Preliminary Results 2006
Year ended 31 December 2006

The heart of student living

UNITE

Urban Lifestyle ✔
In great locations

Friendly People ✔
On hand to help

Student Living ✔
With your friends

INVESTOR IN PEOPLE

Key themes

The heart of student living UNITE

- **Strong Net Asset Value growth**
  - 17% increase in adjusted NAV per share
  - Underlying 21.5% growth before UNITE UK Student Accommodation Fund set up costs
- **Sustainable business model established**
  - Europe's largest dedicated fund established
  - Improved flexibility and cost of capital base
  - Development roll-out fully funded
  - Management business created
- **Evolution of development roll-out strategy**
  - Increased London exposure
  - Focus on higher value, under-supplied markets
  - Exploring potential related markets

Headline results

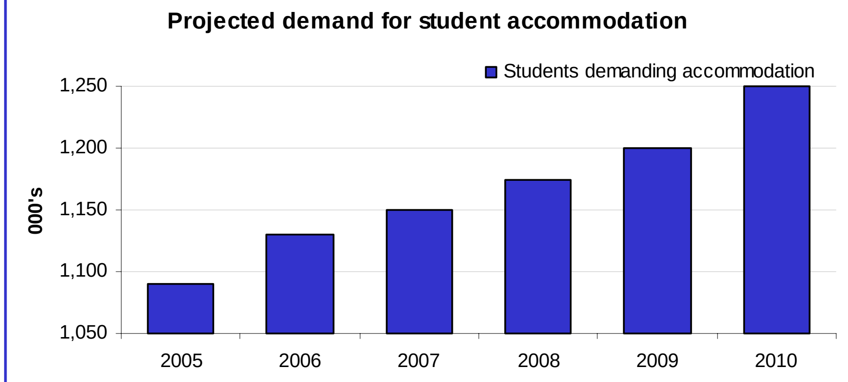
The heart of student living
UNITE

	2006	2005	Change
Net asset value			
Basic NAV per share (IFRS)	391p	314p	↑ 25%
Adjusted NAV per share	428p	367p	↑ 17%
Adjusted NAV per share (fully diluted)	425p	363p	↑ 17%
Earnings			
Profit before tax	£58.6m	£28.1m	↑ £30.5m
Adjusted profit/(loss) before tax	£(14.3m)	£3.4m	↓ £17.7m
Managed portfolio operating profit	£67.2m	£54.5m	↑ 24%
Portfolio			
Portfolio value (including share of JVs)	£1.09bn	£1.18bn	
Completed and managed beds at December	33,944	30,729	
Gearing (net debt as % of adjusted NAV)	78%	162%	

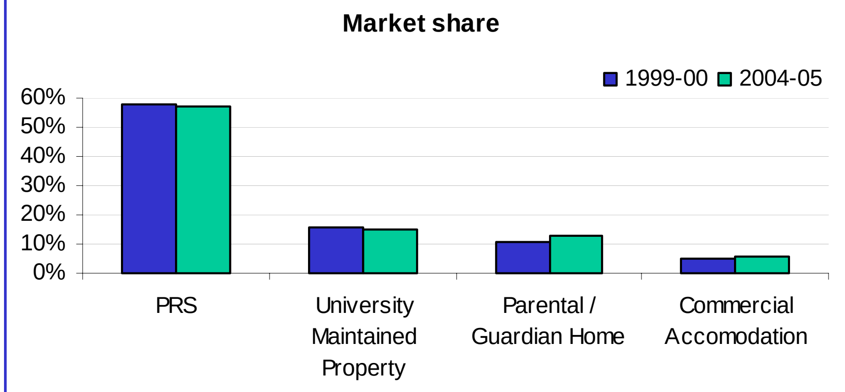
Market update

The heart of student living UNITE

- **Student demand**
  - Overall demand - 1.4 million full time students
  - Drivers of growth: demographics, Government policy, international and EU students
  - Student funding regime introduced in 2006
  - Applications for 2007/08 up 6.4%
  - Independent DTZ forecasts total student numbers to increase by 9% in period to 2010
- **Accommodation supply**
  - Universities still meet less than a quarter of potential demand
  - 100,000 bed shortfall continues for first year students
  - Housing Act: April 2006. Anecdotal evidence of reduced supply
- **Regional Demand / Supply**
  - Pockets of competition
  - Local market variation according to growth and maturity cycle



