, plant and equipment	(0.9)	0.9
Impairment of property, plant and equipment	-	-
Amortisation of intangible assets	13.0	9.7
Amortisation of acquired lease fair value adjustments	(5.2)	(4.9)
Increase in provisions	1.2	(4.0)
Share-based payments	2.6	2.7
Other non-cash movements	-	2.3
Operating cash flows before movements in working capital	221.7	185.2
Increase in trade and other receivables	(27.7)	(74.4)
Increase in trade and other payables	108.0	143.4
Cash generated from operations (before non-recurring items)	302.0	254.2
Profit on disposal of assets held for sale	-	-
Cash generated from operations	302.0	254.2
Interest paid	(13.6)	(6.7)
Tax paid	(20.9)	(17.1)
Net cash inflow from operating activities	267.5	230.4
Investing activities		
Purchase of subsidiary undertakings (net of cash acquired)	(91.0)	(93.0)
Proceeds on the sale of assets held for sale	-	-
Dividends received from joint ventures	1.0	0.8
Purchase of joint ventures	0.6	(0.4)
Proceeds on sale of property, plant and equipment	7.3	-
Purchase of property, plant and equipment	(205.4)	(248.9)
Purchase of intangible assets	(11.0)	(15.6)
Interest received	0.1	1.2
Net cash outflow from investing activities	(298.4)	(355.9)
Financing activities		
Net proceeds from issue of loans	438.2	132.7
Repayment of loans	(361.6)	(2.4)
Repayment of principal under finance leases	-	(0.5)
Acquisition of non-controlling interest	-	(16.3)
Re-issuance of treasury shares	1.4	-
Purchase of shares	(17.2)	(2.3)
Settlement of share awards	(1.5)	(1.1)
Payment of ordinary dividend	(35.4)	(31.1)
Net cash inflow from financing activities	23.9	79.0
Net decrease in cash and cash equivalents	(7.0)	(46.5)
Cash and cash equivalents at beginning of year	84.7	132.3
Effect of exchange rate fluctuations on cash held	(4.9)	(1.1)
Cash and cash equivalents at end of year	72.8	84.7

Cash generated before the investment in growth capital expenditure and the payment of dividends increased to £176 million, representing 18.6p per share.

Accordingly, the £176 million of cash generated was applied to fund a substantial proportion of the 24 per cent. growth in locations. In total, this involved a net capital outflow on growth of £206.6 million after deducting £47 million of cash capital contributions received in the period from partners. This represented a lower level of net growth capital investment than in the corresponding year for a similar number of locations added. Notwithstanding this, the growth in 2014 exceeded that which the Regus Group could self-fund. Together with the payment of the dividend, net debt increased by £81 million.

As the business grows in scale so does its ability to fund future growth from internal cash generation. For example, in the six months ended 31 December 2014, the business generated £23 million of net cash from a first half net debt position of £161 million, despite adding 258 new locations, albeit the Regus Group experienced some positive working capital movements over the year-end.

2.4 **Short term liquidity**

Short term liquidity requirements are met from the Regus Group's normal operating cashflow. Cash generated before investment in growth in capital expenditure, dividends and share repurchases, and excluding non-recurring items, increased 78 per cent. in the six months ended 30 June 2016 to £142.6 million (H1 2015: £79.9). As at 30 September 2016, the Regus Group had net debt of £158.1 million.

2.5 **Long term liquidity and financial covenants**

The Regus Group maintains a £550 million revolving credit facility (the "**RCF**") and a £75 million bank guarantee and letter of credit facility (the "**BGLCF**"), with final maturity dates in May 2021 and September 2017, respectively. The RCF was increased in May 2016 from £320 million to £550 million; the increase in the RCF provides a long term commitment that can be partially allocated to cover the BGLCF which matures in 2017.

As at 30 September 2016, there was £193.7 million drawn in cash under the RCF, £50.0 million was used for bank guarantees, and £306.3 million was available and undrawn.

Utilisation of the RCF fluctuates due to the normal operational cycle of supplier payments and customer receipts, and, over a longer time frame, the net cash generation from business operations being offset by investment in growth as well as the payment of dividends.

The BGLCF and RCF are subject to financial covenants relating to net debt to EBITDA, and EBITDA plus rent to interest plus rent. The BGLCF also includes an operating cash flow covenant. The financial strength of the Regus Group, and management's stated objective to maintain prudent leverage ratios, means that the covenant requirements are not expected to restrict the availability or use of the BGLCF and RCF.

The Regus Group is in compliance with all covenant requirements.

The Regus Group is confident it will either repay, replace, or extend, the RCF and the BGLCF ahead of their respective maturity dates in 2021 and 2017. The Regus Group is currently in discussions with its lender with a view to replacing the BGLCF with a new facility of similar size and which shall be consistent with the Regus Group's financing strategy and policies.

2.6 **Treasury policy**

The Regus Group's treasury department operates in accordance with a written policy approved by the Board.

3. Qualitative and quantitative disclosures on market risk

3.1 General

Exposure to credit, interest rate and currency risks arise in the normal course of business.

3.2 Credit risk

Credit risk could occur where a customer or counterparty defaults under the contractual terms of a financial instrument and arises principally in relation to customer contracts and the Regus Group's cash deposits.

A diversified customer base and requirement for customer deposits and payments in advance on workstation contracts which contribute a significant portion of the Regus Group's revenue minimises the Regus Group's exposure to customer credit risk. No single customer contributes a material percentage of the Regus Group's revenue. The Regus Group's policy is to provide against trade receivables when specific debts are judged to be irrecoverable or where formal recovery procedures have commenced. A provision is created where debts are more than three months overdue which reflects the Regus Group's historical experience of the likelihood of recoverability of these trade receivables. These provisions are reviewed on an ongoing basis to assess changes in the likelihood of recoverability.

The maximum exposure to credit risk for trade receivables at 31 December 2015, analysed by geographic region, is summarised below.

	2015 (£m)	2014 (£m)
Americas	41.2	28.0
EMEA	68.9	57.9
Asia Pacific	33.7	28.7
UK	62.4	46.3
	206.2	160.9

All of the Regus Group's trade receivables relate to customers purchasing workplace solutions and associated services and no individual customer has a material balance owing as a trade receivable.

The ageing of trade receivables at 31 December 2015 was:

	Gross 2015 (£m)	Provision 2015 (£m)	Gross 2014 (£m)	Provision 2014 (£m)
Not overdue	158.4	–	120.4	–
Past due 0 – 30 days	31.2	–	25.8	–
Past due 31 – 60 days	7.4	–	7.9	–
More than 60 days	20.8	(11.6)	15.1	(8.3)
	217.8	(11.6)	169.2	(8.3)

At 31 December 2015, the Regus Group maintained a provision of £11.6 million against potential bad debts (2014: £8.3 million) arising from trade receivables. The Regus Group had provided £6.5 million (2014: £4.5 million) in the year and utilised £3.2 million (2014: £2.5 million). Customer deposits of £416.7 million were held by the Regus Group as at 30 September 2016 mitigating the risk of default.

The Regus Group believes no provision is generally required for trade receivables that are not overdue as the Regus Group collects the majority of its revenue in advance of the provision of office services and requires deposits from its customers.

Cash investments and derivative financial instruments are only transacted with counterparties of sound credit ratings, and management does not expect any of these counterparties to fail to meet their obligations.

3.3 Liquidity risk

The Regus Group manages liquidity risk by closely monitoring the global cash position, the available and undrawn credit facilities, and forecast capital expenditure and expects to have sufficient liquidity to meet its financial obligations as they fall due. The Regus Group had free cash and liquid investments (excluding blocked cash) of £37.2 million as at 30 September 2016. In addition to cash and liquid investments, the Regus Group had £306.3 million available and undrawn under its committed borrowings as at 30 September 2016. The Directors consider the Regus Group has adequate liquidity to meet day-to-day requirements.

The RCF has a final maturity date in May 2021. As at 30 September 2016, £306.3 million was available and undrawn under the RCF.

Although the Regus Group had net current liabilities of £534.9 million as at 30 September 2016, the Regus Group does not consider that this gives rise to a liquidity risk. A large proportion of the net current liabilities comprise non-cash liabilities such as deferred income which will be recognised in future periods through the income statement. Although the Regus Group held customer deposits of £416.7 million as at 30 September 2016 these are spread across a large number of customers and no deposit held for an individual customer is material. Therefore the Group does not believe the balance represents a liquidity risk.

3.4 Market risk

The Regus Group is exposed to market risk primarily related to foreign currency exchange rates, interest rates, and the market value of the Regus Group’s investments in financial assets. These exposures are actively managed by the Regus Group treasury department in accordance with a written policy approved by the Board. The Regus Group does not use financial derivatives for trading or speculative reasons.

3.5 Interest rate risk

The Regus Group manages its exposure to interest rate risk through the relative proportions of fixed rate debt and floating rate debt. The surplus cash balances are invested short-term, and as at 31 December 2015 no cash was invested for a period exceeding three months.

3.6 Foreign currency risk

The Regus Group is exposed to foreign currency exchange rate movements. The majority of day-to-day transactions of overseas subsidiaries are carried out in local currency and the underlying foreign exchange exposure is small. Transactional exposures do arise in some countries where it is local market practice for a proportion of the payables or receivables to be in other than the functional currency of the affiliate. Intercompany charging, funding, and cash management activity may also lead to foreign exchange exposures. It is the policy of the Regus Group to seek to minimise such transactional exposures through careful management of non-local currency assets and liabilities, thereby minimising the potential volatility in the income statement. Net investments in Regus Group affiliates with a functional currency other than pounds sterling are of a long-term nature and the Regus Group does not normally hedge such foreign currency translation exposures. From time to time, the Regus Group uses short-term derivative financial instruments to manage its transactional foreign exchange exposures where these exposures cannot be eliminated through balancing the underlying risks. No transactions of a speculative nature are undertaken.

The foreign currency exposure arising from third party transactions held in a currency other than the functional currency of the related entity as at 31 December 2015 is summarised as follows:

			2015	
£m	GBP	JPY	EUR	USD
Trade and other receivables	-	-	9.1	16.4
Trade and other payables	(1.4)	(1.2)	(21.9)	(19.4)
Net statement of financial position exposure	(1.4)	(1.2)	(12.8)	(3.0)

			2014	
£m	GBP	JPY	EUR	USD
Trade and other receivables	0.1	-	5.7	11.4
Trade and other payables	(0.9)	(2.2)	(26.9)	(12.9)
Net statement of financial position exposure	(0.8)	(2.2)	(21.2)	(1.5)

3.7 Other market risks

The Regus Group does not hold any available for sale equity securities and is therefore not subject to risks of changes in equity prices.

3.8 Other risks

For a discussion of further risks faced by the Regus Group which may affect results of operations, please refer to the section of this Prospectus headed “Risk Factors”.

4. Key judgmental areas adopted in preparing accounts

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain judgements and assumptions that affect reported amounts and related disclosures.

4.1 Fair value accounting for business combinations

For each business combination, the Regus Group assesses the fair values of assets and liabilities acquired. Where there is not an active market in the category of the non-current assets typically acquired with a business centre or where the books and records of the acquired company do not provide sufficient information to derive an accurate valuation, management calculates an estimated fair value based on available information and experience.

The main categories of acquired non-current assets where management's judgment has an impact on the amounts recorded include tangible fixed assets, customer list intangibles and the fair market value of leasehold assets and liabilities. For significant business combinations management also obtains third-party valuations to provide additional guidance as to the appropriate valuation to be included in the financial statements.

4.2 **Valuation of intangibles and goodwill**

The Regus Group evaluates the fair value of goodwill and other intangible assets to assess potential impairments on an annual basis, or during the year if an event or other circumstance indicates that the Regus Group may not be able to recover the carrying amount of the asset. The Regus Group evaluates the carrying value of goodwill based on its cash generating units aggregated at a country level and makes that determination based upon future cash flow projections which assume certain growth projections which may or may not occur. The Regus Group records an impairment loss for goodwill when the carrying value of the asset is less than its estimated recoverable amount.

4.3 **Impairment of property plant and equipment**

The Regus Group evaluates the potential impairment of property, plant and equipment at a centre (CGU) level where there are indicators of impairment at the balance sheet date. In the assessment of value-in-use, key judgmental areas in determining future cash flow projections include: an assessment of the location of the centre; the local economic situation; competition; local environmental factors; the management of the centre; and future changes in occupancy, revenue and costs of the centre.

4.4 **Tax assets and liabilities**

The Regus Group bases its estimate of deferred tax assets and liabilities on current tax laws and rates and, in certain cases, business plans and other expectations about future outcomes. Changes in existing laws and rates, and their related interpretations, and future business results may affect the amount of deferred tax liabilities or the valuation of deferred tax assets over time. The Regus Group's accounting for deferred tax represents management's best estimate of future events that can be appropriately reflected in the accounting estimates. It is the Regus Group's current policy to recognise a deferred tax asset when it is probable that future taxable profits will be available against which the assets can be used. Where appropriate, the Regus Group assesses the potential risk of future tax liabilities arising from the operation of its business in multiple tax jurisdictions and includes provisions within tax liabilities for those risks that can be estimated reliably. Changes in existing tax laws can affect large international groups similar to the Regus Group and could result in significant additional tax liabilities over and above those already provided for.

4.5 **Onerous lease provisions**

The Regus Group has identified certain poor performing centres where the lease is considered onerous, i.e., the Regus Group does not expect to recover the unavoidable lease costs up to the first break point. The accounts include a provision for the Regus Group's estimate of the net amounts payable under the terms of the lease to the first break point, discounted at the Regus Group's weighted average cost of capital, where appropriate.

4.6 **Dilapidations**

Certain of the Regus Group's leases with landlords include a clause obliging the Regus Group to hand the property back in the condition as at the date of signing the lease. The costs to bring the property back to that condition are not known until the Regus Group exits the property so the Regus Group estimates the costs at each balance sheet date. However, given that landlords often regard the nature of changes made to properties as improvements, the Regus Group estimates that it is unlikely that any material dilapidation payments will be necessary. Consequently, provision has been made only for those potential dilapidation payments when it is probable that an outflow will occur and can be reliably estimated.

PART III – HISTORICAL FINANCIAL INFORMATION OF THE REGUS GROUP

1. Basis of financial information

The financial information of the Regus Group included in the 2016 Interim Results, the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements (together with the audit reports on the 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements) are incorporated by reference into this Prospectus.

The audit reports for each of the financial years ending 31 December 2015, 2014 and 2013 were unqualified.

The 2015 Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements were prepared in accordance with IFRS.

No financial information is available in respect of IWG as IWG has not traded since incorporation.

2. Cross reference list

The following lists are intended to enable investors to identify easily specific items of information which have been incorporated by reference into this Prospectus.

2.1 2016 Interim Results

Unaudited historical financial information prepared under IFRS for the six months ended 30 June 2016 is set out in the 2016 Interim Results, which are incorporated by reference into this Prospectus.

2.2 2015 Financial Statements and the audit report thereon

The page numbers below refer to the relevant pages of the 2015 Financial Statements:

- Group consolidated income statement – page 56
- Group consolidated balance sheet – page 59
- Group cash flow statement – page 60
- Group consolidated statement of changes in equity – page 58
- Notes to the accounts – pages 61 to 99
- Independent auditors' report – page 55
- Accounting policies – pages 61 to 66

2.3 **2014 Financial Statements and the audit report thereon**

The page numbers below refer to the relevant pages of the 2014 Financial Statements:

- Group consolidated income statement – page 50
- Group consolidated balance sheet – page 53
- Group cash flow statement – page 54
- Group consolidated statement of changes in equity – page 52
- Notes to the accounts – pages 55 to 89
- Independent auditors' report – page 49
- Accounting policies – pages 55 to 59

2.4 **2013 Financial Statements and the audit report thereon**

The page numbers below refer to the relevant pages of the 2013 Financial Statements:

- Group consolidated income statement – page 58
- Group consolidated balance sheet – page 61
- Group cash flow statement – page 62
- Group statement of changes in equity – page 60
- Notes to the accounts – pages 63 to 103
- Independent auditors' report – page 57
- Accounting policies – pages 63 to 69

PART IV – TAXATION

1. Jersey taxation

The following summary of the anticipated treatment of IWG and holders of IWG Ordinary Shares (other than holders who are tax resident in Jersey) is based on Jersey taxation law as it is understood to apply at the date of this Prospectus. It does not constitute legal or tax advice. IWG Ordinary Shareholders should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of IWG Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. IWG Ordinary Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

1.1 **Income tax**

(A) **IWG**

Under the Income Tax (Jersey) Law 1961 (the "**Jersey Income Tax Law**"), IWG will be regarded as not resident in Jersey under Article 123(1) of the Jersey Income Tax Law if:

- its business is centrally managed and controlled outside Jersey in a country or territory where the highest rate at which any company may be charged to tax on any part of its income is 10 per cent. or higher; and

- the company is resident for tax purposes in that country or territory (under the tax legislation of that jurisdiction),

in which case IWG will not (except as noted below) be liable to Jersey income tax.

Under Jersey Income Tax Law, if IWG is regarded as resident in Jersey, it will fall under Article 123C of the Jersey Income Tax Law, in which case IWG (being neither a financial services company nor a specified utility company under Jersey Income Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of 0 per cent.

IWG intends to be tax resident in Switzerland and therefore not regarded as resident in Jersey.

If IWG derives any income from the ownership, exploitation or disposal of land in Jersey or the trade of importing and supplying hydrocarbon oil in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that IWG will derive any such income.

(B) **Holders of IWG Ordinary Shares**

IWG will be entitled to pay dividends to holders of IWG Ordinary Shares without any withholding or deduction for or on account of Jersey tax. Holders of IWG Ordinary Shares (other than holders who are tax resident in Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such IWG Ordinary Shares.

1.2 Goods and services tax

IWG is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, IWG is not required to:

- register as a taxable person pursuant to the GST Law;
- charge goods and services tax in Jersey in respect of any supply made by it; or
- pay goods and services tax in Jersey in respect of any supply made to it.

An annual election and fee will be required to be made for IWG for each calendar year to retain its “international services entity” status.

1.3 Stamp duty

No stamp duty is payable in Jersey on the issue or on any transfer of IWG Ordinary Shares otherwise than on death. Jersey does not levy any stamp duty on the acquisition, ownership, exchange or sale of shares between living persons.

Upon the death of a holder of IWG Ordinary Shares, a grant of probate or letters of administration will be required to transfer the IWG Ordinary Shares of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, IWG may (at its discretion) dispense with this requirement where the value of the deceased’s movable estate in Jersey (including any IWG Ordinary Shares) does not exceed £10,000.

Upon the death of a holder of IWG Ordinary Shares, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (where the deceased person was domiciled in Jersey at the time of death) the deceased person's personal estate wherever situated (including any IWG Ordinary Shares) if the net value of such personal estate exceeds £10,000; or
- (if the deceased person was domiciled outside of Jersey at the time of death) the deceased person's personal estate situated in Jersey (including any IWG Ordinary Shares) if the net value of such personal estate exceeds £10,000.

Stamp duty of up to 0.75 per cent. is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person: (i) who died domiciled in Jersey, on the value of the entire estate (including any interests in that estate); and (ii) otherwise, on the value of so much of the estate (including any interests in that estate), if any, as is situated in Jersey. The duty is capped at £100,000.

In addition, application and other fees may be payable.

1.4 EU Savings Directive

Save as regards Austria, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 (the "**Regulations**") were suspended on 18 January 2016 pursuant to the Taxation (Agreements with European Union Member States) (Suspension of Regulations) (Jersey) Order 2016. The Regulations continue in effect until 31 December 2016 as regards Austria.

A paying agent established in Jersey that makes interest payments (as defined in the Regulations) to an individual beneficial owner resident in Austria prior to 1 January 2017 is obliged to communicate details of such payments to the Comptroller of Taxes in Jersey who will pass on such details to the tax authorities in Austria.

The system of automatic exchange of information regarding interest payments is implemented in Jersey by means of a bilateral agreement with Austria, the Regulations and Guidance Notes issued by the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, dividend payments to IWG Ordinary Shareholders by IWG and income realised by IWG Ordinary Shareholders upon the sale of IWG Ordinary Shares would not constitute interest payments for the purposes of the system and therefore IWG, nor any paying agent appointed by IWG in Jersey, would be obliged to communicate information to the Comptroller of Taxes in Jersey under these provisions in respect of such payments.

