

HIGHLIGHTS



Strong financial performance

- EPRA earnings up 34%
- EPRA EPS up 17%
- EPRA NAV per share up 5.2%
- Total return of 6.1% on opening NAV

Accelerating 4.5% EPS yield target to 2014

Excellent progress with portfolio strategy

- Regional development pipeline deepened
- LSAV planning consents achieved
- Strategic portfolio acquisition by USAF in July

Capital structure strengthened

- See through LTV reduced
- OCB joint venture exit concluded

Well positioned for continued growth

- Strong student number outlook
- 92% reservations supporting like-for-like rental growth of at least 3%
- Secured pipeline worth 32 pence NAVps and 12 pence EPS

	30 Jun 2014	30 Jun 2013	31 Dec 2013
EPRA Earnings	£20.4m	£15.2m	£30.6m
EPRA EPS	10.9p	9.3p	18.0p
EPRA NAVps	402p	361p	382p
Dividend per share (interim / full year)	2.2p	1.6p	4.8p
Total return	6.1%	4.0%	10.5%
See through LTV	44%	48%	49%
Operations cashflow	£24.3m	£14.0m	£23.2m
Reservations*	92%	90%	n/a
Secured future development NAV uplift	32pps	24pps	39pps

^{*} Reservations as at 27 August



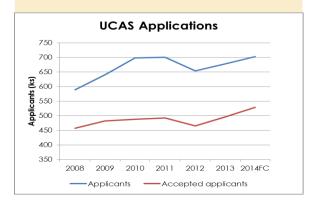


MARKET OUTLOOK REMAINS STRONG



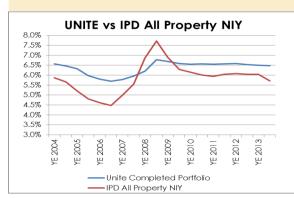
Positive rent and occupancy outlook

- 2014/15 intake likely to be up c.30,000 year-on-year
- Student number cap to be removed for 2015/16
- International demand remains strong
- New supply in Unite cities limited to 12,000 beds for 2014/15



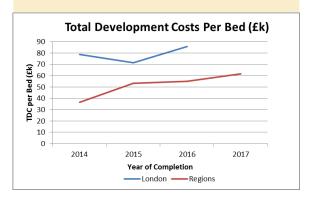
Prospect of yields strengthening

- Spread to IPD All Property yield continues to widen
- Sector transaction volumes remain high
 - Likely >£2 billion for third straight year
 - Investor interest broad and deep
- Distressed portfolio sales approaching conclusion



Development market still supportive

- Limited signs of inflation in strong regional markets
- London remains too expensive for new development
- Some signs of vendor expectations affecting deal timelines





IMPLICATIONS FOR UNITE STRATEGY

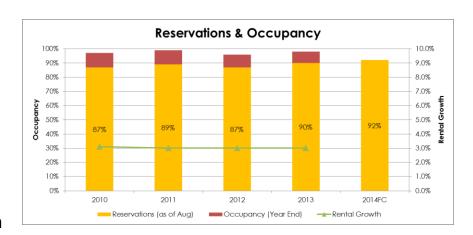


Positive reservations and rental growth outlook

- 92% reserved for 2014/15 (2013: 90%)
- Supportive of rental growth of at least 3% for full year
- Portfolio focused on strong university locations

Continue to favour development in strong regional locations over London

- Secured projects being delivered into growth market
- Good progress deploying capital into 2016 and 2017 projects
- Regional development likely into 2018
- Moving to a c.60/40 portfolio balance in favour of regions
- Will keep asset disposal plans under review given prospect of strengthening yields
- Continue to target 40% LTV over time and will review dividend pay-out policy at full year



Built out portfolio breakdown						
	Built out value (£m)	Built out %				
Central London	426	24				
Zone 2 London	81	4				
Affordable London	306	17				
	813	45				
Regions	989	55				
	1,802	100				







	30 Jun 2014	30 Jun 2013	31 Dec 2013
Income			
EPRA Earnings	£20.4m	£15.2m	£30.6m
EPRA EPS	10.9p	9.3p	18.0p
EPS yield	2.9%	2.7%	3.9%
Dividend per share (interim / full year)	2.2p	1.6p	4.8p
Balance Sheet			
EPRA NAVps	402p	361p	382p
Total return on opening NAV	6.1%	4.0%	10.5%
See through LTV	44%	48%	49%
Cashflow			
Operations cashflow	£24.3m	£14.0m	£23.2m