Source:DTZ – UK student accommodation market March 06

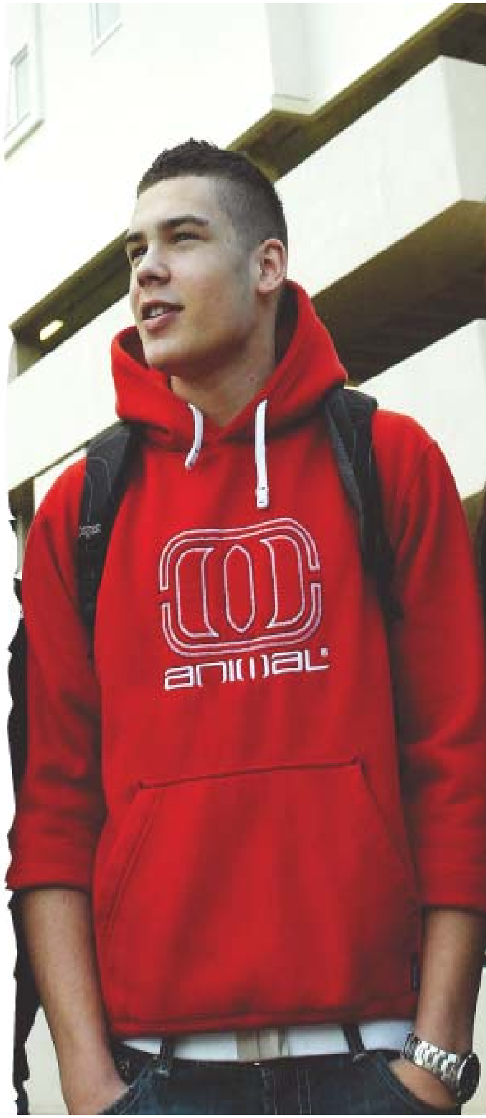


Source:DTZ – UK student accommodation market March 06

The heart of student living UNITE

2006 achievements

- **Managed portfolio increased 10% to 33,944 beds**
  - Customer service awards
  - Scalability initiatives progressed
  - Proactive portfolio management
- **Business reorganised along “city centric” lines**
  - London and UK teams
- **Increased utilisation of modular building technology**
  - 63% of new openings (2005 : 51%)
  - Medium rise technology launched
- **Increased depth of development pipeline**
  - 19 new sites secured with target 4,522 beds (2005 : 2,476 beds in 12 properties)
  - 13 new planning consents (2005 : 10)
  - Margins maintained - over 20% profit on cost



The development portfolio

The heart of student living UNITE

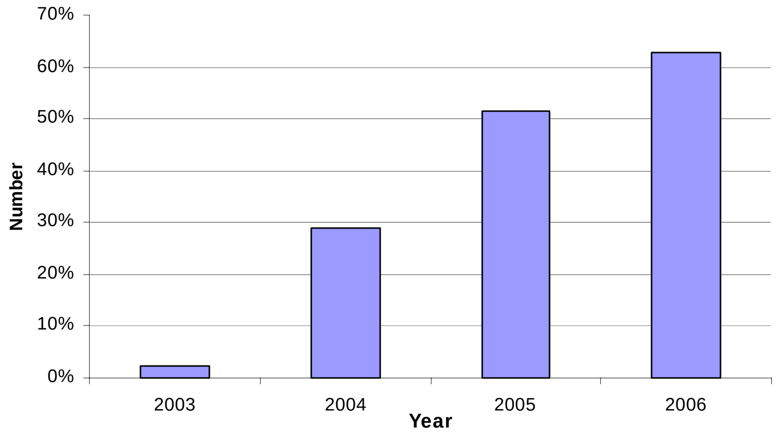
Secured future developments

	Beds	Completed Value £m
2007 – UNITE	3,090	182
– JV	601	59
	3,691	241
2008 – UNITE	2,596	209
– JV	1,105	134
	3,701	343
2009 +	4,086	281
	11,478	865

Built out NAV

	£m	fd pps
NAV to recognise: wholly-owned	82	66
NAV to recognise JVs	39	32
JV partner share	(27)	(22)
	94	76
Built-out adjusted fd NAV (pps)	**↑ 21%**	**501**
31 December 2005		415

Modular



A sustainable business model

The heart of student living
UNITE

DEVELOPMENT | **STABILISING ASSETS** | **STABILISED INVESTMENT PORTFOLIO**

UNITE BALANCE SHEET

Development activity
- £175m per annum
- Increasing London focus & other high value markets

Base portfolio acquisition
- £115m complementary portfolio
- Rental growth strategy

UNITE – built and managed portfolio
- Typically <2 years old
- Lower net rent in early years
- £217m value at Dec '06

UNITE Finance One Portfolio ("UFO")
- Predominantly pre-2002
- Investment focused on complementary assets
- £440m value at Dec '06