2. Swiss taxation

The following paragraphs summarise the position on Swiss tax for IWG Ordinary Shareholders. This is a general summary of certain tax consequences of the ownership of the IWG Ordinary Shares. These discussions are based, as applicable, on the tax laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions of Switzerland as in effect on the date of this Prospectus which are subject to change (or subject to changes in interpretations), possibly with retrospective effect. This is not a complete analysis of the potential tax effects relevant to owning IWG Ordinary Shares. Nor does the following summary take into account or discuss the tax laws of any jurisdiction other than Switzerland. It also does not take into account investors' individual circumstances. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of IWG Ordinary Shares. Investors are advised to consult their own tax advisors as to Swiss or other tax consequences of the acquisition, ownership and disposition of the IWG Ordinary Shares. Tax consequences may differ according to the provisions of different double taxation treaties and the investor's particular circumstances. The statements and discussion of Swiss taxes set out below are of a general nature and do not relate to persons in the business of buying and selling shares or other securities.

2.1 Withholding tax

On the basis that, as part of the Scheme, the Old Regus Ordinary Shares are transferred to IWG at market value, any repayment by IWG of (i) nominal share capital and (ii) additional paid-in capital / share premium up to the approximate market value of Old Regus at the time of the Scheme ("**qualifying capital contribution reserves**" (as recognised by the Swiss Federal Tax

Administration)) should not be subject to Swiss Federal withholding tax (Verrechnungssteuer) (“**Withholding Tax**”). Any payment from the profits or retained earnings arising as a result of the IWG Reduction of Capital, which are also qualifying capital contribution reserves, should not be subject to Withholding Tax. Distributions paid by IWG will reduce the available amount of distributions that can be paid free of Withholding Tax. Therefore, once cumulative dividends and similar cash or in-kind distributions of profit and reserves made by IWG in respect of IWG Ordinary Shares, including stock dividends and the distribution of any liquidation proceeds, exceed the qualifying capital contribution reserves described above, they should be subject to Withholding Tax, imposed on the gross amount at the current rate of 35 per cent. To the extent additional shares are issued by IWG in the future, the value of the distributions which can be made free of Withholding Tax will be increased by an amount corresponding to the total nominal share capital and paid-in capital / share premium of the shares issued.

For distributions subject to Withholding Tax, IWG may only pay out 65 per cent. of the gross amount of any dividend and similar distributions to the holders of IWG Ordinary Shares. A portion equal to 35 per cent. of the gross amount of such dividends and similar distributions must be paid to the Swiss Federal Tax Administration within 30 days of the due date of the distribution. The repurchase of IWG Ordinary Shares by IWG may under certain circumstances (in particular, if the IWG Ordinary Shares are redeemed for subsequent cancellation, are not timely re-sold or are repurchased in excess of the limits as set out by Article 659 of the Swiss Code of Obligations) be taxed as a partial liquidation for Withholding Tax purposes with the effect that Withholding Tax at the current rate of 35 per cent. is due on the difference between the redemption price and nominal value of the redeemed IWG Ordinary Shares.

Swiss resident beneficiaries of taxable dividends and similar distributions in respect of the IWG Ordinary Shares are entitled to full subsequent relief of the Withholding Tax, either through a tax refund or tax credit against their income tax liability, if they duly report the underlying income in their tax returns or financial statements used for tax purposes, as the case may be, and if there is no tax avoidance. The same holds true in principle for foreign resident investors who hold IWG Ordinary Shares through a permanent establishment or a fixed place of business situated in Switzerland, as defined for Swiss tax purposes and to the extent that applicable additional conditions as per Swiss tax law and / or practice are fulfilled by the respective foreign resident investors. Other non-Swiss resident beneficiaries of dividends and similar distributions in respect of IWG Ordinary Shares may be entitled to a partial or full credit of the Withholding Tax in accordance with any applicable double taxation convention between Switzerland and the beneficiary’s country of tax residence (“**Tax Treaty**”). Besides these Tax Treaties, Switzerland has entered into an agreement with the European Community providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income. This agreement contains, in Article 15 (respectively the revised agreement expected to enter into force with effect from 1 January 2017 in Article 9), provisions on taxation of dividends which apply with respect to EU member states and for corporate investors.

On 1 January 2013, treaties on final withholding taxes entered into by Switzerland with the United Kingdom and Austria (each, a "**Contracting State**") came into force. The treaties require a Swiss paying agent (as defined in the treaties) to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (including dividend income), all as defined in the treaties, deriving from assets (including shares held in IWG) held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State, or (ii) if certain requirements are met, a domiciliary company (Sitzgesellschaft), an insurance company in connection with a so-called insurance wrapper (Lebensversicherungsmantel) or other individuals if the beneficial owner is an individual resident in a Contracting State. Under the treaty with the United Kingdom, the tax rate for individuals resident and domiciled in the United Kingdom is 35.6 per cent. on dividend income and 27 per cent. on capital gains, and, under the treaty with Austria, 27.5 per cent. for dividend income and capital gains. The flat-rate tax withheld substitutes the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the relevant individual is tax resident, unless the individual elects for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individual may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where he or she is tax resident.

If an individual has not opted for disclosure and the flat-rate tax has been withheld by a Swiss paying agent on dividend income respectively a capital gain, the Swiss paying agent will — in accordance with the applicable bilateral treaty for the avoidance of double taxation between Switzerland and the Contracting State — in its own name and on behalf of the relevant holder of shares in IWG file with the Swiss federal tax authorities a request for the refund of the Withholding Tax deducted.

In the context of the repeal of the EU Savings Directive by the European Commission by Council Directive (EU) 2015/2060 of 10 November 2015 with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates), Switzerland and the European Community signed on 27 May 2015 an amendment protocol to the Agreement, which would introduce, if ratified, an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014, in lieu of the withholding system described in the two immediately preceding paragraphs, and expand the range of payments covered. The amendment is expected to enter into force on 1 January 2017. Subject to these conditions, the EU and Switzerland intend to collect account data from 2017 and exchange it from 2018 once the necessary Swiss implementing legislation enters into effect.

On 1 January 2017, Switzerland will introduce the automatic exchange of information (AEOI) also with certain non-EU countries (including Jersey) to prevent cross-border tax evasion.

2.2 **Income and profit tax**

Income tax for individuals

An individual who is a Swiss resident for tax purposes, or a non-Swiss resident holding IWG Ordinary Shares as part of a permanent establishment or a fixed place of business situated in Switzerland (as defined for Swiss tax purposes), receiving dividends and similar distributions (including liquidation proceeds; if held as private assets, only in excess of nominal value respectively qualifying capital contribution reserves) from IWG, has to include these distributions in his or her personal tax return and will be subject to federal, cantonal and communal income tax on any net taxable income for the respective tax period. Any repayment of nominal value and any repayment of qualifying share premium / qualifying capital contribution reserves paid by

IWG will not be subject to federal, cantonal and communal income tax for Swiss resident individuals holding the shares as private assets. A privileged income taxation may apply for taxable dividends or similar distributions if a qualifying participation of at least 10 per cent. is held. On federal level, only 60 per cent. (if held as private assets) respectively 50 per cent. (if held as business assets) of income will be subject to federal income tax under the privileged income taxation, whereas on cantonal and communal income tax level the reduction differs, depending on the canton of residency of the respective individual.

Profit tax for legal entities

Legal entities resident in Switzerland or non-Swiss resident entities holding IWG Ordinary Shares as part of a Swiss permanent establishment are required to include all taxable distributions received on the IWG Ordinary Shares in their profit and loss statement relevant for profit tax purposes and will be subject to federal, cantonal and communal corporate profit tax on any net taxable earnings for such period. A Swiss corporation or co-operative, or a non-Swiss corporation or co-operative holding IWG Ordinary Shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from taxation relief with respect to distributions (Beteiligungsabzug), provided such IWG Ordinary Shares represent at the time of the distribution at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves respectively have a fair market value of at least CHF 1 million.

A holder of IWG Ordinary Shares who is not a resident of Switzerland for tax purposes will not be liable for any Swiss income or profit taxes on dividends and similar distributions with respect to the IWG Ordinary Shares, unless the IWG Ordinary Shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss resident.

2.3 **Net worth and capital taxes**

An individual who is a Swiss resident for tax purposes, or a non-Swiss resident holding IWG Ordinary Shares as part of a permanent establishment or fixed place of business situated in Switzerland, is required to include his or her IWG Ordinary Shares in his or her assets which are subject to cantonal and communal net worth taxes. No net worth tax is levied at the federal level.

Legal entities resident in Switzerland or non-Swiss resident legal entities with a Swiss permanent establishment are subject to cantonal and communal capital tax. The cantonal and communal capital tax is levied on the basis of the taxable equity of the legal entities. No capital tax is levied at the federal level.

2.4 **Taxes on capital gains upon disposal of IWG Ordinary Shares**

Individuals

Individuals who are resident in Switzerland for tax purposes and hold IWG Ordinary Shares as part of his or her private assets (Privatvermögen) generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realised upon the sale or other disposal of IWG Ordinary Shares, unless such individuals are qualified as professional securities dealers (Wertschriftenhändler) for income tax purposes. Under certain circumstances, share sale proceeds of a private individual may be re-characterised into taxable dividend income. Upon repurchase of IWG Ordinary Shares by IWG, the portion of the repurchase price in excess of the nominal amount / qualifying capital contribution reserves may be classified as taxable income if the IWG Ordinary Shares repurchased are not re-sold within a six-year period, or if the IWG Ordinary Shares are repurchased for a capital reduction or are repurchased in excess of the limits as set out by Article 659 of the Swiss Code of Obligations. The six-year period is suspended as long as the repurchased IWG Ordinary Shares are reserved to cover obligations under convertible bonds, option bonds or employee stock option plans (maximum suspension for employee stock option plan is six years). Capital gains realised by an individual on IWG Ordinary Shares that are held as part of its business assets are subject to income taxation and potentially social security contributions. The same tax treatment applies to individuals who, for income tax purposes, are classified as professional securities dealers. A privileged income taxation may apply if a qualifying participation of at least 10 per cent., which was held for at least one year, is sold. On federal level, only 50 per cent. of income will be subject to federal income tax under the privileged income taxation, whereas on cantonal and communal income tax level, the reduction differs depending on the canton of residency of the respective individual.

Legal entities

Capital gains upon the sale or other disposal of IWG Ordinary Shares realised by legal entities resident in Switzerland for tax purposes or foreign legal entities holding IWG Ordinary Shares as part of a Swiss permanent establishment are generally subject to ordinary profit taxation. A Swiss corporation or cooperative, or non-Swiss corporation or cooperative holding IWG Ordinary Shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from taxation relief on capital gains realised upon the disposal of IWG Ordinary Shares (Beteiligungsabzug), provided such IWG Ordinary Shares sold are held for at least one year and represent at the time of disposal at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves respectively a fair market value of minimum CHF 1 million if the participation in IWG Ordinary Shares falls below the threshold of 10 per cent. of the IWG Ordinary Shares after a qualified disposal. The taxation relief only applies on the difference between the sales prices and the initial participation costs (Gestehungskosten).

Non-resident individuals and legal entities

Individuals and legal entities which are not Swiss residents for tax purposes and do not hold IWG Ordinary Shares as part of a Swiss business operation or a Swiss permanent establishment or fixed place of business situated in Switzerland are generally not subject to Swiss income or profit taxes on gains realised upon the disposal of the IWG Ordinary Shares.

2.5 **Gift and inheritance taxes**

The transfer of IWG Ordinary Shares may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is or the deceased was resident for tax purposes in a canton levying such taxes.

2.6 Federal stamp tax and stock exchange levy upon transfer of IWG Ordinary Shares

The transfer of any IWG Ordinary Shares may be subject to a federal transfer stamp tax (Umsatzabgabe) at a current rate of up to 0.3 per cent, if such transfer occurs through or with a Swiss or Liechtenstein bank or securities dealer as defined in the Swiss Federal Stamp Tax Act and no exemption applies.

Capital contributions into IWG, other than pursuant to the Scheme, may be subject to 1 per cent. federal stamp issuance tax.

2.7 Swiss Corporate Tax Reform III ("CTR III")

On 17 June 2016, the Swiss government published draft legislation for the CTR III. In the course of the CTR III, the Swiss privileged taxation schemes (such as holding and mixed companies) will be abolished and replaced by various internationally accepted countermeasures (e.g. tax exempt step-up, general reduction of cantonal corporate income tax rates, notional interest deduction etc.). Since the privileged income taxation on taxable dividends and similar distributions out of qualifying participations of at least 10 per cent. held as private assets needs to be increased to at least 60 per cent. on cantonal / communal level (as already applicable on federal level) in case a canton intends to introduce the notional interest deduction, certain IWG Ordinary Shareholders might be affected by the CTR III.

Due to the fact that there is a referendum, i.e. there will be a public vote, it is expected that the new law will only enter into force by 2018/19.

3. UK Taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK law and on what is understood to be current HM Revenue & Customs published practice, both of which are subject to change at any time, possibly with retroactive effect.

The following paragraphs are not exhaustive and relate only to certain limited aspects of the UK taxation consequences of holding and disposing of IWG Ordinary Shares.

Unless otherwise expressly stated, the paragraphs below apply only to IWG Ordinary Shareholders: (i) who are resident and, if individuals, domiciled in the UK for tax purposes, (ii) to whom split-year treatment does not apply, (iii) who hold their IWG Ordinary Shares as an investment (other than under an individual savings account ("ISA") or a pension arrangement) and not as securities to be realised in the course of a trade, (iv) who are the absolute beneficial owners of their IWG Ordinary Shares and any dividends paid in respect of them, and (v) who hold less than five per cent. of the IWG Ordinary Shares.

In addition, these comments may not apply to certain classes of IWG Ordinary Shareholder such as dealers in securities, broker dealers, collective investment schemes and insurance companies, pension schemes, persons who are otherwise exempt from UK taxation and persons who have (or are deemed to have) acquired their IWG Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) or

persons who are treated as holding their IWG Ordinary Shares as carried interest. Such IWG Ordinary Shareholders may be subject to special rules.

If you are in any doubt about your tax position or are subject to tax in a jurisdiction other than the UK, you should consult your own professional adviser without delay.

3.1 **UK taxation consequences of disposing of IWG Ordinary Shares**

A disposal (or deemed disposal) of IWG Ordinary Shares by an IWG Ordinary Shareholder may, depending on individual circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

(A) **Individual IWG Ordinary Shareholders**

No indexation allowance will be available to individual IWG Ordinary Shareholders on disposals of their IWG Ordinary Shares. However, the capital gains tax annual exemption (which is £11,100 for individuals in the 2016/2017 tax year) may be available to exempt any chargeable gain, to the extent that the exemption has not already been utilised.

With effect from 6 April 2016, capital gains will generally be charged at 10 per cent. to the extent that the total chargeable gains and, generally, total taxable income arising in a tax year, after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount), are less than the upper limit of the income tax basic rate band. To the extent that any chargeable gains (or part of any chargeable gains) arising in a tax year exceed the upper limit of the income tax basic rate band when aggregated with any such income (in the manner referred to above), capital gains tax will be charged at 20 per cent.

An IWG Ordinary Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on a chargeable gain realised on the disposal or part disposal of IWG Ordinary Shares during the period when he is non-resident.

(B) **Corporate IWG Ordinary Shareholders**

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of their IWG Ordinary Shares.

3.2 **UK taxation of dividends**

Dividends paid out of the profits or retained earnings created as a result of the IWG Reduction of Capital should comprise dividends for UK tax purposes.

(A) **Dividends paid by IWG on IWG Ordinary Shares**

Individual IWG Ordinary Shareholders who are within the charge to UK income tax

Finance Act 2016 changed the tax treatment of dividends paid to IWG Ordinary Shareholders who are individuals within the charge to UK income tax, with effect in relation to dividends paid on or after 6 April 2016. The following summary does not address the tax treatment of dividends paid before that date.

The tax treatment of dividends paid by IWG to individual IWG Ordinary Shareholders on or after 6 April 2016 is as follows.

- Dividends paid by IWG will not carry a tax credit.
- All dividends received by an individual IWG Ordinary Shareholder from IWG (or from other sources) will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividends from tax, form part of the IWG Ordinary Shareholder's total income for income tax purposes and will represent the top slice of that income.
- A nil rate of income tax will apply to the first £5,000 of taxable dividend income received by an individual IWG Ordinary Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.
- Any taxable dividend income received by an individual IWG Ordinary Shareholder in a tax year in excess of the Nil Rate Amount will be taxed at a special rate, as set out below.
- That tax will be applied to the amount of the dividend income actually received by the individual IWG Ordinary Shareholder (rather than to a grossed-up amount).

Where an IWG Ordinary Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax:

- at the rate of 7.5 per cent., to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- at the rate of 32.5 per cent., to the extent that the Relevant Dividend Income exceeds the threshold for the higher rate of income tax but falls below the threshold for the additional rate of income tax; and
- at the rate of 38.1 per cent., to the extent that the Relevant Dividend Income exceeds the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the IWG Ordinary Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the top slice of the IWG Ordinary Shareholder's total income for income tax purposes.

Corporate IWG Ordinary Shareholders within the charge to UK corporation tax

IWG Ordinary Shareholders within the charge to corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from IWG if certain conditions are satisfied.

Other IWG Ordinary Shareholders within the charge to corporation tax will not be subject to tax on dividends from IWG so long as the dividends fall within an exempt class and certain conditions are met. In general: (i) dividends paid on non-redeemable shares that do not carry any present or future preferential rights to dividends or to the company's assets on its winding up, and (ii) dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) and who is entitled to less than 10 per cent. of the profits available for distribution and would be entitled to less than 10 per cent. of the assets available for distribution on a winding-up, are examples of dividends that fall within an exempt class.

Credit for Swiss withholding tax

As noted in the paragraph on Swiss withholding tax above, distributions made by IWG in respect of IWG Ordinary Shares out of its qualifying capital contribution reserves (including any such reserves created as a result of any additional shares issued) should not be subject to Swiss Federal withholding tax. Once cumulative distributions paid by IWG in respect of IWG Ordinary Shares exceed this threshold, they should be subject to Swiss Federal withholding tax at the current rate of 35 per cent. Where this arises, HM Revenue and Customs will generally give credit for any Swiss withholding tax withheld from the distribution and which is not recoverable e.g. under the Swiss – UK double-tax treaty from the Swiss tax authorities against UK income tax (or in the case of a corporate IWG Ordinary Shareholder in receipt of a non-exempt dividend, UK corporation tax) payable by IWG Ordinary Shareholders on the distribution.

(B) **UK stamp duty and stamp duty reserve tax ("SDRT") on transfers of IWG Ordinary Shares**

In practice, UK stamp duty should generally not need to be paid on an instrument transferring IWG Ordinary Shares.

No UK SDRT will generally be payable in respect of any agreement to transfer IWG Ordinary Shares.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the IWG Ordinary Shares will not be registered in a register kept in the UK by or on behalf of IWG. IWG has confirmed that it does not intend to keep such a register in the UK.

PART V – FURTHER INFORMATION RELATING TO THE SCHEME

1. Description of the Proposals

The establishment of IWG as the ultimate holding company of the Regus Group entails a number of steps.

The principal steps involved in the Scheme are as follows:

1.1 Transfer of Scheme Shares

Under the Scheme, all the Scheme Shares will be delisted and transferred to IWG on the Scheme Effective Date (which is expected to be 19 December 2016).

In consideration of the transfer of the Scheme Shares, holders of the Scheme Shares will receive, in respect of any Scheme Shares held as at the Scheme Record Time (expected to be 6:00 p.m. on 16 December 2016):

for every one Scheme Share transferred, one IWG Ordinary Share

With effect from the Scheme Effective Date, the rights attaching to the IWG Ordinary Shares will be substantially the same as those attaching to the existing Old Regus Ordinary Shares. Upon the implementation of the Scheme, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they currently have as an Old Regus Ordinary Shareholder. A summary of the rights attaching to the IWG Ordinary Shares is set out in paragraph 5.2 of Part VI.

1.2 Establishing IWG as the ultimate holding company of the Regus Group

Following the transfer of the Scheme Shares, IWG will become the ultimate holding company of Old Regus and therefore the Regus Group.