EPRA EARNINGS



Continuing improved performance

- High occupancy, rental growth and interest savings
- EPRA earnings up to £20.4 million
- 4.5% EPS yield target brought forward to 2014
- Ongoing efficiency measures
 - Investment in technology and enhancement to operating platform resulting in margin improvement
 - c.£1 million of exceptional costs included in overhead increase
- Lower cost of debt from refinancing
- Strong cash conversion
- Interim dividend up 37.5% to 2.2 pence
 - Will review policy at full year

	30 June 2014	30 Jun 2013	31 Dec 2013
	£m	£m	£m
Total income	129.5	122.6	240.7
Unite's share of rental income	64.0	58.3	113.4
Unite's share of property operating expenses	(15.4)	(14.2)	(32.4)
Net operating income (NOI)	48.6	44.1	81.0
NOI margin	75.9 %	75.6%	71.4%
Management fees	5.1	5.2	10.6
Operating expenses	(9.8)	(8.4)	(19.0)
Finance costs ¹	(21.2)	(24.7)	(47.0)
Operations segment result (NPC)	22.7	16.2	25.6
Property segment result	(1.2)	(0.1)	(3.3)
Other	(1.1)	(0.9)	0.8
EPRA earnings (pre UCC promote)	20.4	15.2	23.1
UCC performance fee	_	-	7.5
EPRA earnings	20.4	15.2	30.6
EPRA EPS (pre UCC promote)	10.9p	9.3p	13.6p
EPRA EPS	10.9p	9.3p	18.0p
EPRA EPS yield on NAV	2.9%	2.7%	3.9%

¹ Finance costs include net interest of £14.2m and lease payments of £7.0m on sale and leaseback properties





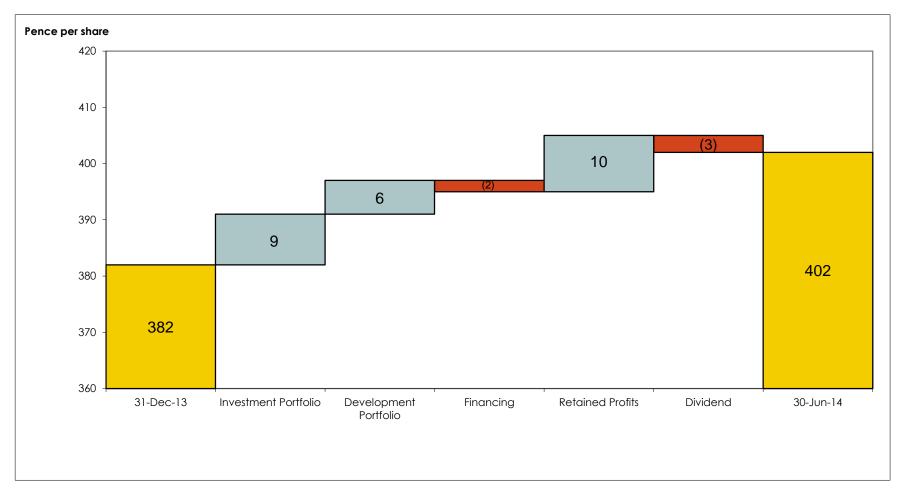


£ million	2013	USAF/UCC stake	Secured pipeline	Secured sub-total	Funded pipeline	Rental growth / investment in brand	Disposals	Illustrative 2018
NOI	81	7	36	124	12-19	8-18	(11-13)	132-147
Overheads less fees	(8)	(1)		(9)	-	(2-3)		(11-12)
Interest	(47)	(1)	(11)	(59)	(3-4)	-	4-5	(58)
Other	(3)			(3)		-	-	(3)
EPRA earnings	23	5	25	53	9-15	6-15	(7-8)	60-74
EPS	13.6p	2p	12p	27p	4-7p	3-6p	(4-5)p	30-35p
Per 30 April CMD				25p				30-35p

Illustrative Earnings demonstrates building blocks of growth – not profit forecast