COINVESTED FUNDS

UNITE UK Student Accommodation Fund ("USAF")
- £505m GAV
- Target £1bn capitalisation
- UNITE 39% stake will reduce in 2007

JOINT VENTURES

UNITE Student Village JV ("USV")
- £100m value at Dec '06
- UNITE 50% stake
- Likely USAF exit

UNITE Capital Cities Joint Venture ("UCC") – UNITE 30% stake

Development activity – London & Edinburgh
- £75m pa for 2007 & 2008

Stabilising assets
- £23m value at Dec '06

Investment portfolio
- £150m value at Dec '06
- UNITE managed

Balance Sheet - Portfolio Analysis

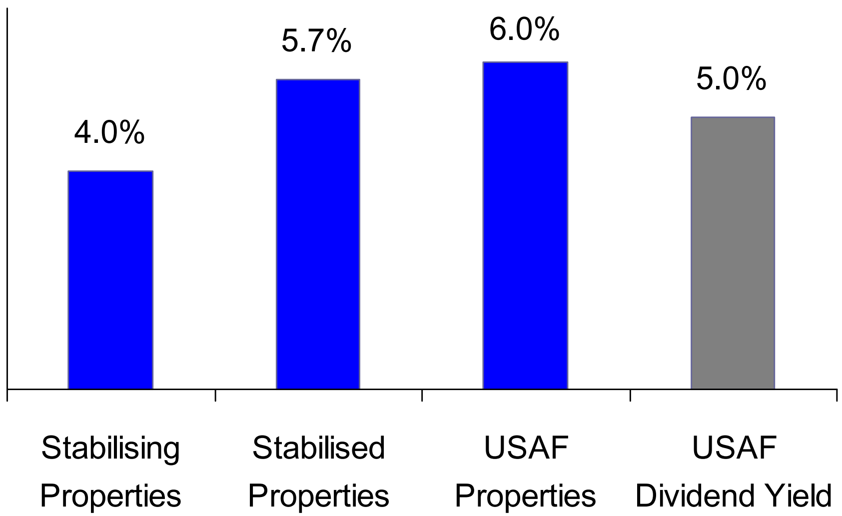
The heart of student living UNITE

	Stake	UNITE share of assets (£m)				
		Stabilising	Stabilised	GAV	Debt	NAV
Wholly owned		217	440	657	(412)	245
USAF share	39%	-	196	196	(109)	87
UCC share	30%	7	45	52	(34)	18
USV share	50%	50	-	50	(39)	11
		275	**680**	**955**	**(594)**	**361**
Development assets (wholly owned and share of UCC)						75
Other	- Cash					55
	- Other					(7)
Reported net assets						481

Valuation yields & financing costs

The heart of student living

Average portfolio initial yields



Average Cost of Debt	
UNITE wholly owned	6.7%
UCC	5.6%
USV	5.8%
USAF	5.2%

USAF and UCC - key terms

The heart of student living UNITE

	USAF	UCC
History:	Multi investor fund formed Dec ‘06	JV with GIC formed March ‘05
Strategy:	• UK direct let student accommodation • Exclusivity over UNITE pipeline	• London & Edinburgh focus • Build a £350m+ portfolio • Development led
Capitalisation:	•Target £1bn • Max 60% LTV	• Target £350m+ GAV • 70% LTV
Format:	Open ended, infinite life	Closed ended, 8 year fund
UNITE stake:	39% at year end, will reduce moderately	30%
UNITE role:	Co-investing property & asset manager	Co investing property, asset, and development manager
Fees:	AM fee: 60bps of GAV*	AM fee : 50 bps GAV
Promote:	25% over 9% total return payable in Units	20% over 15% total return payable at exit

* Subordinated to a 5% return in first three years

2006 NAV growth

The heart of student living
UNITE

Key Indicators	Dec 06 pps	Dec 05 pps
Reported NAV per share	391	314
NAV on developments properties held in current assets	2	-
Provision for deferred tax	36	38
MTM of interest rate hedges	(1)	15
Adjusted NAV per share	428	367
Fully diluted	**425**	**363**
NNNAV per share	385	302
Gearing (on adjusted NAV)	78%	162%
See through gearing	111%	172%
	£m	**£m**
Capex - UNITE	120	110
- JVs	82	78
	202	188

NAV growth components	£m	pps	%NAVPS fd
Investment portfolio			
- Net rental growth	15	12	3%
- Yield compression	55	43	12%
Development portfolio			
- Development surpluses	33	27	8%
	103	82	23%
Impact of USAF	(20)	(16)	(4%)
Other	(5)	(5)	(1%)
Growth in adjusted NAV	**78**	**61**	**17%**