1.3 Issue of the IWG Ordinary Shares

Old Regus Ordinary Shares may have to be allotted before the Scheme comes into effect (for example, because of the exercise of rights granted by Old Regus under the Old Regus Share Schemes). In some cases, the precise timing of their allotment could leave them outside the scope of the Scheme. In order to ensure that this does not occur, it is proposed that the Old Regus Articles be amended in such a way as to ensure that: (i) any Old Regus Ordinary Shares which are issued after the adoption of the amendment to the Old Regus Articles but prior to the Scheme Record Time will be allotted and issued subject to the terms of the Scheme and that the holders of such shares will be bound by the Scheme accordingly; (ii) any Old Regus Ordinary Shares which are allotted otherwise than to IWG (or to a nominee of IWG) after the Scheme Record Time will be acquired by IWG in exchange for the issue of the same number of IWG Ordinary Shares to the allottees as the allottees would have received had the Old Regus Ordinary Shares been subject to the Scheme; and (iii) in the event that any Old Regus Ordinary Shares are allotted to any person within (ii) above following any reorganisation or material alteration of the share capital of either Old Regus or IWG or any other return of value to holders of IWG Ordinary Shares, the number of IWG Ordinary Shares to be issued to that person may be adjusted by the directors of IWG in such manner as Old Regus's auditors may determine. Any fractions of IWG Ordinary Shares shall be disregarded and shall be aggregated and sold for the benefit of IWG. In this way the allottees in question will receive IWG Ordinary Shares instead of Old Regus Ordinary Shares.

2. Conditions to and implementation of the Proposals

2.1 The Scheme

The Scheme will not become effective and binding unless:

(A) the Scheme is approved by a majority in number, representing three-fourths in voting rights, of the Old Regus Ordinary Shareholders present and voting, either in person or by proxy, at the Court Meeting;

(B) the resolutions set out in the notice of the Extraordinary General Meeting, which include certain matters in connection with the Scheme, are passed by the requisite majorities of Old Regus Ordinary Shareholders at the Extraordinary General Meeting;

(C) the Scheme is sanctioned by the Jersey Court at the Court Hearing; and

(D) a copy of the order of the Jersey Court sanctioning the Scheme is delivered to the Jersey Registrar of Companies for registration.

The Court Hearing (at which it is proposed that the Jersey Court sanctions the Scheme) is expected to be held on or around 15 December 2016. Old Regus Ordinary Shareholders who wish to oppose the Scheme will be informed by advertisement in a newspaper with national distribution in the United Kingdom of their right to appear in person, or be represented by counsel, at the Court Hearing.

In addition, the IWG Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following conditions have been satisfied:

(E) the UK Listing Authority has agreed to admit (subject to the satisfaction of conditions (A) to (D) above, save to the extent already satisfied) the IWG Ordinary Shares to be issued in connection with the Scheme to the Official List and its agreement has not been withdrawn prior to the Scheme Effective Date; and

(F) the London Stock Exchange has agreed to admit the IWG Ordinary Shares to be issued in connection with the Scheme to trading on its main market for listed securities and its agreement has not been withdrawn prior to the Scheme Effective Date.

If the conditions above are satisfied, dealings in the IWG Ordinary Shares to be issued pursuant to the Scheme are expected to commence on 19 December 2016.

If the Scheme has not become effective by 31 May 2017 (or such later date as the Jersey Court may allow), it will lapse, in which event the Scheme will not proceed, Old Regus Ordinary Shareholders will remain Old Regus Ordinary Shareholders and the Old Regus Ordinary Shares will continue to be listed on the Official List and admitted to trading on the main market of the London Stock Exchange.

The Scheme contains a provision for Old Regus and IWG jointly to consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Jersey Court may think fit to approve or impose. Old Regus has been advised by its legal advisers that the Jersey Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interest of Old Regus Ordinary Shareholders unless Old Regus Ordinary Shareholders were informed of any such modification, addition or condition. If the Jersey Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the IWG Directors, is such as to require consent of the Old Regus Ordinary Shareholders, the IWG Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

2.2 The IWG Reduction of Capital

The purpose of the IWG Reduction of Capital is to create profits or retained earnings in the accounts of IWG to support the payment of future dividends and share repurchases by IWG in the medium to long term. Distributions from these profits or retained earnings should be regarded for UK tax purposes as a dividend on receipt by UK shareholders and distributions paid out of qualifying capital contribution reserves (as described in paragraph 2.1 (Withholding tax) of Part IV of this Prospectus) should not be subject to Swiss withholding tax.

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG’s share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied toward any other lawful purpose.

The IWG Reduction of Capital is conditional upon:

(A) the passing of a resolution by the IWG Initial Subscriber Shareholders approving the IWG Reduction of Capital and the passing of the resolutions approving the Scheme and the IWG Reduction of Capital as set out in the notice of the Extraordinary General Meeting;

(B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG’s register of members;

(C) the Scheme becoming effective; and

(D) the Jersey Registrar of Companies registering the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law.

The amount of the profits or retained earnings to be created by the IWG Reduction of Capital will depend upon the price at which IWG Ordinary Shares are issued by IWG pursuant to the Scheme. Such IWG Ordinary Shares will be issued at a price equal to the actual closing price of Old Regus Ordinary Shares on the last day of dealings in Old Regus Ordinary Shares (currently anticipated to be 16 December 2016).

Based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) and on the closing price of an Old Regus Ordinary Share of 247.50 pence on 1 November 2016 and assuming that no further Old Regus Ordinary Shares are issued or repurchased after 1 November 2016, the IWG Reduction of Capital will create profits or retained earnings of approximately £2,285,733,661.34 in the accounts of IWG and leave IWG with paid up share capital of approximately £9,272,753.19.

The necessary shareholder resolution for IWG to implement the IWG Reduction of Capital is expected to be passed by the IWG Initial Subscriber Shareholders shortly before the Scheme Effective Date, conditional upon the Scheme becoming effective. Approval relating to the IWG Reduction of Capital is being sought from the Old Regus Ordinary Shareholders as one of the resolutions to be proposed at the Extraordinary General Meeting.

The IWG Reduction of Capital is expected to become effective on or around 19 December 2016.

3. Admission and dealings

Application will be made to the UK Listing Authority for up to 1,000,000,000 IWG Ordinary Shares of one penny each to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities. The ISIN number of the IWG Ordinary Shares will be JE00BYVQYS01.

The last day of dealings in Old Regus Ordinary Shares is expected to be 16 December 2016. The last date for registration of transfers of Old Regus Ordinary Shares is expected to be 16 December 2016.

At the Scheme Effective Date, share certificates for the Old Regus Ordinary Shares in certificated form will cease to be valid and, with respect to the Old Regus Ordinary Shares held in uncertificated form, Euroclear will be instructed to cancel the entitlements of the relevant Old Regus Ordinary Shareholders in respect of those Old Regus Ordinary Shares. Admission of the IWG Ordinary Shares to the Official List is expected to become effective and dealings in the IWG Ordinary Shares are expected to commence at 8:00 a.m. on 19 December 2016. These dates may be deferred if it is necessary to adjourn any meeting required to approve the Scheme or if there is any delay in obtaining the Jersey Court's sanction of the Scheme. In the event of a delay, the application for the Old Regus Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect.

No IWG Ordinary Shares have been marketed to, nor are any available for purchase or exchange, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the admission to the Official List.

IWG Ordinary Shares can be held in certificated or uncertificated form. It is expected that certificates for IWG Ordinary Shares in certificated form will be dispatched within ten Business Days of the Scheme Effective Date.

Pending the dispatch of certificates for IWG Ordinary Shares, transfers of IWG Ordinary Shares in certificated form will be certified against the share register of IWG. Temporary documents of title have not been, and will not be, issued in respect of IWG Ordinary Shares in certificated form.

It is expected that IWG Ordinary Shares in uncertificated form will be credited to CREST accounts on 19 December 2016.

All documents, certificates, cheques or other communications sent by or to shareholders will be sent at their own risk and may be sent by post.

All mandates in force at the Scheme Record Time relating to payment of dividends on Old Regus Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to IWG in relation to the corresponding holding of IWG Ordinary Shares.

4. Overseas Shareholders

4.1 General

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this Prospectus comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of IWG Ordinary Shares following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, IWG is advised that the allotment and issue of IWG Ordinary Shares would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom, or would or might require IWG to obtain any governmental or other consent or effect any registration, filing or other formality, IWG may determine that no IWG Ordinary Shares shall be allotted and issued to such shareholder but instead those IWG Ordinary Shares shall be allotted and issued to a nominee appointed by IWG as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, IWG may determine that the IWG Ordinary Shares shall be allotted and issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

This Prospectus has been prepared for the purpose of complying with English law and the rules of the UK Listing Authority and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

THIS PROSPECTUS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR BECOME A MEMBER OF IWG. NONE OF THE SECURITIES REFERRED TO IN THIS PROSPECTUS SHALL BE SOLD, ISSUED,

EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

4.2 United States

The IWG Ordinary Shares will not be, and are not required to be, registered under the US Securities Act and will be issued pursuant to the Scheme in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the IWG Ordinary Shares issued pursuant to the Scheme, IWG will rely on the Jersey Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Old Regus Ordinary Shareholders at which hearing all such Old Regus Ordinary Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such shareholders.

The Scheme relates to the shares of a Jersey company and is to be made by means of a scheme of arrangement provided for under the laws of Jersey. The Scheme is subject to the disclosure requirements and practices applicable in Jersey to schemes of arrangement, which differ from the disclosure and other requirements of United States securities laws.

Both Old Regus and IWG are registered in Jersey. Directors and officers of Old Regus and IWG may be located outside the United States and, as a result, it may not be possible for Old Regus Ordinary Shareholders or IWG Ordinary Shareholders in the United States to effect service of process within the United States upon Old Regus or IWG or such other persons. A substantial portion of the assets of Old Regus and IWG and such other persons may be located outside the United States and, as a result, it may not be possible to satisfy a judgment against Old Regus or IWG or such other persons in the United States or to enforce a judgment obtained in United States courts against Old Regus or IWG or such other persons outside the United States.

The IWG Ordinary Shares will not be registered under the securities laws of any state of the United States, and will be issued pursuant to the Scheme in reliance on available exemptions from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has reviewed, approved or disapproved of the IWG Ordinary Shares or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

US Shareholders should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of Jersey law.

Old Regus Ordinary Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme and in their particular circumstances.

PART VI – ADDITIONAL INFORMATION

1. Introduction

1.1 The IWG Directors whose names appear on page 31 of this Prospectus, and IWG, whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, accept responsibility for the information given in this Prospectus. To the best of the knowledge of the IWG Directors and IWG, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Incorporation and activity of IWG

2.1 IWG was incorporated and registered in Jersey on 27 September 2016 under the Jersey Companies Law as a private company limited by shares under the name “Galena Holdings Limited” with registered number 122154. IWG meanwhile established its effective management in Zug, Switzerland and will also establish a branch office in Zug, Switzerland, under the name “IWG plc”, St. Helier (JE), Zweigniederlassung, Zug and under the translated name “IWG plc”, St. Helier (JE), Zug Branch (“**Swiss Branch**”). The name of IWG was changed to “IWG plc” and the status of IWG was changed to a public company pursuant to special resolutions passed on 27 October 2016.

2.2 IWG operates under the Jersey Companies Law and subordinate legislation made under the Jersey Companies Law. The Swiss Branch will also be subject to certain Swiss law requirements of limited scope, including certain provisions of the Swiss Code of Obligations.

2.3 The registered office of IWG is at 22 Grenville Street, St Helier, Jersey JE4 8PX (Telephone: +44 1534 676 000). The head office of IWG is at Dammstrasse 19 CH-6300 Zug, Switzerland.

2.4 IWG has not traded since incorporation. KPMG Ireland, whose address is 1 Stokes Place, St Stephen’s Green, Dublin 2, Ireland, are the auditors of IWG and have been the only auditors of IWG since its incorporation.

2.5 KPMG Luxembourg, Société coopérative, whose address is 39, Avenue John F. Kennedy L-1855, Luxembourg, are the auditors of Old Regus and audited the 2015 Financial Statements, 2014 Financial Statements and 2013 Financial Statements. The reports in respect of the 2015 Financial Statements, 2014 Financial Statements and 2013 Financial Statements were unqualified. KPMG Luxembourg, Société coopérative, operates as a registered audit firm in Luxembourg (‘Cabinet de révision agrees’).

3. Share capital and IWG

3.1 On incorporation, the authorised share capital of IWG was £10,000 divided into 1,000,000 ordinary shares of one penny each. Of such shares, one was subscribed by each of the IWG Initial Subscriber Shareholders (the “**IWG Initial Subscriber Shares**”).

Once the Scheme becomes effective, the IWG Initial Subscriber Shares will be repurchased by IWG at their nominal value and then cancelled.

3.2 By resolutions passed on 27 October 2016, it was resolved by the IWG Initial Subscriber Shareholders that:

(A) pursuant to Article 17 of the Jersey Companies Law, the status of IWG be changed from a private company to a public company; and

(B) pursuant to Article 14 of the Jersey Companies Law, the name of IWG be changed from "Galena Holdings Limited" to "IWG plc".

3.3 By resolutions passed on 1 November 2016, it was resolved by the IWG Initial Subscriber Shareholders that:

(A) IWG be authorised pursuant to Article 57 of the Jersey Companies Law to purchase all of the ordinary shares of £0.01 each in IWG held by Dominik de Daniel as at the date of the resolution for an aggregate cash consideration of £0.01 pursuant to the purchase contract referred to in resolution (L) below;

(B) IWG be authorised pursuant to Article 57 of the Jersey Companies Law to purchase all of the ordinary shares of £0.01 each in IWG held by Jürgen Fuhrmann as at the date of the resolution for an aggregate cash consideration of £0.01 pursuant to the purchase contract referred to in resolution (M) below;

(C) pursuant to Article 38 of the Jersey Companies Law, the share capital of IWG be increased from £10,000 divided into 1,000,000 ordinary shares of £0.01 each to £80,000,000 divided into 8,000,000,000 ordinary shares of £0.01 each by the creation of 7,999,000,000 ordinary shares of £0.01 each;

(D) the IWG Articles be adopted by IWG in substitution for and to the exclusion of the existing memorandum and articles of association;

(E) the directors of IWG be authorised to adopt the Share Option Plan, the DSBP, the PSP and the CIP, subject to, and conditional upon:

(i) the passing of the ordinary resolution approving the Share Option Plan, the DSBP, the PSP and the CIP as set out in the notice of the Extraordinary General Meeting; and

(ii) the Scheme becoming effective;

(F) the directors of IWG be generally and unconditionally authorised to exercise all or any of the powers of IWG to allot and issue shares up to an aggregate nominal amount of £10,000,000 as required for the purposes of the Scheme;

(G) subject to, and conditional upon, the Scheme becoming effective, the directors of IWG be generally and unconditionally authorised to exercise all or any of the powers of IWG pursuant to the IWG Articles to allot and issue Relevant

Securities (as defined in Article 11(H)(viii) of the IWG Articles) and to allot and issue shares in pursuance of an employee share scheme (including any employee share scheme of any company that is or becomes a subsidiary of IWG):

(i) up to an aggregate nominal amount of £3,106,245; and

(ii) comprising equity securities (as defined in Article 11(H)(iv) of the IWG Articles) up to a nominal amount of £6,212,490 (after deducting from such limit any Relevant Securities allotted under paragraph (i) above) in connection with an offer by way of a rights issue:

(a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(b) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

for a period expiring (unless this authority is previously renewed, varied or revoked by IWG in a general meeting) at the conclusion of the annual general meeting of IWG to be held in 2017 (or, if earlier, at the close of business on 16 August 2017), save that IWG may before such expiry make an offer or agreement which would or might require Relevant Securities (or shares in pursuance of an employee share scheme) to be allotted and issued after such expiry and the directors of IWG may allot and issue Relevant Securities (or shares in pursuance of an employee share scheme) pursuant to such offer or agreement as if the authority conferred hereby had not expired;

(H) subject to, and conditional upon, the Scheme becoming effective, and in addition to the authorities granted by the resolutions referred to in resolutions (A) and (B) above, the Board be generally and unconditionally authorised pursuant to Article 57 of the Jersey Companies Law and Article 8 of the IWG Articles to make market purchases of IWG Ordinary Shares, provided that:

(i) the maximum number of IWG Ordinary Shares authorised to be purchased is 75,529,802 (representing approximately ten per cent. of Old Regus's issued share capital (excluding treasury shares) at the date of the annual general meeting of Old Regus held on 17 May 2016 (less the Old Regus Ordinary Shares purchased or expected to be purchased by Old Regus in the period between such annual general meeting and the Scheme Effective Date) further provided that no purchase shall be made from time to time if the nominal value of IWG Ordinary Shares so purchased together with all other IWG Ordinary Shares held in treasury by IWG would exceed 10 per cent. of the nominal value of the issued share capital of IWG at that time;

(ii) the minimum price, exclusive of any expenses, which may be paid for an IWG Ordinary Share is £0.01;

(iii) the maximum price, exclusive of any expenses, which may be paid for an IWG Share shall be the higher of:

(a) an amount equal to five per cent. above the average of the middle market quotations for IWG Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and

(b) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time that the purchase is carried out; and

(iv) the authority hereby conferred shall expire at the conclusion of the annual general meeting of IWG to be held in 2017 (or, if earlier, at the close of business on 16 August 2017) except that IWG may make a contract or contracts to purchase IWG Ordinary Shares under this authority before the expiry of this authority, which will or may be executed wholly or partly after the expiry of this authority, and may make purchases of IWG Ordinary Shares in pursuance of any such contract as if such authority had not expired;

(I) subject to, and conditional upon, the Scheme becoming effective, the directors of IWG be empowered pursuant to the IWG Articles to allot and issue equity securities (as defined in Article 11(H)(iv) of the IWG Articles) wholly for cash pursuant to the authority conferred by the resolution referred to in resolution (G) above, and / or where such allotment and issue constitutes an allotment and issue of equity securities by virtue of Article 11(H)(i) of the IWG Articles, as if the pre-emption rights referred to in Article 12 of the IWG Articles did not apply to such allotment and issue, provided that this power:

(i) shall expire on the conclusion of the annual general meeting of IWG to be held in 2017 (or, if earlier, at the close of business on 16 August 2017), save that IWG may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the directors of IWG may allot and issue equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and

(ii) shall be limited to:

(a) the allotment and issue of equity securities in connection with a rights issue, open offer or pre-emptive offer in favour of holders of IWG Ordinary Shares (excluding any shares held by IWG as treasury shares) where the equity securities respectively attributable to the interests of such holders of IWG Ordinary Shares on a fixed record date are proportionate (as nearly as may be) to the respective numbers of IWG Ordinary Shares subject to any exclusions or other arrangements as the directors of IWG may deem necessary or expedient to deal with equity securities representing fractional entitlements and/or to deal with legal or practical problems arising under the laws of, or requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever; and

(b) the allotment and issue of equity securities wholly for cash otherwise than pursuant to paragraph (a) above up to an aggregate nominal amount of £931,873 (representing approximately ten per cent. of Old Regus's issued share capital (excluding treasury shares) at the date of the annual general meeting of Old Regus held on 17 May 2016);

(J) subject to, and conditional upon, the Scheme becoming effective, the directors of IWG be generally and unconditionally authorised pursuant to Article 58A of the Jersey Companies Law, to hold as treasury shares any shares purchased or contracted to be purchased by IWG pursuant to the authority granted in resolution (H) above prior to the conclusion of the annual general meeting of IWG to be held in 2017 (or, if earlier, at the close of business on 16 August 2017), if the directors of IWG resolve to hold as treasury shares any shares so purchased or contracted to be purchased;

(K) any general meeting of IWG other than an annual general meeting may be called on not less than 14 clear days' notice;

(L) the purchase contract relating to the purchase of all of the ordinary shares of £0.01 each in IWG held by Dominik de Daniel be approved;

(M) the purchase contract relating to the purchase of all of the ordinary shares of £0.01 each in IWG held by Jürgen Fuhrmann be approved;

(N) subject to and conditional upon the Scheme becoming effective, the remuneration policy in the form set out in pages 44 to 47 of the directors' remuneration report in the annual report of Old Regus for the year ended 31 December 2015 (as approved by the shareholders of Old Regus at the annual general meeting of Old Regus held on 17 May 2016) be approved as the remuneration policy of IWG;

(O) KPMG Ireland be appointed as approved independent auditor of IWG to hold office until the conclusion of next year's annual general meeting; and

(P) the directors of IWG be authorised to determine the remuneration of KPMG Ireland as approved independent auditor.