ADJUSTED NAV BRIDGE





- Investment portfolio growth driven primarily by rental growth, 3% like-for-like expected for full year
- Portfolio valued at average 6.48% net initial yield 4bps of like-for-like yield compression in H1



SEE THROUGH BALANCE SHEET AND INCOME STATEMENT

Whol	ly owned £m	USAF / JVs (Unite share) £m	Unite see through Jun 2014 £m	Unite see through Dec 2013 £m
Balance sheet				
Rental Properties	783	492	1,275	1,175
Properties under development	210	48	258	195
Total property portfolio / GAV	993	540	1,533	1,370
Net debt	(471)	(199)	(670)	(666)
Other assets / (liabilities)	(19)	(28)	(47)	(22)
Net assets	503	313	816	682
LTV	47%	37%	44%	49%
Income statement			Six months ending Jun 2014	Year ending Dec 2013
Net operating income	33.8	14.8	48.6	81.0
Overheads less management fees	(2.7)	(2.0)	(4.7)	(8.4)
Finance costs	(16.6)	(4.6)	(21.2)	(47.0)
Development / other	(2.7)	0.4	(2.3)	5.0
EPRA earnings	11.8	8.6	20.4	30.6

CAPITAL STRUCTURE



Strong debt position

- Improved maturity profile and diversity of sources
- Limited refinancing requirements before 2020

Further reduction in LTV to 44%

- Target of 40% over time

Share placing completed in March

- 24.5 million shares at 410 pence (7% premium to December NAV) - adds 1 pence per share to 2014 NAV
- EPS neutral in 2014 significantly accretive over time
- Proceeds invested in USAF and regional development

Significant levels of covenant headroom

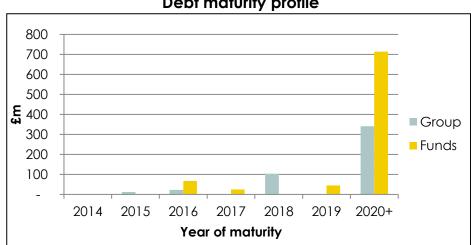
98% of investment debt at fixed rate

Final charge in H1 for cancelling interest rate swaps of £3.4 million following refinance

Key debt statistics (see through)

	30 Jun 2014	30 Jun 2013	31 Dec 2013
Net debt	£670m	£619m	£666m
LTV	44%	48%	49%
Cost of debt	4.7%	5.3%	4.7%
Average debt maturity (years)	7.2	4.6	7.1
Proportion non-bank debt	77%	43%	75%
Proportion investment debt fixed	98%	84%	86%
Proportion unsecured	27%	15%	27%

Debt maturity profile



CO-INVESTMENT VEHICLES



Simplification of co-investment structure

OCB sale completed

- £174 million proceeds in line with book value
- Unite share of proceeds reinvested into UCC

UCC / LSAV merger triggered

- Economic impact complete
- Legal completion in H2

USAF £115 million new capital

- £58 million third party capital, £57 million Unite
- Proceeds deployed into 3,000 bed Cordea Savills portfolio acquisition
- Unite stake increased to 21%

Summary financials	USAF ¹ £m	LSAV / UCC £m
GAV	1,375	511
Net debt	(466)	(204)
Other assets / liabilities	(26)	(49)
NAV	883	258
LTV	34%	40%
Unite stake	21%	50%
Maturity	Infinite	2022
Unite fees in period		
Asset / Property management	3.3	1.8
Development management		2.3
	3.3	4.1

¹ Does not include impact of Cordea Savills acquisition completed in July 2014

ASSET DISPOSALS



	Proceeds £m	Book value £m
Completed / exchanged		
- Wholly owned	36	36
- UCC	32	33
- OCB	174	174
Total	242	243
Unite share	91	91



- Disposals broadly in line with book value
- OCB sale significantly increases total in 2014
- Keeping future asset disposal plans under review given prospect of strengthening yields





HOME FOR SUCCESS UPDATE



Brand investment programme launched in April

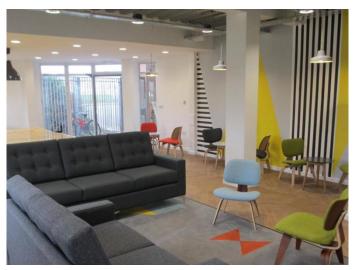
- £40 million total investment, £20 million Unite share
- Launched from a position of strength
- Designed to strengthen competitive advantage further
- ROI tested thoroughly through various pilots