Note: includes share of JV

Portfolio performance

The heart of student living UNITE

2006 performance

	Dec 06 £m	Dec 05 £m
Gross rental income	92.3	81.1
Direct operating costs	(27.3)	(22.9)
Rentals under sale and leaseback	(6.5)	(3.1)
Portfolio overhead	(9.7)	(8.0)
Portfolio operating profit	48.8	47.1
JV contribution	2.1	0.9
	50.9	48.0
*Portfolio operating margin**	*62.7%*	*63.2%*

*On whole portfolio under management

2006/07 Academic Year

	06/07	05/06
Total beds in operation	33,944	30,729
Occupancy	91%	94%
50 + week tenancies	6,428	4,095
Like-for-like revenue growth	6%	

Adjusted Profit

The heart of student living UNITE

	2006 £m	2005 £m
Portfolio operating profit (inc JVs)	50.9	48.0
Net interest charge	(42.9)	(42.7)
Portfolio profit	**8.0**	**5.3**
Non rental profits	-	5.2
Pre contract costs	(4.1)	(2.2)
Corporate costs	(6.0)	(5.0)
USAF set up costs	(12.1)	-
Other items	(0.1)	0.1
Adjusted profit (loss) before tax	**(14.3)**	**3.4**
Major IFRS items:		
Revaluation of investment portfolio/JVs	70.5	29.0
Ineffective hedge charge	2.4	(4.3)
Profit before tax per income statement	**58.6**	**28.1**

UNITE's strategy for growth

The heart of student living UNITE

- Maximise our unique combination of skills to deliver sustainable growth
  - Acquisition, development and planning expertise
  - Market leading modular building technology
  - Customer focused professional management
- Over the next five years we aim to double the size of our UK Student Business
  - Double net rent and optimise return to UNITE
  - Development activity increased in London and smaller, high value markets
  - Net rental growth through city centric focus supported by national brand and scale
  - Complementary acquisitions
- Supported by sustainable financing model
- Pilot of new accommodation proposition targeting graduates and young career professionals

Summary

- Strong NAV performance
- Transformed business and financing model
- Asset class firmly established
- A clear strategy for growth

Appendices

The heart of student living UNITE

- Our property portfolio
- NNNAV
- Debt
- Base Limited acquisition
- A different student experience
- Completed properties
- UNITE Top 10 Markets
- Lease types
- Modular construction

Our property portfolio

The heart of student living

UNITE

	Beds	Properties	Completed value £m
Completed Portfolio:			
2005 and prior	13,375	60	575
2006 completions	1,803	4	82
Joint venture properties	3,992	12	274
USAF properties	11,759	33	505
	30,929	109	1,435
Beds under management	3,015	8	-
Development portfolio:			
2007 - UNITE	3,090	9	182
2007 - JV	601	5	59
2008 - UNITE	2,596	11	209
2008 - JV	1,105	6	134
2009+	4,086	10	281
	11,478	41	865
Total	**45,422**	**158**	**2,300**

Note: Includes 100% share of assets held in JVs

NNNAV

The heart of student living UNITE

	2006 £m	2005 £m
Net assets	481.2	382.7
Fair value of fixed rate debt	(10.4)	(22.1)
Deferred tax	3.1	6.6
NNNAssets	473.9	367.2
NNNAV per share	**385p**	**302p**

Debt

The heart of student living UNITE

	31 Dec 2006	31 Dec 2005
Net Debt	£411m	£739m
Adjusted gearing	78%	162%
Adjusted see through gearing	111%	172%
Average life of investment debt	8.0 yrs	8.2 yrs
Average cost of investment debt	6.7%	6.6%
%hedged/fixed	72%	95%

Base Limited acquisition

- £114.5 million acquisition
- Portfolio of 5 operational properties: cash consideration of £76.4 million
  - estimated net annual income of £3.7 million
- Option to buy Manchester property in development for £38.1 million
  - estimated net annual income of £2.2 million
- Four assets are located adjacent to UNITE properties
- Assets owned and operated by UNITE outright
- £60 million 7 year debt facility