3.4 It is proposed that, by resolutions expected to be passed shortly before the Scheme Effective Date, it be resolved by the IWG Initial Subscriber Shareholders that subject to, and conditional upon:

(A) the passing of the resolutions approving the Scheme and the IWG Reduction Of Capital as set out in the notice convening the Extraordinary General Meeting;

(B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG's register of members; and

(C) the Scheme becoming effective,

the amount standing to the credit of IWG's share premium account (including the amount arising upon the allotment and issue of the IWG Ordinary Shares pursuant to the Scheme) on the date on which the Scheme becomes effective be cancelled and such amount be credited to a reserve of profit to be available to IWG to be: (i) distributed by IWG from time to time as dividends in accordance with the Jersey Companies Law; or (ii) applied by IWG from time to time toward any other lawful purpose to which such a reserve may be applied.

3.5 As at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), the authorised and issued share capital of IWG is, and immediately prior to implementation of the Scheme will be (assuming that no further IWG Ordinary Shares are issued after 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus)), as follows:

Class	**Authorised number**	**Aggregate nominal value**	**Issued and fully paid number**	**Issued and fully paid aggregate nominal value**
IWG Ordinary Shares	8,000,000,000	£80,000,000	2	£0.02

3.6 Under the Scheme, IWG will issue IWG Ordinary Shares, credited as fully paid, to Old Regus Ordinary Shareholders on the basis of one IWG Ordinary Share for every one Old Regus Ordinary Share held at the Scheme Record Time.

3.7 Save as disclosed in this paragraph 3, at the date of this Prospectus:

(A) there has been no issue of shares or loan capital of IWG since its incorporation; and

(B) no share or loan capital of IWG is under option or agreed to be put under option.

3.8 At the date of this Prospectus, IWG has no subsidiaries and accordingly, there has been no material issue of share or loan capital by any subsidiary undertaking of IWG for cash or other consideration.

3.9 The IWG Ordinary Shares will, when issued, be in registered form and will be capable of being held in uncertificated form. No temporary documents of title have been or will be issued in respect of the IWG Ordinary Shares. The IWG Ordinary Shares will rank pari passu for dividends.

3.10 The IWG Ordinary Shares have not been marketed and are not available in whole or in part to the public otherwise than pursuant to the Scheme.

3.11 No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of IWG.

3.12 As at 1 November 2016 (being the last practicable date prior to the publication of this Prospectus), IWG held no treasury shares. No IWG Ordinary Shares have been issued other than fully paid.

3.13 Accordingly, the proposed authorised, issued and fully paid share capital of IWG as it will be immediately following the Scheme becoming effective, based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) and assuming that no further Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased after 1 November, is as follows:

Class	**Authorised number**	**Aggregate nominal value**	**Issued and fully paid number**	**Issued and fully paid aggregate nominal value**
IWG Ordinary Shares	8,000,000,000	£80,000,000	927,275,319	£9,272,753.19

4. Summary of the principal differences between the Old Regus Articles and the IWG Articles

Old Regus is a company incorporated and registered in Jersey, with its place of central administration (head office) in Luxembourg and registered as a *société anonyme*. Accordingly, the Old Regus Articles contain a number of provisions which reflect applicable requirements or provisions of Luxembourg law. As IWG has its head office in Switzerland, rather than Luxembourg, these provisions are not contained in the IWG Articles. These provisions, and the other principal differences between the Old Regus Articles and the IWG Articles, are summarised below.

As IWG is incorporated and registered in Jersey, all of the provisions in the Old Regus Articles which reflect applicable requirements or provisions of Jersey law are also included in the IWG Articles. In addition, the Old Regus Articles contain certain provisions to enshrine certain rights which shareholders in a company listed on the London Stock Exchange would expect to have, and these provisions are also substantially included in the IWG Articles. The principal provisions of the IWG Articles are summarised in paragraph 5 of this Part VI.

Notwithstanding the differences between the IWG Articles and the Old Regus Articles outlined below, with effect from the Scheme Effective Date, the voting rights relating to the IWG Ordinary Shares will be substantially the same as the Old Regus Ordinary Shares and the IWG Ordinary Shares will rank *pari passu* for dividends in all respects with other fully paid IWG Ordinary Shares in issue on the Scheme Effective Date.

The following provisions are included in the Old Regus Articles, principally to reflect requirements or provisions of Luxembourg law or ensure Old Regus's place of central administration (head office) remained in Luxembourg:

- a maximum level of authorised but unissued share capital which can be allotted by the Board, with a requirement for that maximum level to be renewed by special resolution every five years;
- a provision which sets out the current issued share capital;
- provisions setting out restrictions in relation to purchase by Old Regus of its own shares;
- provisions relating to the waiver of the application of the pre-emption rights set out in Luxembourg law;
- provisions relating to the implementation of a scheme of arrangement and compulsory acquisition of shares (as a scheme of arrangement is not a concept under Luxembourg law);
- distinctions in voting between substantive and other resolutions;
- provisions reflecting the quorum requirements of Luxembourg law, namely that: the quorum in relation to extraordinary general meetings is members representing at least 50 per cent. of the issued share capital (excluding shares which do not carry a right to attend and vote at general meetings and treasury shares) present in person or by proxy; and, if this quorum is not met, the meeting must be dissolved and may be reconvened as if it were the original meeting except that the notice requirements in respect of the reconvened meeting are the sending of a notice of the meeting and the publication of an announcement in the Luxembourg Official Gazette and in a local Luxembourg newspaper not less than 17 clear days before the reconvened extraordinary general meeting;
- provisions to the effect that: all general meetings be held in Luxembourg; that general meetings are, to the extent required by Luxembourg law, held before a Luxembourg public notary (who must also sign the minutes); and that notices convening general meetings must, in accordance with Luxembourg law, be announced in the Luxembourg Official Gazette and a local Luxembourg newspaper;
- a provision requiring 30 clear days' notice in writing (specifying the place, day and time of the meeting, the agenda and general nature of the business to be transacted) for all general meetings, or such shorter period as permitted by the Jersey Companies Law and

Luxembourg company law, and requiring the company to publish the convening notice by way of an announcement not less than 30 clear days before the general meeting;

- a provision to the effect that at least five per cent. of net profits each year be allocated to an un-distributable legal reserve until that reserve represents one tenth of the nominal value of the issued share capital;

- provisions allowing for the prorogation of general meetings in accordance with Luxembourg law (as the concept of adjournment under Luxembourg law is different to the concept of adjournment under Jersey law);

- provisions to the effect that the power of the Board to announce interim dividends is subject to certain conditions under Luxembourg law, as set out in the Old Regus Articles;

- provisions requiring a specific date, time and location for annual general meetings, to comply with requirements under Luxembourg law;

- provisions relating to the addition of points to the general meeting agenda and the appointment of a bureau at each general meeting;

- provisions allowing for the deemed appointment of a proxy; and

- provisions regarding the location of IWG's general meetings, board committee meetings (save, in certain circumstances, for those relating to purely administrative matters), quorum requirements for such meetings, or the signing of written board resolutions.

These provisions have not been included in the IWG Articles.

The IWG Articles also differ from the Old Regus Articles in that they reflect changes in the Jersey Companies Law and the UK Companies Act 2006 (in the latter case, to the extent that provisions from that legislation were incorporated into the Old Regus Articles at the time they were adopted) which came into force after the Old Regus Articles were adopted. These include the following:

- under the Old Regus Articles, if Old Regus wishes to issue redeemable shares, it must include in the Old Regus Articles the terms and manner of redemption. Jersey legislation allows the directors of a company to determine such matters provided they are so authorised by the articles of association of a company and, accordingly, the IWG Articles contain such authorisation. The directors of IWG would require the authority of IWG Ordinary Shareholders to issue any redeemable shares in the usual way;

- the Old Regus Articles authorise the Board to issue shares up to a prescribed level for the relevant period set out therein, subject to obtaining the relevant approval of shareholders in general meeting. The IWG Articles contain a substantially equivalent provision, save that the relevant period has been updated and will apply until 5 December 2021;

- updating the payment procedure to allow more flexibility for the directors of IWG to announce and IWG to pay dividends, both to individual and joint holders of accounts;

- the Old Regus Articles allow Old Regus to sell Old Regus Ordinary Shares held by untraced shareholders (being shareholders who, for a period of 12 years or more, have not claimed three or more cash dividends, as defined in more detail in the Old Regus Articles) and hold the proceeds of such sale for the benefit of such untraced shareholders. In accordance with Jersey Companies Law, a company's articles may provide that, in such circumstances, the proceeds of such sale shall be forfeited to the company if they remain unclaimed for six years following the sale. This position is consistent with the position under the UK Companies Act 2006. The New Articles provide for this mechanism; and

- the Old Regus Articles incorporate provisions of the UK Companies Act 2006 in force at the time of adoption of the Old Regus Articles allowing shareholders to request, and Old Regus to send to such shareholders, summary financial statements (as defined in the Old Regus Articles). The relevant requirement under the UK Companies Act has now been repealed, and are therefore not included in the IWG Articles. Instead, the UK Companies Act 2006 provides that a company's shareholders may elect to receive, in place of a company's annual report and accounts, a strategic report of the company together with certain supplementary material, and requires the company to provide such documents upon the request being made in the prescribed manner. An article has been included in the IWG Articles to reflect these provisions.

In addition, the provisions in the Old Regus Articles relating to income access arrangements have not been included in the IWG Articles as those arrangements (originally put in place by Old Regus in 2008) are no longer used.

The IWG Articles also contain a provision enabling the Board to adopt such guidance as it may deem appropriate regarding the location of its meetings and other matters to reflect that the IWG head office is in Switzerland.

The memorandum of association of Old Regus also contains an objects clause which sets out the scope of the activities Old Regus is authorised to undertake. This is drafted to give a wide scope. Under the Jersey Companies Law, companies incorporated in Jersey may have unrestricted objects and, accordingly, the objects clause has been removed from the memorandum.

In addition, the opportunity has been taken to bring clearer language into the IWG Articles and in some areas to conform the language of the IWG Articles to that used in applicable legislation. Accordingly, there are a number of differences between the Old Regus Articles and the IWG Articles in respect of these provisions, as well as differences of a minor, technical or clarificatory nature.

The provisions of the IWG Articles are further described in paragraph 5 of this Part VI.

5. Summary of the IWG Articles

5.1 Limited Liability

The liability of IWG's members is limited to the amount, if any, unpaid on the shares in IWG held by them.

5.2 **Share Rights**

Subject to the Jersey Companies Law and any rights attached to existing shares, shares may be issued with such rights and restrictions as IWG may by special resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Such rights and restrictions shall apply as if they were set out in the IWG Articles. Redeemable shares may be issued, subject to any rights attached to existing shares and the Jersey Companies Law. The Board may determine the terms and conditions and the manner of redemption of any redeemable share so issued. Such terms and conditions shall apply to the relevant shares as if they were set out in the IWG Articles. Subject to the IWG Articles, any resolution passed by the shareholders and other shareholders' rights, the Board may decide how to deal with any shares in IWG.

5.3 **Voting Rights**

At any general meeting, all resolutions put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Votes are to be conducted in the following manner:

- on a show of hands every member present in person has one vote and every proxy present who has been duly appointed by one or more members will have one vote; and
- on a poll every member has one vote per share held by him and he may vote in person or by one or more proxies. Where he appoints more than one proxy, the proxies appointed by him taken together shall not have more extensive voting rights than he could exercise in person.

This is subject to any special terms as to voting which are given to any shares or on which shares are held.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

5.4 **Restrictions**

No member shall be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid or if a member has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares.

5.5 **Dividends and Other Distributions**

Subject to the Jersey Companies Law, IWG may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. Subject to the Jersey Companies Law, the Board may pay interim dividends, and also any fixed rate dividend, whenever the financial position of IWG, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it is not liable to holders of shares for losses arising from the payment of interim or fixed dividends on any other class of shares ranking pari passu with or after those shares.

The Board may withhold payment of all or any part of any dividends or other moneys payable in respect of IWG's shares from a person with a 0.25 per cent. or greater holding, in number or nominal value, of the shares of IWG or of any class of such shares (in each case, calculated exclusive of any shares held as treasury shares) (in this section, a "0.25 per cent. interest") if such a person has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid pro rata according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid. Except as set out above, dividends may be declared or paid in any currency.

The Board may if authorised by an ordinary resolution of IWG offer any holders of ordinary shares (excluding any shares held by IWG as treasury shares) in respect of any dividend the right to elect to receive ordinary shares by way of scrip dividend instead of cash.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and revert to IWG unless the Board decides otherwise.

The Board may decide on the way dividends are paid, including deciding on different ways of payment for different shareholders. If the Board has decided on different ways of payment, it may also give shareholders the option of choosing in which of these ways they would like to receive payment or it may specify that a particular way of payment will be used unless shareholders choose otherwise. If shareholders fail to provide the necessary details to enable payment of the dividend to them or if payment cannot be made using the details provided by the shareholder, the dividend will be treated as unclaimed.

IWG may stop sending cheques, warrants or similar financial instruments in payment of dividends by post in respect of any shares or may cease to employ any other means of payment, including payment by means of a relevant system, for dividends if either (i) at least two consecutive payments have remained uncashed or are returned undelivered or that means of payment has failed, or (ii) one payment remains uncashed or is returned undelivered or that means of payment has failed and reasonable inquiries have failed to establish any new postal address or account of the holder. Subject to the provisions of the IWG Articles, IWG must resume sending dividend cheques, warrants or similar financial instruments or employing that means of payment if the holder requests such resumption in writing.

5.6 Variation of Rights

Subject to the Jersey Companies Law, rights attached to any class of shares may be varied with the written consent of the holders of not less than two-thirds in nominal value of the issued shares of that class (calculated excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons in person or by proxy.

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them.

5.7 Transfer of Shares

The shares are in registered form. Any shares in IWG may be held in uncertificated form and, subject to the IWG Articles, title to uncertificated shares may be transferred by means of a relevant system. Provisions of the IWG Articles do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form, with the transfer of shares by means of a relevant system, with any provision of the Uncertificated Securities Order legislation and rules relating to uncertificated shares or with IWG doing anything by means of a relevant system.

Subject to the IWG Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be signed by or on behalf of the transferor and countersigned by the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Board can decline to register any transfer of any certificated share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer:

- is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- is in respect of only one class of share; and
- if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the Uncertificated Securities Order (as defined in the IWG Articles) and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Board may decline to register a transfer of any of IWG's certificated shares by a person with a 0.25 per cent. interest if such a person has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares, unless the transfer is shown to the Board to be pursuant to an arm's length sale (as defined in the IWG Articles).

5.8 Sub-division of Share Capital

IWG may from time to time by altering its memorandum of association by special resolution:

- increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe; or
- alter its share capital in any manner permitted by the Jersey Companies Law.

5.9 **General Meetings**

The IWG Articles rely on the Jersey Companies Law provisions dealing with the calling of general meetings. Upon listing, IWG will be required to give at least 21 days' notice of any general meeting unless a special resolution reducing the period to not less than 14 days has been passed at any general meeting. Notice of a general meeting must be sent to every member who is entitled to receive it and every director. It must state the time and date and the place of the meeting and the general nature of the business to be dealt with at the meeting. In addition, a notice calling an annual general meeting must state that the meeting is an annual general meeting.

Each director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he considers that this will assist in the deliberations of the meeting.

5.10 **Directors**

(A) ***Number of directors***

The directors shall be not less than three and not more than 12 in number. IWG may by ordinary resolution vary the minimum and/or maximum number of directors.

(B) ***Directors' shareholding qualification***

A director shall not be required to hold any shares in IWG.

(C) ***Appointment of directors***

Directors may be appointed by IWG by ordinary resolution or by the Board.

The Board or any committee authorised by the Board may from time to time appoint one or more directors to hold any employment or executive office for such period and on such terms as they may determine and may also revoke or terminate any such appointment.

(D) ***Retirement of directors***

At every annual general meeting all the directors shall retire from office and may offer themselves for re-appointment by the members.

(E) ***Removal of directors by ordinary resolution***

IWG may by ordinary resolution remove any director before the expiration of his or her period of office.

(F) ***Vacation of office***

The office of a director shall be vacated if:

- he or she resigns, or offers to resign and the Board resolve to accept such offer;
- he or she is removed by notice given by all of the other directors and all of the other directors are not less than three in number;
- he or she is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the Board resolves that his or her office be vacated;
- he or she is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months and the Board resolves that his or her office is vacated;
- he or she becomes bankrupt or compounds with his creditors generally;
- he or she is prohibited or disqualified by a law from being a director;
- he or she ceases to be a director by virtue of the Jersey Companies Law; or
- he or she is removed from office pursuant to the IWG Articles.

Where a director vacates his or her office for the reasons set out in the last two points above, the Board shall as soon as practicable appoint any person who is willing to act to be a director to fill the vacancy.

If the office of a director is vacated for any reason, he or she must cease to be a member of any committee or sub-committee of the Board.

(G) ***Alternate director***

Any director may appoint any other director or officer of IWG to be his or her alternate and may at his or her discretion remove such an alternate director. If the alternate director is not already a director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

(H) ***Proceedings of the Board***

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the directors in office at the time of meeting. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a director to be the chairman or a deputy chairman and may at any time remove him or her from that office. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

All or any of the members of the Board may participate in a meeting of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the IWG Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

(I) ***Remuneration of directors***

Each of the directors shall be paid a fee at such rate as may from time to time be determined by the Board, but the aggregate of all such fees so paid to the directors shall not exceed £1,500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of IWG. Any director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his or her remuneration as a director. In addition, any director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine. Each director may be paid his or her reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board or of IWG or any other meeting which as a director he or she is entitled to attend, and shall be paid all other costs and expenses properly and reasonably incurred by him or her in the conduct of IWG's business or in the discharge of his or her duties as a director. The aggregate of all expenses so paid to directors under this article shall not exceed £1,500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

(J) ***Pensions and gratuities for directors***

The Board or any committee authorised by the Board may exercise the powers of IWG to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any director or former director or his or her relations, dependants or persons connected to him or her, but no benefits (except those provided for by the IWG Articles) may be granted to or in respect of a director or former director who has not been employed by or held an executive office or place of profit under IWG or any of its subsidiary undertakings or their respective predecessors in business without the approval of an ordinary resolution of IWG. The aggregate benefits so paid to directors under this article shall not exceed £750,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of IWG.

(K) ***Directors' interests***

Prior approval by ordinary resolution by the Board is required for any payment for loss of office: (i) to be made to a director; (ii) to a director in connection with the transfer of any part of the company or its subsidiary; and (iii) to a director in connection with a share transfer in relation to shares in the company or a subsidiary resulting from a takeover bid.

Provided he or she has declared the nature and extent of his or her interest to the Board as required under the IWG Articles, a director may:

(i) be party to, or otherwise interested in, any contract with IWG or in which IWG has a direct or indirect interest;

(ii) hold any other office or place of profit with IWG (except that of auditor) in conjunction with his or her office of director for such period and upon such terms, including remuneration, as the Board may decide;

(iii) act by himself or herself or through a firm with which he or she is associated in a professional capacity for IWG or any other company in which IWG may be interested (otherwise than as auditor);

(iv) be or become a director or other officer of, or employed by or a party to a transaction or arrangement with, or otherwise be interested in any holding company or subsidiary company of IWG or any other company in which IWG may be interested; and

(v) be or become a director of any other company in which IWG does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

A director shall not, by reason of his or her office be liable to account to IWG or its members for any benefit realised by reason of having an interest permitted as described above or by reason of having a conflict of interest authorised by the Board and no contract shall be liable to be avoided on the grounds of a director having any such interest.

(L) ***Restrictions on voting***

No director may vote on or be counted in the quorum in relation to any resolution of the Board concerning his or her own appointment, or the settlement or variation of the terms or the termination of his or her own appointment, as the holder of any office or place of profit with IWG or any other company in which IWG is interested save to the extent permitted specifically in the IWG Articles.

Subject to certain exceptions set out in the IWG Articles, no director may vote on, or be counted in a quorum in relation to, any resolution of the Board in respect of any contract in which he or she has an interest and, if he or she does so, his or her vote shall not be counted.

IWG may by ordinary resolution suspend or relax to any extent the provisions relating to directors' interests or the restrictions on voting or ratify any transaction not duly authorised by reason of a contravention of such provisions.