Programme on track

- All properties rebranded by start of 2014/15 academic year
- LED lighting installed at 11 properties
- 15 common rooms upgraded
- c.100 cleaning staff recruited to support free fortnightly cleaning commitment
- First phase of IT upgrade launched as planned

Completion targeted by 1Q16

- Remaining LED and common room upgrades
- Living Wage employer by Spring 2015
- Completely new website and booking engine by Spring 2015







DEVELOPMENT PIPELINE



	Secured beds	Total completed value £m	Total development costs £m	Capex in period	Capex remaining £m	Forecast NAV remaining £m	Forecast yield on cost %
London (wholly owned)	1,572	187	123	19	2	2	10.5%
London (LSAV-Unite share)	2,3171	128	94	25	59	21	9.0%
Total London (Unite share)	3,889	315	217	44	61	23	9.8%
Regions (wholly owned)	3,122	219	165	14	140	43	9.6%
Total 100% of LSAV beds	7,011	534	382	58	201	66	9.6%

Regional pipeline progressing well

- 2016 pipeline secured
- 1,000 beds secured for 2017 under lock-outs, remainder expected in next six months

Secured pipeline provides visibility of future growth

- 32 pence to NAV per share and 12 pence to EPS
- Target pipeline could add further 23 pence per share to NAV and 5 pence per share to earnings

LSAV capital remains 60% committed

- Funding and planning consents in place for all secured LSAV projects
- Hurdle rates not currently achievable on new projects
- Unlikely to secure further schemes in London this year

SUMMARY AND OUTLOOK

UNITE STUDENTS

- Strong performance on all fronts
- Solid growth in earnings and NAV
- Now targeting 4.5% EPS yield in 2014 a year ahead of plan
- Well positioned for continued growth
 - Strong student numbers for 2014/15 with further growth likely in 2015/16
 - 92% reservations supportive of rental growth of at least 3%
 - Secured development pipeline worth 32 pence per share NAV and 12 pence EPS
- Clear plans to deliver against three strategic objectives
 - To be the most trusted brand in our sector
 - To maintain the highest quality portfolio
 - To have the strongest capital structure
- Our main financial focus remains to grow earnings and cashflow sustainably







UK STUDENT ACCOMMODATION MARKET



Student numbers have doubled since 1991

- Driven by government policy, demographics, alobal mobility
- 180,000 more applicants than places in 2013/14 and similar level forecast in 2014/15
- Variations at city / university level

Government plans to remove cap on UK / EU student numbers from 2015/16

- Forecasts c.60,000 (12%) increase in intake
- Stronger universities best places to benefit

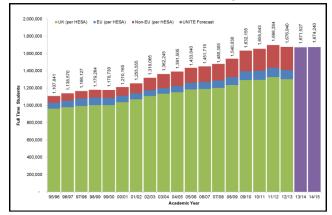
UK attractive to international students

- c.39% of Unite customers non-UK
- Global trend for studying abroad
- UK market share increasing

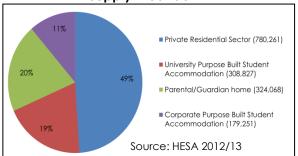
Supply / demand imbalance persists

- University stock levels flat
- Private rented sector facing tougher regulations
- Capital constraining new supply

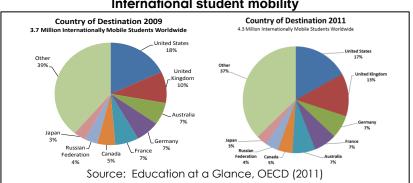
Full time student numbers growth



Supply Breakdown



International student mobility



PRODUCT AND SERVICE OFFERING



All-inclusive pricing

- All utilities and services
- High-speed (20Mb) Wi-Fi throughout our portfolio
- 24/7 customer service
- Transparency and certainty
- Free cleaning

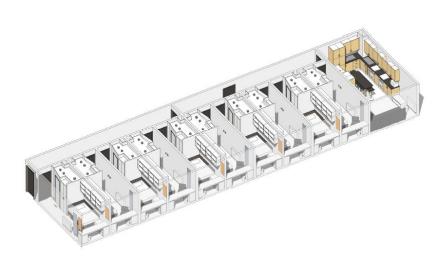
City centre locations

- Close to university campuses
- Flat shares and studios
- Range of products and price points
- Good transport links

