

19 April 2006



Regus Group plc (“Regus” or “the Group”)

Acquisition of Regus UK

Regus, the leading global provider of outsourced office solutions, today announces that it has reached agreement for the acquisition of the 58% of the UK business (“Regus UK”) it does not already own from Rex 2002 Limited, a company controlled by funds managed by Alchemy Partners, for a cash consideration of £88.0 million.

The acquisition is being funded by a new £50 million acquisition facility put in place by The Royal Bank of Scotland plc, Lloyds TSB Bank plc and National Australia Bank, and by a drawdown of £38 million from the £100m revolving credit facility provided by the same banking syndicate and announced on 14 March 2006. At 31 March 2006 Regus UK had net cash balances of £26.6 million and in addition was owed £5.0 million by Regus.

Information on Regus UK

Regus UK is the leading provider of serviced offices and business centres across the UK comprising 91 business centres. At 31 December 2005 it had 25,000 workstations and an occupancy of 70%.

For the year ended 31 December 2005, under IFRS, Regus UK made £8.6 million of EBITDA and a profit after tax of £0.5 million on sales of £161.4 million. At 31 December 2005 it had net liabilities of £9.1 million with gross assets of £108.8 million. Net cash was £21.8 million.

Rationale for the acquisition

As announced on 20 March 2006 in the Group’s preliminary results for the year to 31 December 2005, Regus has performed strongly across all its wholly owned businesses with average occupancy of 80% for the Group in the second half of FY2005 and annualised REVPAW of £6,180, over the same period.

Regus Group’s strategy is to generate profitable growth through improved occupancy and pricing, as well as opening new centres. The Group is increasing its market penetration around the world and delivering improved services, products and capabilities to its customers through greater size and reach. Whilst the UK business has continued to operate under the Regus brand, a significant number of the Group’s services, management systems and expertise elsewhere in the world are not yet in the UK. The resumption of full control over Regus UK will allow the Group to:

- Utilise its considerable experience elsewhere in the world to bring pricing and occupancy improvements in line with the rest of the Group
- Grow business centres, workstations and operating efficiencies in the highly fragmented UK marketplace through organic growth and acquisitions
- Expand its new product offerings such as Network Access and Net Space in the UK
- Significantly enhance its global reputation and footprint as the UK is one of the key global marketplaces
- Obtain better marketing benefits from full integration of the global offering

Financial effects

Following the acquisition it is intended to re-launch the Regus brand and marketing effort in the UK to drive up occupancy levels and margin. The acquisition is expected to be earnings enhancing in FY2007.

Commenting on the acquisition, Mark Dixon, Chief Executive of Regus, said:

“This is a crucial strategic step enabling us to reunite our global centres under direct control and strengthen our global footprint. We are excited about the opportunity in the UK market place where we see a continued growth towards the adoption of alternative workplace strategies by corporate, small and mid-sized businesses.

“The UK, along with the US, has always been at the forefront of the fundamental change in the way companies are managing their workforces. We are now in a great position to fully capitalise on these strong market trends.”

Enquiries:

Regus Group plc
Mark Dixon, Chief Executive Officer
Stephen Gleadle, Chief Financial Officer

01932 895 135

Brunswick
Simon Sporborg / Robert Gardener

020 7404 5959