(M) ***Borrowing and other powers***

Subject to the IWG Articles and any directions given by IWG by special resolution, the business of IWG will be managed by the Board who may exercise all the powers of IWG, whether relating to the management of the business of IWG or not. In particular, the Board may exercise all the powers of IWG to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of IWG or of any third party. The Board must restrict the borrowings of IWG and exercise all voting and other rights or powers of control exercisable by IWG in relation to its subsidiaries so as to secure that the aggregate principal amount from time to time outstanding of all borrowings (as defined in the IWG Articles) by the Regus Group (exclusive of borrowings within the Regus Group) shall not at any time without the previous sanction of an ordinary resolution exceed an amount equal to three times the adjusted capital and reserves (as defined in the IWG Articles).

(N) ***Indemnity of directors***

Subject to the IWG Articles and the Jersey Companies Law, every person who is, or has been, an officer of IWG shall be indemnified by IWG against liability and against all expenses reasonably incurred or paid by him or her in connection with any claim, action, suit or proceeding in which he or she becomes involved as a party or otherwise by virtue of his being or having been an officer and against amounts paid or incurred by him or her in the settlement thereof. IWG may purchase and maintain, for any officer or auditor, insurance against any such liability.

6. Share capital of Old Regus

6.1 As at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), the authorised share capital of Old Regus comprised 8,000,000,000 Old Regus Ordinary Shares of one penny each. At that date the issued share capital of Old Regus comprised 927,275,319 Old Regus Ordinary Shares (excluding the Old Regus Ordinary Shares held in treasury). In addition, 23,694,503 Old Regus Ordinary Shares were held in treasury.

7. IWG Directors and senior managers

7.1 The IWG Directors and their functions are as follows:

Name	**Function**
Douglas Sutherland	Chairman
Mark Dixon	Chief executive officer
Dominik de Daniel	Chief financial officer and chief operating officer
Lance Browne	Senior independent non-executive director
Elmar Heggen	Independent non-executive director

Nina Henderson	Independent non-executive director
Florence Pierre	Independent non-executive director
François Pauly	Independent non-executive director

7.2 All of the directors of IWG are also directors of Old Regus.

7.3 The senior managers of IWG are Mark Dixon and Dominik de Daniel, who are also directors of IWG. The functions of Mr. Dixon and Mr. de Daniel are set out above.

7.4 The business address of each of the IWG Directors is Dammstrasse 19, CH-6300, Zug, Switzerland.

7.5 Brief biographical details of the IWG Directors are as follows:

- ***Douglas Sutherland - Chairman***

  Douglas (date of birth 7 June 1956, American, resident in Luxembourg) has served as a director of companies in multiple jurisdictions. He was chief financial officer of Skype during its acquisition by eBay, and was also chief financial officer of Secure Wave during its acquisition by PatchLink. Previously, he was an Arthur Andersen Partner with international management responsibilities. He was also the founding Chairman of the American Chamber of Commerce in Luxembourg. He was appointed a non-executive director of Old Regus on 27 August 2008 and chairman of the Regus Group on 18 May 2010. He was appointed as director of IWG on 14 October 2016.

- ***Mark Dixon - Chief executive officer***

  Mark (date of birth 2 November 1959, British, resident in Monaco), chief executive officer and founder, is one of Europe’s best known entrepreneurs. Since founding the Regus Group in Brussels, Belgium in 1989, Mark has achieved a formidable reputation for leadership and innovation. Prior to Regus, Mark established businesses in the retail and wholesale food industry. A recipient of several awards for enterprise, Mark has revolutionised the way business approaches its property needs with his vision of the future of work. He was appointed as director of IWG on 14 October 2016.

- ***Dominik de Daniel - Chief financial officer and chief operating officer***

  Dominik (date of birth 7 October 1975, German, resident in Switzerland) served for over nine years as the chief financial officer of Adecco Group. He was also the Adecco Group’s Head of Global Solutions and was responsible for global information management and for Adecco Group’s activity in China. Dominik was previously the chief financial officer at DIS AG, a German professional staffing company, before it was ultimately acquired by Adecco Group. He was appointed a director of Old Regus, and appointed as chief financial officer and chief operating officer of the Regus Group, on 1 November 2015. He was appointed as director of IWG on 27 September 2016.

- ***Lance Browne – Senior independent non-executive director***

  Lance (date of birth 8 June 1949, Irish, resident in China) previously held the positions of CEO and subsequently Chairman of Standard Chartered Bank (China) Ltd, as well as non-executive director of IMI plc, Senior Advisor to the City of London, Chairman of China Goldmines plc, and Director of Business Development at Powergen International. Lance is currently Chairman of Travelex (China), and a WS Atkins International Advisory Board member. Lance was appointed as director of Old Regus on 27 August 2008, and was appointed as director of IWG on 14 October 2016.

- ***Elmar Heggen – Independent non-executive director***

  Elmar (date of birth 19 January 1968, German, resident in Luxembourg) has extensive management experience. Since 2006 he has been the Chief Financial Officer, Head of the Corporate Centre and a Member of the Executive Committee of the RTL Group, the leading European entertainment network. He was previously Vice President of Mergers and Acquisitions and Vice President of Strategy and Controlling at the RTL Group. Before joining RTL in 2000, Elmar was Vice President and General Manager of Schoeller Digital Imaging in the UK. Elmar was appointed as director of Old Regus on 1 June 2010 and was appointed as director of IWG on 14 October 2016.

- ***Nina Henderson – Independent non-executive director***

  Nina (date of birth 6 July 1950, American, resident in America) has held a number of management and executive marketing positions in North America and internationally, including as Vice President of Bestfoods and President of Bestfoods Grocery. She has served as director of AXA Financial Inc., Royal Dutch Shell plc., Del Monte Food Company and Pactiv Corporation. Nina is currently a Director of CNO Financial Group (Bankers Life, Washington National and Colonial Penn insurance companies) and has been appointed as a non-executive director of Hikma Pharmaceuticals PLC with effect from 1 October 2016. Nina was appointed as director of Old Regus on 20 May 2014 and was appointed as director of IWG on 14 October 2016.

- ***Florence Pierre – Independent non-executive director***

  Florence (date of birth 3 December 1951, French, resident in Belgium) has worked in Chicago, New York, Paris, and Brussels, and has over 30 years of experience in international corporate finance, having held senior positions at BNP, Financière Rothschild, Degroof Corporate Finance, 3i Infrastructure plc and her own M&A advisory boutique. She has also taught economics and finance, published books and articles on valuation and become a member of French entrepreneurship and innovation committees. Florence was appointed as director of Old Regus on 21 May 2013 and was appointed as director of IWG on 14 October 2016.

- ***François Pauly – Independent non-executive director***

  François (date of birth 30 June 1964, Luxembourgish, resident in Luxembourg) has over 30 years of management experience in the banking sector. He previously served as Chief Executive and Chairman of the Management Board of Banque Internationale à Luxembourg until October 2014. He also held executive appointments at BIP Investment Partners S.A., Dexia Group and at Sal. Oppenheim jr. & Cie. S.C.A. François is Chairman of Compagnie Financière La Luxembourgeoise and holds different board mandates in Luxembourg, Belgium, Italy and Switzerland. François was appointed as director of Old Regus on 19 May 2015 and was appointed as director of IWG on 14 October 2016.

7.6 The details of those companies and partnerships outside the Regus Group of which the IWG Directors are currently directors or partners, or have been directors or partners at any time during the previous five years prior to the date of this Prospectus, are as follows:

Name of IWG Director	**Current directorships and partnerships**	**Previous directorships and partnerships**
Douglas Sutherland	Median Gruppe Sarl, Median Kliniken Sarl, Socrates Health Solutions Inc.	None
Mark Dixon	Estorn Limited	None
Dominik de Daniel	None	Adecco Group AG (Adecco SA prior to May 2016), DIS AG
Lance Browne	Travelex (China), WS Atkins International Limited	Standard Chartered Bank (China) Ltd, IMI plc, China Goldmines plc, Powergen International, China-Britain Business Council
Elmar Heggen	RTL Group SA, Atresmedia Corporacion de Medios, de Comunicacion SA, (Antena 3 Television, SA prior to May 2013) (Spain), M6-Metropole Television SA, Grupo Planeta De Agostini SL, SpotXchange Inc	UFA Film und Fernsehen GmbH, Felix Schoeller Digital Imaging
Nina Henderson	Hikma Pharmaceuticals plc, CNO Financial Group Inc, Henderson Advisory Consulting, Visiting Nurse Service of New York, the Foreign Policy Association, and a Trustee of Drexel University	Walter Energy Inc, AXA Financial Inc, BestFoods, Del Monte Foods Co, Royal Dutch Shell plc., and Pactiv Corporation
Florence Pierre	ESL Network	3i Infrastructure plc (3i Infrastructure Ltd prior to July 2008), BNP, Financière Rothschild, Degroof Corporate Finance

Name of IWG Director	Current directorships and partnerships	Previous directorships and partnerships
François Pauly	Compagnie Financière La Luxembourgeois SA, La Luxembourgeoise Vie SA, Edmond de Rothschild CH and Luxembourg, Quilvest Wealth Management, Management Capitali SPA, Cobepa SA, Pharma w/Health Management Co SA, Castik Capital Sarl	Banque Internationale a Luxembourg SA, Dexia Group SA, BIP Investment Partners SA, Luxair SA Luxembourg Stock Exchange (Bourse de Luxembourg SA)

7.7 Nina Henderson was a director of Walter Energy Inc. from February 2013 until 31 March 2016. Walter Energy Inc. filed for bankruptcy protection under United States law in July 2015 in Alabama, United States. Walter Energy Inc. was reorganised and emerged from bankruptcy on 31 March 2016. Assets were sold to various private companies.

7.8 None of the IWG Directors has at any time in the five years preceding the date of this Prospectus:

(A) save as disclosed in paragraph 7.6 of this Part, been a director or partner of any company or partnership;

(B) been convicted in relation to a fraudulent offence;

(C) save as disclosed in paragraph 7.7 of this Part, been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of a member of the administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company;

(D) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies); or

(E) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

7.9 None of the IWG Directors has any family relationship with another IWG Director.

7.10 None of the IWG Directors has any potential conflicts of interest between their duties to IWG and their private interests and/or other duties.

8. IWG Directors' interests in Regus Group

8.1 On the Scheme becoming effective, assuming that no Old Regus Ordinary Shares are purchased or sold by the IWG Directors after 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), and no Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased by Old Regus or IWG after 1 November 2016, the IWG Directors will have the following beneficial interests in IWG

Ordinary Shares by virtue of the effect of the Scheme on their Old Regus Ordinary Shares:

IWG Director	Number of Old Regus Ordinary Shares	Number of IWG Ordinary Shares	Percentage of voting rights attaching to IWG Ordinary Shares
Douglas Sutherland	400,000	400,000	0.04 per cent.
Mark Dixon	257,701,874	257,701,874	27.79 per cent.
Dominik de Daniel	422,589	422,589	0.05 per cent.
Lance Browne	14,994	14,994	0.002 per cent.
Nina Henderson	30,800	30,800	0.003 per cent.
François Pauly	100,000	100,000	0.01 per cent.

8.2 The interests in Old Regus Ordinary Shares of the IWG Directors together represent approximately 27.89 per cent. of the voting rights attaching to Old Regus Ordinary Shares as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus).

8.3 In addition to their having an interest in 258,670,257 Old Regus Ordinary Shares (in aggregate) as detailed above, certain of the IWG Directors also have interests in Old Regus Ordinary Shares as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus) as a result of their participation in the Old Regus Share Schemes.

8.4 These interests were as follows:

Old Regus Co-Investment Plan

IWG Director	Interest in options and awards over Old Regus Ordinary Shares	Grant Date	Vesting date	Expiry date
Mark Dixon				
Matching shares	251,447	06/03/2013	06/03/2017	06/03/2023
Matching shares	251,447	06/03/2013	06/03/2018	06/03/2023
Investment shares	103,051	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,402	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2018	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2019	05/03/2024
Investment shares	132,326	04/03/2015	04/03/2018	04/03/2025
Matching shares	529,304	04/03/2015	04/03/2020	04/03/2025
TOTAL	**1,679,779**			

The Old Regus Co-Investment Plan, was linked to the outcome of performance under the annual bonus and as a result, the potential reward was reliant entirely upon short-term performance. In order to provide a clearer focus on long-term performance, and reduce complexity, no further awards have been made under the Old Regus Co-Investment Plan. Instead, awards have been granted under the Old Regus Performance Share Plan.

Old Regus Performance Share Plan

IWG Director	Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting / exercise date	Expiry date
Mark Dixon				
PSP Shares	552,579	03/03/2016	03/03/2021	03/03/2026
Dominik de Daniel				
PSP Shares	485,600	03/03/2016	03/03/2021	03/03/2026

Old Regus Share Option Plan

There are no outstanding options held by any IWG Directors under this plan.

Old Regus Long Term Incentive Plan

There are no outstanding options or awards held by any IWG Directors under this plan.

Old Regus 2008 Value Creation Plan

There are no outstanding awards held by any IWG Directors under this plan.

Old Regus Deferred Share Bonus Plan

No options or awards have been granted to any IWG Directors under this plan.

Old Regus One Off Award Agreement

A one off conditional share award over 328,751 Old Regus Ordinary Shares was granted to Dominik de Daniel in November 2015 in order to facilitate his recruitment.

Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting date	Expiry date
328,751	02/11/2015	02/11/2020	02/11/2025

8.5 The above interests are based upon the interests of the IWG Directors in Old Regus Ordinary Shares which: (a) have been notified by each IWG Director to Old Regus pursuant to Chapter 3 of the Disclosure Guidance and Transparency Rules before 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus); or (b) are interests of a connected person (within the meaning of the Disclosure Guidance and Transparency Rules) of an IWG Director which have been notified to Old Regus by each connected person (within the meaning of the Disclosure Guidance and Transparency Rules) pursuant to Chapter 3 of the Disclosure Guidance and Transparency Rules before such date.

8.6 Save as set out above, no IWG Director (nor any person connected with them) has any interests (beneficial or non-beneficial) in the share capital of Old Regus. Save as set out above, no IWG Director (nor any person connected with them) holds an interest in any other securities of the Regus Group.

8.7 Save as set out above, none of the IWG Directors had a beneficial interest in any contract to which Old Regus or IWG or another member of the Regus Group was a party during the financial year.

8.8 There are no outstanding loans or guarantees granted or provided by IWG or Old Regus or another member of the Regus Group for the benefit of any of the IWG Directors.

9. Remuneration and benefits of IWG Directors, and service agreements and letters of appointment of IWG Directors

9.1 The aggregate emoluments, excluding pensions, of the IWG Directors for the year ended 31 December 2015 are set out below:

IWG Director	Salary / Fees (£'000)	Benefits (£'000)	Pensions (£'000)	Bonus (£'000)	CIP (£'000)	Total (£'000)
Chairman						
Douglas Sutherland	200.0	-	-	-	-	200.0
Executive						
Mark Dixon	587.0	6.0	41.1	587.0	769.5	1,990.6
Dominik de Daniel	120.8	-	8.5	120.8	-	250.1
Non-Executive						
Nina Henderson	67.5	-	-	-	-	67.5
Elmar Heggen	60.0	-	-	-	-	60.0
Lance Browne	69.5	-	-	-	-	69.5
François Pauly	30.9	-	-	-	-	30.9
Florence Pierre	52.5	-	-	-	-	52.5
Total	1,188.2	6.0	49.6	707.8	769.5	2,721.10

9.2 There are no defined benefit pension plans in the UK, and there are no material defined benefit pension plans outside the UK. The pension contributions made by Old Regus in respect of the IWG Directors for the year ended 31 December 2015 are set out below:

IWG Director	Pension contribution for the year ended 31 Dec 2015 (£'000)
Executive	
Mark Dixon	41.1
Dominik de Daniel	8.5

9.3 In accordance with Old Regus's Remuneration Policy, the Chairman receives a single fee which reflects all Board and Committee duties and is determined by the Remuneration Committee. The Non-Executive Directors receive a basic fee and may also receive supplementary fees for committee or other duties, as determined by the Chairman and the Executive Directors. The Chairman and Non-Executive Directors do not receive any benefits nor do they participate in any bonus or share incentive scheme, nor do they participate in any pension arrangements.

9.4 Each of the IWG Directors will enter into a new service agreement and/or letter of appointment on substantially the same terms to their existing arrangements.

9.5 Mark Dixon will enter into a service agreement with IWG. Mark Dixon commenced employment with the Regus Group on 1 September 1989, and will be employed as chief executive officer of IWG. Mr. Dixon will be entitled to receive an annual salary (initially at the rate of £825,000) and will be entitled to receive a bonus at the discretion of the

Remuneration Committee. Mr. Dixon will also be entitled to receive a housing allowance of £100,000 per year or such higher amount as the Remuneration Committee may determine. Mr. Dixon's contract will be a continuing contract and will be subject to termination by either party giving the other not less than 12 months' written notice. However following a change of control, Mr. Dixon will be entitled to terminate his employment by giving one month's notice in writing within six months from the date on which the change of control occurs and will then be entitled to receive 12 months' salary and his bonus for any year ending within the next 12 months. Mr. Dixon will be entitled to receive private health insurance and death in service benefits and pension benefits. He will be eligible to participate in any employee share schemes established by the Regus Group. Mr. Dixon will be entitled to 25 days holiday in addition to the usual bank and public holidays.

9.6 IWG will be entitled to terminate Mr. Dixon's service agreement if, amongst other things, he is prohibited by law from being a director or he is guilty of misconduct or a serious or persistent breach of any of his obligations to his employer or he becomes a patient of a mental health institution or he is convicted of a criminal offence which results in a term of imprisonment. For a period of 12 months following termination of Mr. Dixon's employment, Mr. Dixon may not solicit or entice away the business of any customer of IWG or any member of the Regus Group, have any business dealings with any such customer, or offer employment or entice away from IWG or any member of the Regus Group any senior employee. For this period Mr. Dixon must not compete with any business with which he was materially involved during the period of 12 months ending on the date of the termination of his employment.

9.7 Dominik de Daniel will enter into a service agreement with IWG. Dominik de Daniel commenced employment with the Regus Group on 1 November 2015, and will be employed as chief financial officer and chief operating officer of IWG. Mr. de Daniel will be entitled to receive an annual salary (initially at the rate of £725,000) and will be entitled to receive a bonus at the discretion of the Remuneration Committee. Mr. de Daniel's contract will be a continuing contract and will be subject to termination by either party giving the other not less than 12 months' written notice. Mr. de Daniel will be entitled to receive private health insurance and death in service benefits and pension benefits. He will be eligible to participate in any employee share schemes established by the Regus Group. Mr. de Daniel will be entitled to 25 days holiday in addition to the usual bank and public holidays.

9.8 The following non-executive IWG Directors will enter into letters of appointment with IWG:

(A) Douglas Sutherland will enter into a letter of appointment with IWG by which he will be appointed as Chairman with effect from the Scheme Effective Date. He will be entitled to an annual fee of £200,000 and reimbursement of out of pocket expenses. Mr. Sutherland's appointment will be for an initial term of three years subject to early termination by either party.

(B) Lance Browne will enter into a letter of appointment with IWG by which he will be appointed as a senior non-executive director with effect from the Scheme Effective Date. He will be entitled to an annual fee of £69,500 per annum and reimbursement of out of pocket expenses. Mr. Browne's appointment will be for an initial term of three years subject to early termination by either party.

(C) Elmar Heggen will enter into a letter of appointment with IWG by which he will be appointed as a non-executive director with effect from the Scheme Effective Date. He will be entitled to an annual fee of £60,000 per annum and reimbursement of out of pocket expenses. Mr. Heggen's appointment will be for an initial term of three years subject to early termination by either party.

(D) Nina Henderson will enter into a letter of appointment with IWG by which she will be appointed as a non-executive director with effect from the Scheme Effective Date. She will be entitled to an annual fee of £67,500 and reimbursement of out of pocket expenses. Ms. Henderson's appointment will be for an initial term of three years subject to early termination by either party.

(E) Florence Pierre will enter into a letter of appointment with IWG by which she will be appointed as a non-executive director with effect from the Scheme Effective Date. She will be entitled to an annual fee of £52,500 per annum and reimbursement of out of pocket expenses. Ms. Pierre's appointment will be for an initial term of three years subject to early termination by either party.

(F) François Pauly will enter into a letter of appointment with IWG by which he will be appointed as a non-executive director with effect from the Scheme Effective Date. He will be entitled to an annual fee of £50,000 per annum and reimbursement of out of pocket expenses. Mr. Pauly's appointment will be for an initial term of three years subject to early termination by either party.