Direct let and university contracts

- Strong relationships with universities
- Direct sales through website
- Multi-lingual telephone contact
- Unique online booking system





OUR TOP 10 MARKETS



2014 Rank	2013 Rank	City	Completed Beds (14/15)	Completed Beds (13/14)	FT Student Numbers (12/13)	Projected Market Share
1	1	London	7,892	7,612	281,747	2.8%
2	2	Sheffield	3,731	3,731	46,889	8.0%
3	3	Liverpool	3,398	3,398	37,613	9.0%
4	4	Leeds	3,215	3,138	49,779	6.5%
5	5	Bristol	2,957	2,858	38,334	7.7%
6	8	Birmingham	2,933	2,337	58,105	5.0%
7	6	Manchester	2,149	2,149	50,635	4.2%
8	7	Glasgow	1,832	1,832	56,391	3.2%
9	9	Leicester	1,685	1,685	29,292	5.8%
10	10	Portsmouth	1,402	1,402	18,720	7.5%
			31,194	30,142	667,505	4.7%
Propo	rtion o	f Unite portfolio	72%	73%		





UNITE STUDENTS

SECURED DEVELOPMENT PIPELINE

	Target delivery	Secured beds	Total completed value (£m)	Total development cost s (£m)	Capex remaining (£m)	Capex remaining (£'m)	Forecast NAV remaining (£m)	Forecast yield on cost
London wholly owned								
Stratford	2014	1,001	102	64	11	1	0	11.2%
St Pancras Way	2014	571	85	59	8	1	2	9.8%
Total London wholly owned		1,572	187	123	19	2	2	10.5%
Regional wholly owned								
Kingsmill Lane, Huddersfield	2014	378	19	14	5	1	0	10.1%
Trenchard Street, Bristol	2015	483	35	26	8	15	3	9.9%
Newgate Street, Newcastle	2016	606	42	31	0	31	11	9.6%
Causewayend, Aberdeen	2016	346	26	20	0	20	6	9.5%
St Leonard's, Edinburgh	2016	550	50	38	0	38	12	9.5%
Greetham Street, Portsmouth	2016	759	47	36	1	35	11	9.4%
Total regional wholly owned		3,122	219	165	14	140	43	9.6%
LSAV								
Angel Lane, London	2015	759	84	54	8	27	15	9.3%
Stapleton, London	2016	862	109	85	33	51	16	8.8%
Wembley, London	2016	696	62	48	9	39	10	8.8%
Total LSAV		2,317	255	187	50	117	41	9.0%
Unite share of LSAV		1,159	128	94	25	59	21	9.0%
Total pipeline (Unite share)		5,853	534	382	58	201	66	9.6%

DEBT FACILITIES



On-balance sheet

On-Dalance sneer			
	Facility £m	Drawn £m	Maturity
Investment			
RBS	28	-	2015
BNP Paribas	33	33	2015
Legal + General	119	119	2024
Mass Mutual	124	124	2023
Others	9	9	2018-22
Development			
RBS	18	-	2015
HSBC	49	18	2016
Unsecured			
Convertible bond ¹	81	81	2018
Retail Bond	90	90	2020
Working capital	22	22	2018
Total	573	496	

Co-investment vehicles

<u>USAF</u>	Facility £m	Drawn £m	Maturity
Secured bond	565	565	2023/25
Lloyds RCF 1	92	67	2016
Lloyds RCF 2	25	_	2018
	682	632	
<u>UCC</u>			
RBS	45	45	2019
L&G	149	149	2022
	194	194	
LSAV			
UOB	25	25	2017
HSBC	135	11	2018
	160	36	

^{1 £90}m bonds issued, £81m recognised as debt





	Jun 2014 £'m	Jun 2013 £'m	Dec 2013 £'m
Net assets	789	601	653
Valuation gains not recognised on properties held at cost	25	23	23
Mark to market of fixed rate debt	(12)	(1)	(11)
Deferred tax	-	-	-
EPRA NNNAV	802	623	665
EPRA NNNAV per share	395pps	349pps	373pps