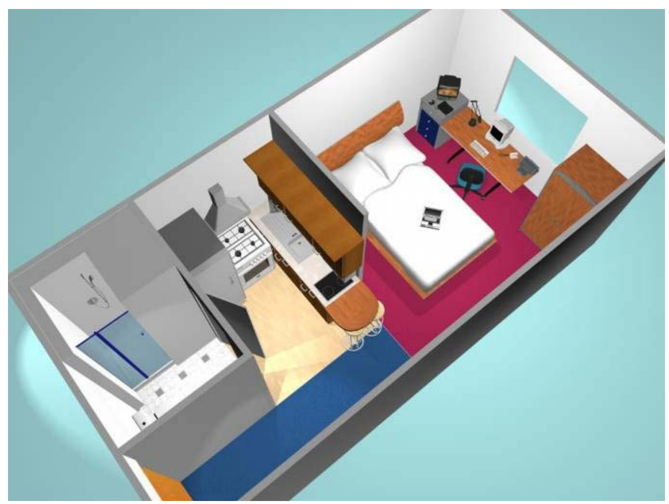
Benefits

- Synergies of operating adjacent properties as enlarged UNITE schemes
- Greater presence in key established cities
- Strong rental growth prospects

A different student experience

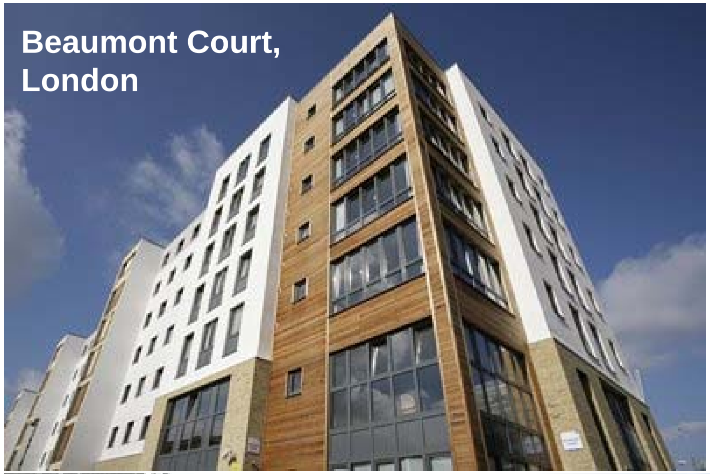
The heart of student living UNITE

- **Accommodation**
  - prime city centre locations
  - 1-6 bed flats
  - mainly en-suite bedrooms
  - apartments, halls & villages
- **Management**
  - marketing, sales and lettings
  - facilities management
  - multiple stakeholders
  - account management
  - operating platform
  - systems
  - student hospitality
  - research
- **Brand & offering**
  - rental growth
- **Other services**
  - broadband
  - leisure facilities
  - insurance



Completed properties

The heart of student living UNITE



Beaumont Court, London

Somerset Court, London

The Bakery, Cardiff

Portsburgh Court, Edinburgh

Riverside Point, Nottingham

The Plaza, Leeds

Central Quay, Sheffield

UNITE Top 10 Markets

The heart of student living UNITE

2006 Rank	2005 Rank	City	Completed Beds 12/06	Completed Beds 12/05	FT Student Numbers (05/06)	Projected Market Share 12/06	3 Yr Growth in FT Student Numbers
1	3	Sheffield	3,132	2,365	40,390	8%	6%
2	1	Bristol	3,080	3,080	33,865	9%	10%
3	2	Liverpool	2,833	2,833	18,590	15%	8%
4	5	London	2,791	2,268	218,405	1%	14%
5	4	Manchester	2,345	2,345	56,785	4%	9%
6	10	Leeds	2,213	1,249	47,535	5%	6%
7	9	Cardiff	1,610	1,276	27,945	6%	5%
8	7	Glasgow	1,582	1,366	46,470	3%	3%
9	6	Portsmouth	1,402	1,402	14,525	10%	4%
10	8	Aberdeen	1,301	1,301	18,590	7%	3%
			22,289	19,485	523,100	4%	

Note: Includes beds under management and full share of beds in JVs

Lease types

The heart of student living UNITE

Leases

- Conventional structures
  - 15+ years
  - annual uplifts fixed/RPI-linked
- Lower yields reflecting lower risk income stream
  - no credit for summer occupancy
  - generally lower income levels
  - varying management obligations

Direct Let

- Full benefit of market demographics
  - strong rental growth
  - high occupancy
  - better year round utilisation
- Higher yielding reflecting potential occupancy risk
- Full management provision
  - economies of scale

Nominations Agreements

- Off balance sheet lease for University
  - hybrid solution
- Similar features to leases
  - 15+ years
  - annual uplifts fixed/RPI linked
- More participation in revenue upside
- Full management provision
  - economies of scale

Modular construction

The heart of student living

UNITE

- 63% modular completions in 2006 (2005: 51%)
- Delivery time, cost and quality control
- 180,000 sq ft production area
- Produces modular bedrooms, kitchens and ancillary components
- New technology allows building elevations up to 10 storeys

Riverside Point - Completed September 2006

Somerset Court - Completed September 2006