9.9 No non-executive IWG Director is provided with any benefit upon the termination of his employment.

9.10 There will be no variation to the total emoluments receivable by the IWG Directors as a result of the Scheme becoming effective.

9.11 There is no arrangement under which any of the IWG Directors has agreed to waive future Old Regus or IWG emoluments nor have there been any such waivers during the financial year immediately preceding the date of this Prospectus.

10. Old Regus Share Schemes

Options or awards over Old Regus Ordinary Shares

10.1 As at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), inclusive of the options granted to IWG Directors disclosed above, employees and former employees of the Regus Group hold options or awards over the Old Regus Ordinary Shares set out below.

Old Regus Co-Investment Plan

IWG Director	Number of Old Regus Ordinary Shares subject to options/awards	Grant date	Vesting date	Expiry date
Matching shares	220,788	18/03/2008	05/03/2017	18/03/2018
Matching shares	353,909	23/03/2009	05/03/2017	23/03/2019
Matching shares	251,447	06/03/2013	06/03/2017	06/03/2023
Matching shares	251,447	06/03/2013	06/03/2018	06/03/2023
Investment shares	103,051	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,402	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2018	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2019	05/03/2024
Investment shares	132,326	04/03/2015	04/03/2018	04/03/2025
Matching shares	529,304	04/03/2015	04/03/2020	04/03/2025
TOTAL	**2,254,476**			

Old Regus Performance Share Plan

Grant date	Number of Old Regus Ordinary Shares subject to options/awards	Vesting / exercise date	Expiry date
03/03/2016	1,038,179	03/03/2021	03/03/26

Old Regus Share Option Plan

Grant date	Actual exercise price per share	Number of Old Regus Ordinary Shares subject to options	Earliest exercise date	Expiry date
23/03/2010	£1.01	111,968	23/03/2013	23/03/2020
28/06/2010	£0.75	25,750	28/06/2013	26/06/2020
01/09/2010	£0.69	4,062	01/09/2013	01/09/2020
01/04/2011	£1.15	963,732	01/04/2014	01/04/2021
30/06/2011	£1.10	1,652,650	30/06/2014	30/06/2021
13/06/2012	£0.85	4,410,828	13/06/2015	13/06/2022
12/06/2013	£1.56	3,970,261	12/06/2016	12/06/2023
18/11/2013	£1.92	25,000	18/11/2016	17/11/2023
18/12/2013	£1.95	1,000,000	18/12/2016	17/12/2023
20/05/2014	£1.87	299,200	20/05/2017	19/05/2024
05/11/2014	£1.86	10,579,265	05/11/2017	04/11/2024
19/05/2015	£2.51	280,000	19/05/2018	18/05/2025
22/12/2015	£3.22	1,154,646	22/12/2018	22/12/2025
29/06/2016	£2.73	444,196	29/06/2019	29/06/2026
28/09/2016	£2.58	216,643	28/09/2019	28/09/2026
Total		**25,138,201**		

Old Regus Long Term Incentive Plan

There are no outstanding options or awards under this plan.

Old Regus 2008 Value Creation Plan

There are no outstanding awards under this plan.

Old Regus Deferred Share Bonus Plan

No options or awards have been granted under this plan.

Old Regus One Off Award Agreement

A one off conditional share award over 328,751 Old Regus Ordinary Shares was granted to Dominik de Daniel in November 2015 in order to facilitate his recruitment.

Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting date	Expiry
328,751	02/11/2015	02/11/2020	02/11/2025

Effect of the Proposals on the Old Regus Share Schemes

10.2 Under each of the plans set out above, options and awards will not vest or become exercisable as a consequence of the Scheme. Instead, it is expected that such options and awards will be exchanged for new options or awards over IWG Ordinary Shares of equivalent value and on the same terms by agreement with IWG.

10.3 IWG will adopt equivalent new share schemes which will be, in all material respects, in the same form as the relevant existing Old Regus Share Schemes.

10.4 The new options and awards will be granted by IWG under the IWG Share Schemes and will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested under the relevant existing Old Regus Share Schemes, and the same performance conditions will apply.

11. IWG Share Schemes

The following is a summary of the main provisions of the IWG Share Schemes. The Share Option Plan, the DSBP, the PSP and the CIP have been adopted by the IWG Initial Shareholders subject to and conditional upon the passing of the ordinary resolution approving the same as set out in the notice of the Extraordinary General Meeting and the Scheme becoming effective. The operation of each scheme will be governed by the rules of that scheme.

11.1 The IWG Share Option Plan (the "Share Option Plan")

The Share Option Plan will be, in all material respects, in the same form as the existing Old Regus Share Option Plan. The following terms apply to the Share Option Plan:

Administration

Overall responsibility for the operation and administration of the scheme will be vested in the Remuneration Committee.

The sub-schemes

The scheme is divided into a number of sub-schemes as follows:

- a share option scheme which has been designed to permit the grant of tax-favoured options under the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which is not so designed and which therefore allows options to be granted above the limit required by the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which has been designed to permit the grant of tax-favoured options in the USA;
- a share option scheme which has been designed to permit the grant of options to non-executive directors;
- a share appreciation rights scheme under which participants are entitled to a cash payment calculated by reference to the value of shares. For the purposes of the limits on an individual's participation, such rights will be treated as options;
- a share option scheme which has been designed to permit the grant of options in France; and
- a share option scheme which has been designed to permit the grant of options in Switzerland.

The Remuneration Committee may set up further sub-schemes, including ones for employees working overseas.

Eligibility

Participants in the scheme will be selected by the Remuneration Committee. Participants will be limited to employees and directors of the IWG Group and their family members or family trusts.

Options

Options will entitle the holder to acquire IWG Ordinary Shares. Options may either be options to subscribe for IWG Ordinary Shares to be issued by IWG or options to purchase existing IWG Ordinary Shares from an employee benefit trust (the "**Employee Trust**").

Options may be granted either by IWG or by the trustee of the Employee Trust.

Options will be personal to the participant and may not be transferred except, with the consent of the committee, to family members or a family trust. No payment will be required for the grant of an option.

Timing

Options may be granted from time to time as the Remuneration Committee may decide.

Exercise price

The exercise price may not be less than an amount equal to the market value of an IWG Ordinary Share, determined in accordance with the Taxation of Chargeable Gains Act 1992, for the dealing day immediately preceding the date of grant or, where options are granted pursuant to an invitation, the date of the invitation.

Individual limit

The maximum number of IWG Ordinary Shares over which an employee may be granted an option on any date under the tax-favoured share option scheme will be limited so that the aggregate cost of exercise does not exceed the relevant statutory limit (currently £30,000).

Scheme limit

The scheme will be subject to the limit that on any date, the aggregate nominal amount of IWG Ordinary Shares in respect of which options may be granted may not, when added to the nominal amount of IWG Ordinary Shares allocated in the previous 10 years under all employee share schemes of the IWG Group, exceed 10 per cent. of the equity share capital of IWG.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit, as if they were IWG Ordinary Shares.

For these purposes, IWG Ordinary Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of IWG Ordinary Shares which are acquired by purchase rather than by subscription except where such IWG Ordinary Shares were first issued to an Employee Trust for the purpose of satisfying a participant's rights. No account is taken of IWG Ordinary Shares which an employee purchases at market value using his own funds.

Options may not be granted over more than 10 million IWG Ordinary Shares, minus the number of Old Regus Ordinary Shares over which options were granted under the equivalent section of the existing Old Regus Share Option Plan prior to the Scheme Effective Date, under that part of the scheme which allows for the grant of tax-favoured options to participants in the USA.

No options will be granted after the tenth anniversary of the date on which the Share Option Plan is adopted.

Performance targets

Options may be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The achievement of the performance target will normally be a condition precedent to the right of exercise. The Remuneration Committee may set different targets from year to year. The performance target need not be the same for each type of option or for all participants. The Remuneration Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Remuneration Committee, materially easier or more difficult to satisfy than it was when the option was first granted. A summary of the performance targets for options granted to the executive directors of IWG will be disclosed in the annual report each year.

Exercise of options

Options will normally be exercisable in whole or in part not earlier than three years and not later than ten years after grant and only if and to the extent that they have vested (that is, the performance target has been met).

Termination of employment

If the participant dies, his personal representatives may exercise his options granted under the tax-favoured part of the scheme. If a participant ceases to be employed within the IWG Group for any reason other than cause, the participant may exercise his options to the extent the performance target is satisfied within six months of the cessation date, and otherwise to the extent the Remuneration Committee so decides in the 42 months following the termination of his employment. If a participant ceases to be employed in circumstances where his employer was entitled to terminate his employment for cause, his options will lapse unless the Remuneration Committee decides otherwise.

Change of control

In the event of a change of control, a scheme of arrangement between IWG and its shareholders or a liquidation of IWG, unvested options may only be exercised if and to the extent that the Remuneration Committee so decides dependent on the proportionate satisfaction of the performance condition (taking into account the length of the period which has expired). In the event of a change of control of IWG, participants may surrender their options in return for substitute options over shares in the acquiring company.

Listing

Application will be made for the IWG Ordinary Shares issued under the Share Option Plan to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities. IWG Ordinary Shares issued on the exercise of options will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior to the date of allotment. IWG will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

In the event of a variation in the share capital of IWG or in such other circumstances as the Board considers appropriate, it may adjust options in such manner as it determines to be appropriate. Tax-favoured options may only be adjusted if there is a variation in the share capital and with the prior approval of Her Majesty's Revenue and Customs.

Benefits non-pensionable

Benefits under the scheme will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee may make such amendments to the scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the IWG Group.

Except as described above or for amendments designed to ease the administration of the scheme or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, exercise price, individual or scheme limits, the change of control provisions, the terms of options or the adjustment of options without the prior approval of IWG in general meeting.

11.2 **The IWG Deferred Share Bonus Plan (the "DSBP")**

The DSBP will be, in all material respects, in the same form as the existing Old Regus Deferred Share Bonus Plan. The DSBP is a discretionary plan that will be offered to selected employees employed within the IWG Group. The following terms apply to the DSBP:

Administration

The Remuneration Committee will administer the DSBP.

Eligibility

Any employee (including an executive director) of an IWG Group company, a percentage of whose bonus has been deferred as determined by the Remuneration Committee will be eligible to receive an award under the DSBP.

Structure of awards

The Remuneration Committee may grant any of two types of awards:

- an option; or
- a conditional award.

A percentage of any annual bonus paid to an employee by IWG will be in deferred shares and may be subject to an option or award under the DSBP as decided by the Remuneration Committee. The options and awards will vest/become exercisable after three years, subject to continued employment but no further performance targets. The other half will be paid in cash following the relevant year end. If the Remuneration Committee decides to grant an option, it will determine the option price (if any) provided that the Remuneration Committee may reduce or waive such option price on or before the exercise of the option (so that the option is a nil cost option).

Grant of options and awards

Options and awards are granted at the discretion of the Remuneration Committee. Any option or award cannot be granted later than the tenth anniversary of the adoption of the DSBP. The options and awards may be granted at any time during this period subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of IWG, the Takeover Code, or any other relevant UK or overseas regulation or enactment.

Dividend Equivalents

Dividend equivalents are granted at the discretion of the Remuneration Committee. A dividend equivalent reflects the dividends that would have been paid on vested shares subject to the option or award between the grant date and the vesting/exercise date. The Remuneration Committee will decide how the value of the dividends will be calculated and whether the dividend equivalent will be paid in cash or in shares. The dividend equivalent will be paid as soon as possible after vesting/exercise and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Overall limits

The total number of IWG Ordinary Shares over which the options or awards may be granted will, together with shares already in issue under the DSBP and any other employees' share plan adopted by IWG, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant, when added to the number of IWG Ordinary Shares already issued or remaining issuable under such plans during the preceding ten years. For executives of IWG participating in any IWG discretionary share plans this limit shall be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Exercise of an Option

An option will normally vest on the third anniversary of the date of grant (the "**Normal Vesting Date**").

Following vesting, an employee may exercise his option before either the tenth anniversary of the date of the grant or at any earlier date as determined by the Remuneration Committee.

An option may be exercised in whole or in multiples of 1,000 shares by the giving of notice to IWG in a form prescribed by the Remuneration Committee, together with the appropriate remittance (if any). When this is satisfied, IWG will allot and issue, or cause to be transferred, shares according to the employee's entitlement as soon as possible, subject to any arrangements in order to satisfy the employee's tax liability. Any unexercised option will lapse on the tenth anniversary of the date of the grant.

Vesting of an award

A conditional share award will vest on the third anniversary of the date of grant. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Cash alternative

The Remuneration Committee may decide to grant an employee an award of cash in substitution for the employee's right to acquire vested shares under the DSBP. Any such award of cash will be equal to the market value of the number of IWG Ordinary Shares as determined on the day the conditional share award vests or the option is exercised and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Cessation of employment

If an employee ceases to be employed within the IWG Group before the Normal Vesting Date, then any option or award shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option or award normally vests based on the time served on the date the employee ceases to be employed or the Normal Vesting Date. An option will be exercisable for a period of 12 months from the date the employee ceases to be employed or the Normal Vesting Date, and will lapse at the end of this period.

If an employee ceases to be employed within the IWG Group after the Normal Vesting Date, then any option shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option will continue to be exercisable for a period of 12 months from the date of cessation, after which it will lapse if not exercised.

Change of control and other events

When any of the following events occur all conditional share awards will vest and all options will become exercisable for a period of one month. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of desastre in respect of IWG, or a summary or compulsory winding up of IWG.

There are provisions for options and awards to be cancelled in exchange for new replacement options and awards over shares in the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

Any existing options and awards will lapse on any of the following events:

- cessation of employment, unless the Remuneration Committee decides otherwise;
- change of control at the end of a period to exercise options as determined by the Remuneration Committee;

- the transfer, assignment, charge or disposal (except on an employee's death to the employee's personal representatives) of the option;
- the tenth anniversary of the date of grant of the option;
- the relevant employee being adjudicated as bankrupt; or
- the expiry of a period during which the option remains exercisable.

Listing

Application will be made for the IWG Ordinary Shares issued under the DSBP to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities. IWG Ordinary Shares issued under the plan will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior the date of the allotment. IWG will at all times keep available, where necessary for issue, sufficient authorised and unissued IWG Ordinary Shares to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to an award, any option price applying to the options and the number of IWG Ordinary Shares which may be delivered, in such a manner and with effect from such date as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested option or award or clawback a vested award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;
- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed; or
- there was an error in the information or assumptions on which the award was granted.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the option will be cancelled or deemed to have been granted over a lower number of shares and the vesting of the conditional share award and the exercise of the option will be by reference to this reduced number of IWG Ordinary Shares.

The Remuneration Committee may also reduce the number of IWG Ordinary Shares subject to an option or award under the DSBP to give effect to a clawback provision contained in any other incentive plan operated by any other member of the IWG Group.

Benefits non-pensionable

Benefits under the DSBP will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the DSBP and the terms of any awards from time to time provided that:

- no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, limits, the basis for determining a participant's entitlement to shares and the rights in relation to a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any IWG Group company); and

- no alteration shall be made which would materially disadvantage participants without the prior consent of the majority of the number of participants who respond to notification by IWG of such alteration.

11.3 **The IWG Performance Share Plan (the "PSP")**

The PSP will be, in all material respects, in the same form as the existing Old Regus Performance Share Plan. The PSP is a discretionary plan that will be offered to selected employees of any IWG Group company.

The scheme is divided into a sub-scheme which provides for a cash conditional award to be awarded to an employee. The award will not confer any right on the employee to receive shares, but provides for a cash sum to be delivered to the employee on the vesting date. The Remuneration Committee will determine whether a cash conditional award is payable.

The following terms apply to the PSP:

Administration

The Remuneration Committee will administer the PSP.

Eligibility

Any employee (including an executive director) of an IWG Group company will be eligible to receive an award under the PSP.

Structure of awards

The Remuneration Committee may grant any of two types of awards:

- an option; or

- a conditional award.

The options and awards vest/become exercisable on the fifth anniversary from the date of grant or such other period as the Remuneration Committee decides. The options and awards are subject to performance against predetermined targets (measured after three years) which are set by the Remuneration Committee and communicated at the time of grant.

If the Remuneration Committee decides to grant an option, it will determine the option price (if any) provided that such option price may be reduced or waived on or before the exercise of the option (so that the option is a nil cost option).

Grant of options and awards

Options and awards are granted at the discretion of the Remuneration Committee. Any option or award cannot be granted later than the tenth anniversary of the adoption of the PSP. The options and awards may be granted at any time during this period subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of IWG, the Takeover Code, or any other relevant UK or overseas regulation or enactment.

Dividend Equivalents

Dividend equivalents are granted at the discretion of the Remuneration Committee. A dividend equivalent reflects the dividends that would have been paid on vested shares subject to the award between the grant date and the vesting date. The Remuneration Committee will decide how the value of the dividends will be calculated and whether the dividend equivalent will be paid in cash or in shares or reinvested. The dividend equivalent will be paid as soon as possible after vesting/exercise and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Overall limits

The total number of IWG Ordinary Shares over which the options or awards may be granted will, together with shares already in issue under the PSP and any other employees' share plan adopted by IWG, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant, when added to the number of IWG Ordinary Shares already issued or remaining issuable under such plans during the preceding ten years. For executives of IWG participating in any IWG discretionary share plans this limit shall be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Individual limits

The maximum total market value of IWG Ordinary Shares over which options or awards under the PSP may be granted to an employee is 250 per cent. of that employee's salary. However, if the Remuneration Committee decides that exceptional circumstances exist in relation to the retention and recruitment of an employee, then the maximum total value of the IWG Ordinary Shares over which the options or awards may be granted to an employee will be 300 per cent. of his salary.

Exercise of an Option

An option will vest on the later of the fifth anniversary of the date of grant and the date on which the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the option have been satisfied (the "**Vesting Date**").

Following the Vesting Date, an employee may exercise his option at any time before the tenth anniversary of the date of the grant or at such earlier date as determined by the Remuneration Committee.

An option may be exercised in whole or in multiples of 1,000 shares by the giving of notice to IWG in a form prescribed by the Remuneration Committee, together with the appropriate remittance (if any). When this is satisfied, IWG will allot and issue, or cause to be transferred, shares according to the employee's entitlement as soon as possible, subject to any arrangements in order to satisfy the employee's tax liability. Any unexercised options will lapse on the tenth anniversary of the date of the grant.

Vesting of a Conditional Share Award

A conditional share award will vest on the later of the fifth anniversary of the date of grant and the date on which the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the award have been satisfied. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Performance Targets

Options and awards may be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The Remuneration Committee may set different targets from year to year. The performance target need not be the same for each type of option or award or for all participants. The Remuneration Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Remuneration Committee, materially easier or more difficult to satisfy than it was when the award was first granted.

Cash Alternative

The Remuneration Committee may decide to grant an employee an award of cash in substitution for the employee's right to acquire vested shares under the PSP. Any such award of cash will be equal to the market value of the number of IWG Ordinary Shares as determined on the day the conditional share award vests or the option is exercised, and will be made subject to such deductions on account of tax or similar liabilities as may be required by law. Alternatively, the Remuneration Committee may decide to apply all or part of the cash award to subscribe for or purchase IWG Ordinary Shares on behalf of the employee, having made such deductions on account of tax or similar liabilities as may be required by law.

Cessation of employment

If an employee ceases to be employed within the IWG Group before the vesting/exercise date, then all options and awards shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option or award normally vests based on the time served on the date the employee ceases to be employed or the vesting/exercise date. An option will be exercisable for a period of 12 months from the date the employee ceases to be employed or the vesting/exercise date, and will lapse at the end of this period.

If an employee ceases to be employed within the IWG Group after the vesting/exercise date for any reason other than cause, the participant may exercise his options to the extent the performance target is satisfied within six months of the cessation date, after which it will lapse.

If an employee ceases to be employed within the IWG Group after the vesting/exercise date in circumstances where his employer was entitled to terminate his employment for cause for cause, his options will lapse immediately.

Change of control and other events

When any of the following events occur, all conditional share awards will vest and all options will become exercisable for a period of one month. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of desastre in respect of IWG, or a summary or compulsory winding up of IWG. The Remuneration Committee may decrease the number of IWG Ordinary Shares that will vest by applying any performance conditions imposed on the vesting of the option or award and applying pro rata reduction to the number of IWG Ordinary Shares based on the period of time after the date of grant and ending on the early vesting date relative to the length of the five year holding period.

There are provisions for options and awards to be cancelled in exchange for new replacement options and awards over shares in the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

Any existing options and awards will lapse on any of the following events:

- cessation of employment, unless the Remuneration Committee decides otherwise;
- change of control at the end of a period to exercise an option as determined by the Remuneration Committee;
- the transfer, assignment, charge or disposal (except on an employee's death to the employee's personal representatives) of the option;
- the tenth anniversary of the date of grant of the option or award;
- the relevant employee being adjudicated as bankrupt; or

- the expiry of a period during which the option remains exercisable.

Listing

Application will be made for the IWG Ordinary Shares issued under the PSP to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities. IWG Ordinary Shares issued under the plan will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior the date of the allotment. IWG will at all times keep available, where necessary for issue, sufficient authorised and unissued IWG Ordinary Shares to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to an option or award, any option price applying to the options and the number of IWG Ordinary Shares which may be delivered, in such a manner and with effect from such date as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested option or award or clawback an exercised/vested option or award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;

- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed;

- there was an error in the information or assumptions on which the award was granted; or

- there was an error in the assessment of the extent to which the performance conditions were satisfied.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the option will be cancelled or deemed to have been granted over a lower number of shares. The vesting of the conditional share award and the exercise of the option will be by reference to this reduced number of IWG Ordinary Shares.

The Remuneration Committee may also reduce the number of IWG Ordinary Shares subject to an option or award under the PSP to give effect to a clawback provision contained in any other incentive plan operated by any other member of the IWG Group.

Benefits non-pensionable

Benefits under the PSP will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the PSP and the terms of any options or awards from time to time provided that:

- no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, limits, the basis for determining a participant's entitlement to shares and the rights in relation to a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any IWG Group company or to any performance conditions subject to the awards provided it is not materially less difficult to satisfy than the original performance condition); and

- no alteration shall be made which would materially disadvantage participants without the prior consent of the majority of the number of employees who respond to notification by IWG of such alteration.

11.4 **The IWG Co-Investment Plan (the "CIP)**

The CIP will be, in all material respects, in the same form as the existing Old Regus Co-Investment Plan.

The following terms apply to the CIP:

Administration

The Remuneration Committee will administer the CIP.

Eligibility

Any employee of a Regus Group company with a minimum period of six months' continuous service with a Regus Group company (or such other period as determined by the Remuneration Committee) will be eligible to receive awards under the CIP at the discretion of the Remuneration Committee.

Structure of awards

The Remuneration Committee may grant any of three types of award:

1. an award of investment shares ("**Investment Shares**");

2. an award of matching shares ("**Matching Shares**"); and/or

3. an LTIP award (an "**LTIP Award**").

The Remuneration Committee may grant any of the awards as conditional shares or as nil cost options. It is, however, intended that the CIP will only be used to grant awards to replace outstanding awards under the Old Regus Co-Investment Plan.

Grant of awards

Awards are granted at the discretion of the Remuneration Committee. Any award cannot be granted later than the tenth anniversary of the adoption of the CIP. Awards may be granted at any time during this period, except in any period in which the eligible employee is prohibited from dealing in shares.

Overall limits to awards

The total number of IWG Ordinary Shares over which awards of Matching Shares or LTIP Awards may be granted shall, together with IWG Ordinary Shares already issued under the CIP and any other IWG share plan during the preceding 10 years, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant of the award. For awards granted to executive directors of IWG this limit will be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Awards of Investment Shares will not be satisfied by any subscription or transfer of treasury shares. For the other awards, if they are satisfied by the transfer of treasury shares then the Remuneration Committee will decide whether these will be treated as shares for the purposes of the overall limits above.

Individual limits to the granting of awards

The maximum value of an award of Matching Shares which may be granted to any employee in any calendar year cannot exceed 200 per cent. of that employee's base salary.

The maximum value of an LTIP Award which can be granted to any employee in any calendar year cannot exceed 100 per cent. of that employee's base salary.

An award of Investment Shares will be based on a bonus target achieved under an annual bonus plan operated by IWG on such terms and conditions as the Remuneration Committee shall determine.

Release of awards

Any award of Investment Shares, Matching Shares or LTIP Award will be released at the end of a holding period, subject to the satisfaction of performance requirements and any other terms and conditions applicable to the award. The 'holding period' will be a period set by the Remuneration Committee during which the employee must generally remain employed within the Regus Group. The Remuneration Committee can determine any performance requirements or conditions that must normally be satisfied before any award may be released.

Prior to the release of any award, or the exercise of the award in the case of a nil cost option, the employee will not be entitled to any voting rights or rights to receive dividends in respect of the IWG Ordinary Shares to be awarded.

On cessation of employment or change of control of IWG there may be an earlier date of release (see below).

Cessation of employment

If an employee who has received an award ceases to be employed within the Regus Group for any reason, the following rules will apply:

- Investment Shares – the proportion of any award of Investment Shares which has not already been released on the leaving date will be released, in proportion to the relevant holding period completed on the date of cessation (unless the Remuneration Committee in its absolute discretion determines otherwise). The remainder of the Investment Shares which have not been released shall lapse.

- Matching Shares or LTIP Award – any award of Matching Shares or LTIP Awards that have not been Released will lapse (unless the Remuneration Committee in its absolute discretion determines otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death). If the Remuneration Committee decides that awards will be released on cessation, then the proportion of any award released will be dependent on the proportionate satisfaction of the performance requirements (if any) and the proportion of the relevant holding period completed on the date of cessation. The remainder of the Matching Shares or LTIP Awards which have not been released shall lapse.

Change of control of IWG and other events

In the event of a change of control, a scheme of arrangement or a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily in IWG the following shall occur:

- any award of Investment Shares shall be released.

- any award of Matching Shares or LTIP Awards shall be released, the proportion of any such awards released being dependent on the degree of satisfaction of the performance requirements on such date and (in the Remuneration Committee's discretion) the length of any holding period completed.

If IWG merges with another company or any of the businesses of the group are demerged, the Remuneration Committee shall have discretion as to whether to release or adjust any reward.

If an acquiring company has obtained control an awardholder may, by agreement with the acquiring company, cancel any existing award in exchange for a new award. The new award shall be over shares in the acquiring company (or a company which has control of the acquiring company), shall be granted by the acquiring company and shall be on identical terms to the old award. The new award will be treated as having been acquired on the same date as the old award.

On a summary or compulsory winding up of IWG all awards shall be released

Lapse of awards

Any existing award will lapse on any of the following events:

- to the extent that it is not otherwise exercisable (as described above), on a cessation of employment or change of control;
- when it is determined that performance requirements or other terms are not satisfied;
- the tenth anniversary of the date of grant of the award;
- the relevant participant being adjudicated as bankrupt; or
- in the case of a nil cost option, the expiry of the period during which the award remains exercisable as determined by the Remuneration Committee.

Listing

Application will be made for the IWG Ordinary Shares issued under the CIP to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities. IWG Ordinary Shares issued on the release of awards will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior to the date of allotment. IWG will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding awards to subscribe for IWG Ordinary Shares.

Variation of capital

If a variation of capital takes place then the number of IWG Ordinary Shares subject to any award and the terms and conditions applying to such awards may be adjusted in such a manner and with effect from such date as the Remuneration Committee may determine to be appropriate and as the auditors of IWG shall have confirmed in writing to be in their opinion fair and reasonable.

Amendments

The Remuneration Committee shall have the power to amend the plan from time to time provided that:

- no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, equity dilution, share utilisation and individual participation limits and adjustments following a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any group company); and
- except for amendments to comply with securities, exchange control or taxation laws or other relevant regulations, no alteration shall be made which would materially affect any

subsisting rights of participants without the prior consent of the majority of the number of participants who respond to notification by IWG of such alteration.

Benefits non-pensionable

No benefit under the CIP shall be pensionable.

11.5 One Off Award granted to Dominik de Daniel (the "DD Award")

The following terms apply to the DD Award:

Eligibility

The DD Award applies only to Dominik de Daniel. The original award was granted by Old Regus to facilitate the recruitment of Dominik de Daniel as chief financial officer and chief operating officer of Old Regus. Following the implementation of the Scheme, IWG will grant a new and equivalent award to Dominik de Daniel over IWG Ordinary Shares.

Structure of award

The award is a conditional share award over 328,751 IWG Ordinary Shares.

The award vests on the fifth anniversary from the date of grant. The award is subject to performance against predetermined targets which are set by the Remuneration Committee and communicated at the time of grant.

Dividend Equivalents

Dominik de Daniel has no voting rights or rights to receive dividends in respect of the IWG Ordinary Shares subject to the award prior to any vesting of the award.

Vesting of the Award

The award will vest on 2 November 2020 or earlier where there is a change of control or a takeover or other corporate event which results in the award vesting earlier subject to whether the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the award have been satisfied. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Cessation of employment

If Dominik de Daniel ceases to be employed within the IWG Group before the vesting date, then the award shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy, the transfer of his office or employment outside the IWG Group and death. In such circumstances an award normally vests based on the time served on the date the employee ceases to be employed or the vesting date.

Change of control and other events

When any of the following events occur, the award will vest. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of desastre in respect of IWG, or a summary or compulsory winding up of IWG. The Remuneration Committee may decrease the number of IWG Ordinary Shares that will vest by applying any performance conditions imposed on the vesting of the award and applying pro rata reduction to the number of IWG Ordinary Shares based on the period of time after the date of grant and ending on the early vesting date relative to the length of the five year holding period.

There are provisions for awards to be cancelled in exchange for new and equivalent replacement awards over shares in the acquiring company, granted by the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

The award will lapse immediately if Dominik de Daniel attempts to transfer, assign, charge or otherwise dispose of his award or any interest he has in it (except on his death to his personal representatives). The award shall lapse immediately if Dominik de Daniel is declared bankrupt.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to the award, in such a manner as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested award or clawback a vested award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;
- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed;
- there was an error in the information or assumptions on which the award was granted; or
- there was an error in the assessment of the extent to which the performance conditions were satisfied.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the award will be cancelled or deemed to have been granted over a lower number of shares. The vesting of the conditional share award will be by reference to this reduced number of IWG Ordinary Shares.

Benefits non-pensionable

Benefits under the DD Award will not form part of Dominik de Daniel's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the DD Award Agreement and the terms of the award from time to time provided that no amendment can be made to the advantage of Dominik de Daniel in respect of the basis of determining his entitlement to, and the terms of, IWG Ordinary Shares or cash provided without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any IWG Group company or to any performance conditions subject to the awards provided it is not materially less difficult to satisfy than the original performance condition).

11.6 **The Employee Trust**

The schemes may, as described above, be operated in conjunction with one or more Employee Trusts. Each such trust will be a general discretionary trust whose beneficiaries will include employees of the IWG Group and their dependants. There are currently no existing Employee Trusts operated by Old Regus, and it is not currently anticipated that any such trusts will be established by IWG for the purpose of operating alongside the employee share schemes.

12. Related party transactions

Save as disclosed in the financial information set out in the related party transactions note to the 2015 Financial Statements, 2014 Financial Statements, 2013 Financial Statements and the 2016 Interim Results, incorporated by reference into this Prospectus, the Regus Group entered into no material transactions with related parties during the financial years ended 31 December 2015, 2014 and 2013 and during the period between 1 January 2016 and 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus).

13. Board practices

13.1 **Compliance with Corporate Governance Code**

Old Regus complied with the provisions of the Corporate Governance Code throughout the year ended 31 December 2015, with the exception of the following:

- Provision E.1.1 – the senior independent non-executive director Lance Browne does not have regular meetings with major external shareholders.

The Board considers it appropriate for the Chairman to be the main conduit to investors, rather than the senior independent non-executive director. The Chairman participates in investor meetings and makes himself available for questions, in person, at the time of major announcements as well as upon request. The Chairman regularly updates the Board and particularly the senior independent non-executive director on the results of his meetings and the opinions of investors. On this basis, the Board considers that the senior independent non-executive director is able to gain full awareness of the issues and concerns of major shareholders. Notwithstanding this policy, all directors have a standing invitation to participate in meetings with investors.

Upon implementation of the Scheme, IWG intends to comply with the Corporate Governance Code to the same extent that Old Regus does currently.

13.2 **Board committees**

The Board of IWG has established, amongst others, the following committees, each of which will be operated with terms of reference that have been approved by the Board and which are substantially in the form of the equivalent terms of reference in place for Old Regus.

(A) **Audit Committee**

The Audit Committee's members are Elmar Heggen (chairman of the Audit Committee), Lance Browne, Nina Henderson, Florence Pierre and François Pauly. The Board is satisfied that Elmar Heggen has recent and relevant financial experience and that all members have extensive commercial experience and are independent within the meaning of the Corporate Governance Code. Appointments to the committee will be made by the Board on the recommendation of the Nomination Committee in consultation with the Audit Committee Chairman.

The Audit Committee's principal duties include the following:

(A) to monitor the integrity of the financial statements of IWG, including its annual and interim reports, preliminary results, announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

(B) to review and challenge where necessary:

   (i) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Regus Group;

   (ii) the methods used to account for significant or unusual transactions where different approaches are possible;

   (iii) whether IWG has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;

   (iv) the clarity of disclosure in IWG's financial reports and the context in which statements are made; and

(v) material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);

(C) to review the annual financial statements of the pension funds where not reviewed by the Board as a whole;

(D) to keep under review the effectiveness of IWG's internal controls and risk management systems;

(E) to review and approve the statements to be included in the annual report concerning internal controls and risk management;

(F) to review IWG's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

(G) to monitor and review the effectiveness of the IWG's internal audit function in the context of the company's overall risk management system;

(H) to approve the appointment and removal of the head of the internal audit function;

(I) to consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The committee shall also ensure the function has adequate standing and is free from management or other restrictions;

(J) to review and assess the annual internal audit plan;

(K) to review promptly all reports on IWG from the internal auditors;

(L) to review and monitor management's responsiveness to the findings and recommendations of the internal auditor;

(M) to meet the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Chairman of the Board and to the committee;

(N) to consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of IWG's external auditor. The committee shall oversee the selection process for new auditors and if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required;

(O) oversee the relationship with the external auditor including (but not limited to):

(i) approval of their remuneration, including fees for audit or non audit services, and that the level of fees is appropriate to enable an adequate audit to be conducted;

(ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

(iii) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non audit services;

(iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and IWG (other than in the ordinary course of business);

(v) agreeing with the Board a policy on the employment of former employees of IWG's auditor, then monitoring the implementation of this policy;

(vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by IWG compared to the overall fee income of the firm, office and partner and other related requirements; and

(vii) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;

(P) meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit;

(Q) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;

(R) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

(i) a discussion of any major issues which arose during the audit,

(ii) any accounting and audit judgements, and

(iii) levels of errors identified during the audit.

(S) review any representation letter(s) requested by the external auditor before they are signed by management;

(T) review the management letter and management's response to the auditor's findings and recommendations; and

(U) develop and implement a policy on the supply of non audit services by the external auditor taking into account any relevant ethical guidance on the matter.

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. The committee shall compile a report to shareholders on its activities to be included in IWG's annual report and accounts.

(B) **Remuneration Committee**

The Remuneration Committee's members are Nina Henderson (chairman of the Remuneration Committee), Lance Browne, Elmar Heggen, Florence Pierre and François Pauly. All are non-executive directors determined by the Board to be independent in accordance with the Corporate Governance Code. Appointments to the committee are made by the Board on the recommendation of the Nomination Committee in consultation with the Remuneration Committee Chairman.

The Remuneration Committee's principal duties include the following:

(A) to determine and agree with the Board the framework or broad policy for the remuneration of IWG's Chief Executive, Chairman, the IWG executive directors, the Company Secretary and such other members of the executive management as it is designated to consider (currently any person who earns or who it is proposed will earn a base salary, including any guaranteed bonus, in excess of £350,000). The remuneration of IWG non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director of IWG or manager shall be involved in any decisions as to their own remuneration;

(B) in determining such policy, to take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of IWG are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of IWG;

(C) to review the ongoing appropriateness and relevance of the remuneration policy;

(D) to approve the design of, and determine targets for, any performance related pay schemes operated by IWG and approve the total annual payments made under such schemes;

(E) to review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to IWG executive directors and other senior executives and the performance targets to be used;

(F) to determine the policy for, and scope of, pension arrangements for each IWG executive director and other senior executives;

(G) to ensure that contractual terms on termination, and any payments made, are fair to the individual, and IWG, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

(H) within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, to determine the total individual remuneration package of each IWG executive director and other senior executives including bonuses, incentive payments and share options or other share awards;

(I) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Corporate Governance Code and the UK Listing Authority's Listing Rules and associated guidance;

(J) to review and note annually the remuneration trends across IWG or the Regus Group;

(K) to oversee any major changes in employee benefits structures throughout the Regus Group;

(L) to agree the policy for authorising claims for expenses from the Chief Executive and Chairman;

(M) to ensure that all provisions regarding disclosure of remuneration including pensions, as set out in applicable law and regulation are fulfilled; and

(N) to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee and to obtain reliable, up-to-date information about remuneration in other companies. The committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

(C) **Nomination Committee**

The members of the Nomination Committee are Lance Browne (chairman of the Nomination Committee), Douglas Sutherland, Elmar Heggen, Nina Henderson, Florence Pierre and François Pauly. As such, the majority of the members of the committee are IWG non-executive directors determined by the Board to be independent in accordance with the Corporate Governance Code.

The Nomination Committee's principal duties include the following:

(A) to review regularly the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

(B) to give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing IWG, and what skills and expertise are therefore needed on the Board in the future;

(C) to be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

(D) before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

  (i) use open advertising or the services of external advisers to facilitate the search;

  (ii) consider candidates from a wide range of backgrounds; and

  (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;

(E) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

(F) to keep up to date and fully informed about strategic issues and commercial changes affecting IWG and the market in which it operates;

(G) to review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and

(H) to ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;

(i) to make recommendations to the Board concerning:

  (ii) plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;

  (iii) suitable candidates for the role of senior independent director;

  (iv) membership of the audit and remuneration committees, in consultation with the chairman of those committees;

  (v) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(vi) the continuation (or not) in service of any director who has reached the age of 65;

(vii) the re-election by IWG Ordinary Shareholders of any director under the “retirement by rotation” provisions in the IWG Articles having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(viii) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an ex-employee of IWG subject to the provisions of the law and their service contract; and

(ix) the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

14. Subsidiaries and associated undertakings

Immediately upon the Scheme becoming effective, IWG will own 100 per cent. of the issued share capital of Old Regus and will be the ultimate holding company of the Regus Group. The following table shows what will be the principal subsidiary and associated undertakings of IWG, being those which IWG considers likely to have a significant effect on the assessment of the assets and liabilities, the financial position and/or the profits and losses of Regus Group and the percentage interest in those companies held by the Regus Group.

Subsidiary undertakings	**Country of incorporation and registered office**	**Principal activity**	**Proportionate holding and voting power**
Regus do Brasil Ltda	Brazil	Trading	100
Regus Paris SAS	France	Trading	100
Regus GmbH & Co. KG	Germany	Trading	100
Excellent Business Centres GmbH	Germany	Trading	100
Regus Business Centres Italia Srl	Italy	Trading	100
Regus Japan KK	Japan	Trading	100
Regus Management de Mexico, SA de CV	Mexico	Trading	100
Regus Amsterdam BV	Netherlands	Trading	100
Regus Business Centre LLC	Russia	Trading	100
Regus Management Singapore Pte Ltd	Singapore	Trading	100
Regus Management Group (Pty) Ltd	South Africa	Trading company	100
Regus Management España SL	Spain	Trading company	100
Regus Business Centre SA	Switzerland	Trading company	100
ABC Business Centres Limited	United Kingdom	Trading company	100
Acorn Offices Limited	United Kingdom	Trading company	100
Avanta Managed Offices Ltd	United Kingdom	Trading company	100
MWB Business Exchange Centres Ltd	United Kingdom	Trading company	100
Stonemartin Corporate Centre Limited	United Kingdom	Trading company	100
HQ Global Workplaces LLC	United States	Trading company	100
RGN National Business Centres LLC	United States	Trading company	100
Office Suites Plus Properties LLC	United States	Trading company	100
Regus Business Centres LLC	United States	Trading company	100
Regus Australia Management Pty	Australia	Management company	100
Regus Business Centres SAS	France	Management company	100
RBW Global Sarl	Luxembourg	Management company	100

Subsidiary undertakings	Country of incorporation and registered office	Principal activity	Proportionate holding and voting power
Pathway Finance Sarl	Luxembourg	Management company	100
Pathway IP Sarl	Luxembourg	Management company	100
Regus Service Centre Philippines BV	Philippines	Management company	100
Regus Global Management Centre SA	Switzerland	Management company	100
Regus Group Services Ltd	United Kingdom	Management company	100
Regus Management (UK) Ltd	United Kingdom	Management company	100
Regus Management Group LLC	United States	Management company	100
RGN Limited Partner Holdings Corp	Canada	Holding company	100
Regus Holdings SAS	France	Holding company	100
Regus GmbH & Co. KG	Germany	Holding company	100
Regus Business Services (HK) Limited	Hong Kong	Holding company	100
Umbrella Holdings Sarl	Luxembourg	Holding company	100
Regus Group Limited	United Kingdom	Holding company	100
Marley Acquisitions Limited	United Kingdom	Holding company	100
Business Exchange Holdings Limited	United Kingdom	Holding company	100
Regus Estates UK Limited	United Kingdom	Holding company	100
Regus Centres UK Limited	United Kingdom	Holding company	100
Regus Corporation LLC	United States	Holding company	100
Regus H Holdings LLC	United States	Holding company	100

15. Significant changes

There has been no significant change in the financial or trading position of the Regus Group since 30 June 2016, being the date to which the Regus Group prepared the 2016 Interim Results, the Regus Group's last published interim financial statements.

Since its incorporation on 27 September 2016, IWG has not traded, nor has there been any significant change in its financial or trading position.

16. Litigation

Set out below is information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Regus Group is aware), during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, significant effects on IWG and/or the Regus Group's financial position or profitability.

16.1 California class action

During 2015, a class action was filed against the Regus Group alleging a breach of labour regulations in California. While the outcome of this legal action remains uncertain, the Regus Group has provided for £4.5 million in respect of any potential settlement and related legal costs.

16.2 Competition & Markets Authority investigation

The United Kingdom Competition & Markets Authority initiated an inquiry into competition in the flexible workspace industry after the Regus Group acquired Avanta Serviced Offices Group plc during 2015. The inquiry was completed in early 2016. The Regus Group disposed of specific assets and liabilities acquired as part of the Avanta Serviced Offices Group plc acquisition in accordance with the agreed settlement.

17. Material contracts

Set out below is a summary of: (a) each material contract, other than contracts entered into in the ordinary course of business, to which IWG or any member of the Regus Group is a party, which has been entered into within the two years immediately preceding the date of this Prospectus; and (b) any other contract (not being a contract entered into in the ordinary course of business) entered into by IWG or any member of the Regus Group which contains a provision under which IWG or any member of the Regus Group has any obligation or entitlement which is material to the Regus Group as at the date of this Prospectus.

17.1 Sponsor's agreement

On 3 November 2016, an agreement was entered into between IWG, Old Regus and Investec whereby Investec agreed to act as sponsor to IWG in connection with the Proposals. Pursuant to this agreement IWG and Old Regus have agreed to provide Investec with certain customary warranties, undertakings and indemnities in connection with their role as sponsor to IWG. The indemnities provided by IWG and Old Regus indemnify Investec against claims made against it or loss suffered or incurred in connection with its role as sponsor subject to certain exemptions.

18. Information on the CREST settlement system

CREST, the computerised paperless system for settlement of sales and purchases of shares in the London securities markets, commenced operations in July 1996.

The CREST Regulations provide for the transfer of shares without stock transfer forms, and the evidencing of title to shares without share certificates, through a computer-based system and procedures which are operated by Euroclear.

The IWG Articles contain specific provisions to enable the IWG Ordinary Shares to be dematerialized into a computer system, including CREST. A copy of the IWG Articles is available for inspection. See paragraph 24 of this Part VI for further details.

The Board has resolved to enable any or all of the IWG Ordinary Shares to join CREST and, accordingly, IWG Ordinary Shareholders will be able to hold the IWG Ordinary Shares to which they become entitled in electronic form in an account on the CREST system or in the physical form of certificates. Each IWG Ordinary Shareholder will be able to choose whether or not to convert his IWG Ordinary Shares into certificated form and the Registrars will continue to register written instructions of transfer and issue share certificates in respect of the IWG Ordinary Shares held in certificated form.

It is currently anticipated that the IWG Ordinary Shares will be eligible to join CREST with effect immediately upon Admission.

19. Major shareholders

Insofar as is known to IWG, based on the relevant notifications made to Old Regus by Old Regus Ordinary Shareholders (in relation to their holdings in Old Regus) pursuant to the Disclosure Guidance and Transparency Rules as at 1 November 2016 (being the latest practicable date prior to the publication of this Prospectus), and based on the total issued share capital of Old Regus as at 1 November 2016, on the Scheme becoming effective, the only persons who will be, directly or indirectly, interested in five per cent. or more of the IWG Ordinary Shares will be:

Name	**Number of Old Regus Ordinary Shares**	**Number of IWG Ordinary Shares to be held upon the Scheme becoming effective**	**Percentage of voting rights attaching to IWG Ordinary Shares**
Estorn Limited*	257,701,874	257,701,874	27.79 per cent.
Prudential Plc	80,776,178	80,776,178	8.71 per cent.
FMR LLC	47,602,597	47,602,597	5.13 per cent.

* *Mark Dixon indirectly owns 100 per cent. of Estorn Limited.*

in each case, assuming that no Old Regus Ordinary Shares are purchased or sold by the Old Regus Ordinary Shareholders after the date of the relevant notification, and no Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased by Old Regus or IWG after 1 November 2016.

None of the shareholders referred to above will have voting rights that are different from those of any other holder of IWG Ordinary Shares.

Save as disclosed in this paragraph 19, IWG is not aware of any person who is, or will be, immediately following the Scheme becoming effective directly or indirectly, interested in five per cent. or more of the IWG Ordinary Shares.

IWG is not aware of any person who, immediately following implementation of the Scheme, directly or indirectly, acting jointly or with others or acting alone, could exercise control over IWG.

20. Takeover regulation

20.1 Mandatory takeover bids

The Takeover Panel will regulate, and the Takeover Code will apply to, takeover bids and merger transactions of IWG, however effected, including by means of statutory merger or scheme of arrangement. The Takeover Panel will also regulate other transactions which have as their objective or potential effect obtaining or consolidating control of IWG as well as partial offers for securities in IWG.

The Takeover Code operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted.

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle 1 states that all holders of securities of an offeree company of the same class must be offered equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the Takeover Code which requires a person, together with persons acting in concert with him, who acquires, whether by a series of transactions over a period of time or not, an interest in shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer for the remaining shares of the company. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required, subject to certain exceptions, where a person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting right but does not hold shares carrying more than 50 per cent. of such voting rights, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested.

20.2 **Squeeze-out**

The Jersey Companies Law provides that where a person (the "**Offeror**") makes a takeover offer to acquire all of the shares (or all of the shares of any class) in a company incorporated in Jersey (other than any shares already held by the Offeror at the date of the offer), if the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90 per cent. in nominal value of the shares (or class of shares) to which the offer relates, the Offeror may (subject to the requirements of the Jersey Companies Law), by notice to the holders of the shares (or class of shares) to which the offer relates which the Offeror has not already acquired or contracted to acquire, compulsorily acquire those shares. A holder of any shares who receives a notice of compulsory acquisition may (within six weeks from the date on which such notice was given) apply to the Jersey Court for an order that the Offeror not be entitled and bound to purchase the holder's shares or that the Offeror purchase the holder's shares on terms different of those of the offer.

20.3 **Sell-out**

Where, before the end of the period within which a takeover offer can be accepted, the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90 per cent. in nominal value of all of the shares (or all of the shares of a particular class) of the Jersey company, the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may, by written notice to the Offeror, require the Offeror to acquire the holder's shares. The Offeror shall (subject to the requirements of the Jersey Companies Law) be entitled and bound to acquire the holder's shares on the terms of the offer or on such other terms as may be agreed. Where a holder gives the Offeror a notice of compulsory acquisition, each of the Offeror and the holder of the shares is entitled to apply to the Jersey Court for an order that the terms on which the Offeror is entitled and bound to acquire the holder's shares shall be such as the Jersey Court thinks fit.

21. RCF and BGLCF

On the Scheme Effective Date, IWG is expected to accede to the Regus Group's RCF and BGLCF (as may be amended or replaced).

22. Miscellaneous

IWG is not seeking to raise any capital from shareholders so there will be no proceeds of the Scheme. The total costs, charges and expenses payable by the Regus Group in connection with the Proposals are estimated to be £2.5 million (exclusive of amounts in respect of VAT). No expenses will be charged to the shareholders of Old Regus or IWG.

The auditors of IWG are KPMG Ireland whose address is 1 Stokes Place, St Stephen's Green, Dublin 2, Ireland.

The IWG Ordinary Shares are not marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in connection with their admission to the Official List.

Statutory accounts of Old Regus for each of the three years ended 31 December 2015, have been delivered to the Jersey Registrar of Companies. The auditors of Old Regus have made reports under the relevant provisions in Jersey Companies Law in respect of these statutory accounts and each such report was an unqualified report.

Where information contained in this Prospectus has been sourced from a third party, IWG confirms that such information has been accurately reproduced and, so far as the IWG Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23. Consents

Investec has given and not withdrawn its consent to the inclusion in this Prospectus of its name in the form and context in which it appears.

24. Documents available for inspection

Copies of the following documents may be inspected at the offices of Slaughter and May, at One Bunhill Row, London EC1Y 8YY, the registered office of IWG at 22 Grenville Street, St Helier, Jersey JE4 8PX and the head office of IWG at Dammstrasse 19, CH-6300, Zug, Switzerland during normal business hours on any day (Saturday, Sundays and public holidays excepted) until close of business on the Scheme Effective Date and will also be available for inspection for 15 minutes before and during the Court Meeting and the Extraordinary General Meeting:

(A) the Old Regus Articles in their present form;

(B) the amendments to the Old Regus Articles proposed at the Extraordinary General Meeting;

(C) the IWG Articles;

(D) the 2016 Interim Results;

(E) the 2015 Financial Statements;

(F) the 2014 Financial Statements;

(G) the 2013 Financial Statements;

(H) the rules of the Share Option Plan, the DSBP, the PSP and the CIP;

(I) the Scheme Circular;

(J) this Prospectus; and

(K) the forms of proxy for the Court Meeting and the Extraordinary General Meeting.

25. Documents incorporated by reference

The table below sets out the documents which are incorporated by reference into this Prospectus and which are available for inspection as set out in paragraph 24 above:

Information incorporated by reference into this Prospectus	Location of incorporation into this Prospectus	Page numbers in this Prospectus
Old Regus's interim results for the six months ended 30 June 2016	Part III – Historical Financial Information	69
Old Regus's Annual Report and Accounts 2015, including Old Regus's financial statements for the year ended 31 December 2015 the notes and the auditors' report thereon, pages 55 to 99 (inclusive)	Part III– Historical Financial Information	69
Old Regus's Annual Report and Accounts 2014, including Old Regus's financial statements for the year ended 31 December 2014 the notes and the auditors' report thereon, pages 49 to 89 (inclusive)	Part III – Historical Financial Information	70
Old Regus's Annual Report and Accounts 2013, including Old Regus's financial statements for the year ended 31 December 2013 the notes and the auditors' report thereon, pages 57 to 103 (inclusive)	Part III – Historical Financial Information	70

PART VII - DEFINITIONS

“2013 Financial Statements”	the audited consolidated financial statements for the Regus Group prepared in accordance with IFRS as at 31 December 2013 and for FY 2013, together with the notes on them, contained in the Regus Group's Annual Report and Accounts 2013;
“2014 Financial Statements”	the audited consolidated financial statements for the Regus Group prepared in accordance with IFRS as at 31 December 2014 and for FY 2014, together with the notes on them, contained in the Regus Group's Annual Report and Accounts 2014;
“2015 Financial Statements”	the audited consolidated financial statements for the Regus Group prepared in accordance with IFRS as at 31 December 2015 and for FY 2015, together with the notes on them, contained in the Regus Group's Annual Report and Accounts 2015;
“2016 Interim Results”	the unaudited interim results for the Regus Group for the six months ended 30 June 2016;
“Admission”	the admission of the IWG Ordinary Shares to the premium listing segment of the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the admission and disclosure standards of the London Stock Exchange containing (among other things) the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities;
“BGLCF”	the meaning given in paragraph 2.5 of Part II of this Prospectus;
“Board” or “Directors”	the IWG Directors and/or the Old Regus Directors, as the context may require;

"Business Day"	any day other than a Saturday or Sunday or public holiday on which banks are open for business in London, other than solely for the purposes of trading and settlement in Euro;
"certificated" or "in certificated form"	in relation to shares, means shares which are not held in uncertificated form;
"CIP"	the meaning given in paragraph 11.4 of Part VI of this Prospectus;
"Corporate Governance Code"	the UK Corporate Governance Code of the Financial Reporting Council dated April 2016;
"Court Hearing"	the hearing of the representation to sanction the Scheme;
"Court Meeting"	the meeting of Old Regus Ordinary Shareholders convened by order of the Jersey Court pursuant to Article 125 of the Jersey Companies Law to consider, and if thought fit, approve the Scheme and any adjournment of that meeting;
"CREST"	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
"CREST Regulations"	the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended from time to time);
"DD Award"	the meaning given in paragraph 11.5 of Part VI of this Prospectus;
"Disclosure Guidance and Transparency Rules"	the Disclosure Guidance and Transparency Rules made by the FCA under the FSMA;
"DSBP"	the meaning given in paragraph 11.2 of Part VI of this Prospectus;
"EMEA"	Europe, the Middle East and Africa;
"Employee Trust"	the meaning given in paragraph 11.1 of Part VI of this Prospectus;

“EU”	the European Union, first established by the treaty made at Maastricht on 7 February 1992;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Extraordinary General Meeting”	the general meeting of Old Regus to be held in connection with the Proposals and any adjournment of that meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“FTSE UK Index Series”	the UK series of the FTSE Actuaries Share Indices;
“FY”	the full calendar year of the relevant year;
“H1”	the first half of the relevant calendar year, being January to June inclusive;
“H2”	the second half of the relevant calendar year, being July to December inclusive;
“IFRS”	the international financial reporting standards as adopted in the EU;
“Investec”	Investec Bank plc;
“IWG”	IWG plc, a public company limited by shares incorporated in Jersey with registered number 122154, registered office at 22 Grenville Street, St Helier, Jersey JE4 8PX, and head office at Dammstrasse 19, CH-6300, Zug, Switzerland;
“IWG Articles”	the memorandum and articles of association of IWG (as adopted or amended from time to time);
“IWG Directors”	the directors of IWG whose names appear on page 31 of this Prospectus;
“IWG Group”	• prior to the Scheme Effective Date, IWG; and

	• after the Scheme Effective Date, IWG and its subsidiary undertakings;
"IWG Initial Subscriber Share"	the meaning given in paragraph 3 of Part VI of this Prospectus;
"IWG Initial Subscriber Shareholders"	Dominik de Daniel and Jürgen Fuhrmann;
"IWG Ordinary Shareholder"	a holder for the time being of IWG Ordinary Shares;
"IWG Ordinary Shares"	the ordinary shares of one penny each in the share capital of IWG;
"IWG Reduction of Capital"	the proposed reduction of share premium of IWG as described in paragraph 2.2 of Part V of this Prospectus;
"IWG Share Schemes"	the Share Option Plan, the DSBP, the PSP, the CIP, and the DD Award;
"Jersey Companies Law"	the Companies (Jersey) Law 1991 (as amended from time to time);
"Jersey Court"	the Royal Court of Jersey;
"Listing Rules"	the listing rules made by the UK Listing Authority under Part VI of the FSMA (as amended from time to time);
"London Stock Exchange"	the London Stock Exchange plc;
"MWB Acquisition"	the meaning given in paragraph 2 of Part I;
"Official List"	the Official List of the UK Listing Authority;
"Old Regus"	Regus plc, a public limited company incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a *société anonyme* under RCS Luxembourg B 141159;
"Old Regus Articles"	the articles of association of Old Regus at the date of this Prospectus;
"Old Regus Board" or "Old Regus Directors"	the directors of Old Regus from time to time;

"Old Regus Co-Investment Plan"	the rules of the Regus Plc Co-Investment Plan adopted on 14 October 2008 and amended on 28 October 2016;
"Old Regus Deferred Share Bonus Plan"	the rules of the Regus Plc Deferred Share Bonus Plan adopted on 16 February 2016;
"Old Regus One Off Award Agreement"	the share award agreement entered into by Old Regus and Dominik de Daniel on 2 November 2015 and amended on 28 October 2016;
"Old Regus Ordinary Shareholder"	a holder for the time being of Old Regus Ordinary Shares;
"Old Regus Ordinary Shares"	the ordinary shares of one penny each in the share capital of Old Regus;
"Old Regus Performance Share Plan"	the rules of the Regus Performance Share Plan adopted on 16 February 2016 and amended on 28 October 2016;
"Old Regus Share Option Plan"	the rules of the Regus Plc Share Option Plan adopted on 14 October 2008 and amended on 28 October 2016;
"Old Regus Share Schemes"	the Old Regus Share Option Plan, the Old Regus Co-Investment Plan, the Old Regus Value Creation Plan, the Old Regus Deferred Share Bonus Plan, the Old Regus Performance Share Plan, and the Old Regus One Off Award Agreement;
"Old Regus Value Creation Plan"	the rules of the Regus Plc Value Creation Plan adopted on 14 October 2008;
"Overseas Shareholders"	Old Regus Ordinary Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey;
"Proposals"	the proposals relating to the Scheme, the approval of the IWG Reduction of Capital and the adoption of the Share Option Plan, the DSBP, the PSP and the CIP and (in each case) related matters, as described in this Prospectus and the Scheme Circular;
"Prospectus"	this document;

"Prospectus Rules"	the prospectus rules made by the UK Listing Authority under Part IV of FSMA;
"PSP"	the meaning given in paragraph 11.3 of Part VI of this Prospectus;
"RCF"	the meaning given in paragraph 2.5 of Part II of this Prospectus;
"Registrars"	Capita Jersey (Registrars) Limited;
"Regus Group" or "Group"	• prior to the Scheme becoming effective, Old Regus and its subsidiary undertakings; and • after the Scheme becoming effective, IWG and its subsidiary undertakings;
"Remuneration Committee"	the remuneration committee of Old Regus or, following the Scheme becoming effective, of IWG;
"Scheme"	the scheme of arrangement under Article 125 of the Jersey Companies Law between Old Regus and holders of Scheme Shares including any modification, addition or condition approved or imposed by the Jersey Court, details of which are set out in the Scheme Circular;
"Scheme Circular"	the circular dated 3 November 2016 sent to Old Regus Ordinary Shareholders containing details of the Proposals;
"Scheme Effective Date"	the date on which the Scheme becomes effective in accordance with its terms, expected to be 19 December 2016;
"Scheme Record Time"	6:00 pm (London time) on the Business Day immediately preceding the Scheme Effective Date;
"Scheme Shares"	• all Old Regus Ordinary Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time; • all (if any) additional Old Regus Ordinary Shares in issue at the Voting Record

Time and remaining in issue at the Scheme Record Time;

- all (if any) further Old Regus Ordinary Shares which may be in issue at or after the Voting Record Time and immediately before the confirmation by the Jersey Court of the Scheme in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound, and remaining in issue at the Scheme Record Time,

but excluding any Old Regus Ordinary Shares held by IWG;

"Schuldschein Debt Securities"	the debt securities issued by the Regus Group in May 2014 for a total amount of EUR 210.0 million using the German "Schuldschein" framework for debt issuance;
"SEC"	the US Securities and Exchange Commission;
"Share Option Plan"	the meaning given in paragraph 11.1 of Part VI of this Prospectus;
"Swiss Branch"	the meaning given in paragraph 2 of Part VI of this Prospectus;
"Swiss Code of Obligations"	the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations) of 30 March 1911 (as amended);
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"Takeover Panel"	the UK Panel on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
"uncertificated" or "in uncertificated form"	in relation to shares, means recorded on the relevant register as being held in

	uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
"US Securities Act"	the US Securities Act of 1933; and
"Voting Record Time"	6:00 p.m. (London time) on the date which is two days (excluding non-working days) prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 pm on the day which is two days (excluding non-working days) before the date of such adjourned meeting.