

HIGHLIGHTS



Strong financial performance

- EPRA EPS increased to 17.2 pence
- 15.0% total return (NAV growth plus dividends)
- EPRA EPS yield of 4.5%
- Dividend payout increased to 65% of EPS (2013: 35%), full-year payment 11.2 pence
- LTV reduced to 43% from 49%

Highly visible earnings growth prospects

- Development pipeline and rental growth could add 15-20pps to EPRA earnings by 2018
- Highly scalable operating platform and financing costs locked in

Market dynamics remain favourable

- Student number cap removed from September 2015, encouraging higher enrolment
- 2015/16 reservations at 65% (2014: 62%)
- Regional development still attractive
- Yield compression expected in 2015

	2014	2013
EPRA earnings (recurring)**	£33.3m	£23.1m
EPRA EPS (recurring)**	17.2p	13.6p
EPRA NAVps	434p	382p
Dividend per share (full year)	11.2p	4.8p
Total return	15.0%	10.5%
See-through LTV	43%	49%
Operations cashflow	£35.0m	£23.2m
Reservations*	65%	62%
Secured future development NAV uplift	47pps	39pps

^{*} Reservations as at 20 February

^{**} Recurring excludes UCC performance fee in 2013



DEMAND CONTINUES TO STRENGTHEN



Actual and prospective student numbers remain strong

- 2014/15 intake highest ever (512,000)
- 2015/16 applications up across all segments

Removal of student number cap for 2015/16 likely to have a significant impact

- Potential for Universities to increase enrolments to cater for unmet demand
- Opportunity for ambitious Universities to increase market share
- Middle ranked Universities best placed to benefit

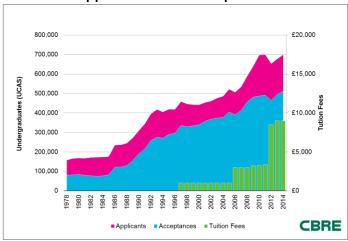
Student population for 2015/16 likely to be highest ever, +c.100,000 year on year

 Applications up, cap removed and 2012/13 intake year graduating

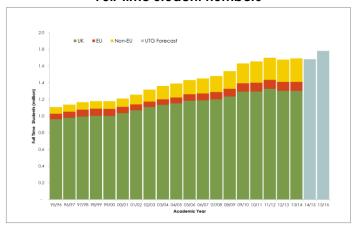
Rate of new supply not keeping pace with student number growth

- Bulk of new capital acquiring investment stock
- c.32,000 new beds into Unite markets over next three years (Unite share: 21%)
- Expecting some build cost inflation in 2015 due to broader market recovery

Applications and acceptances



Full-time Student numbers



INVESTMENT ACTIVITY POINTING TO YIELD COMPRESSION



Transaction volumes remain elevated

- £2.2 billion of deals in 2014 (2013: £2.1 billion, 2012: £2.7 billion)
- Further £2.5 billion currently in market
- Expect transaction levels to fall once current portfolios traded

• Investor interest continues to broaden and deepen

- Current buyers are generally long-term investors
- UK and international investor interest
- No sign of irrational leverage

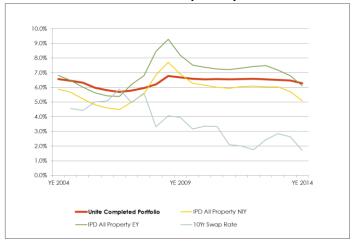
Average Unite portfolio yield compressed 20bps in 2014 to 6.3%

- 15bps like for like, 5bps portfolio mix
- Spread to IPD all property and 10 year swap close to all-time highs

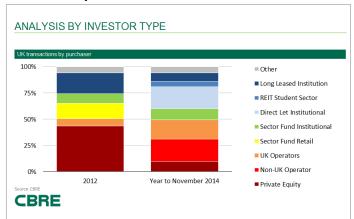
Yield compression likely to be more significant in 2015

- Prospective deal pricing 50-75bps inside current levels, including portfolio premium
- Value ascribed to management platform and portfolio premium difficult to identify

Yield and swap analysis



Buyers of student accommodation



UNITE REMAINS WELL POSITIONED



Portfolio focused on Universities with strongest prospects

- Unite locations 54% of student population, 67% of student number growth
- Reflected in portfolio activity

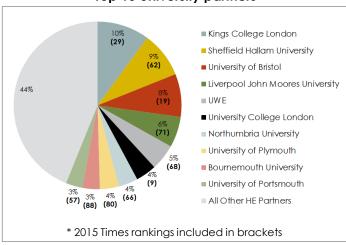
Occupancy and rental growth remain healthy

- 99% occupancy for 2014/15
- 65% reservations for 2015/16
- Like-for-like rental growth of 3.3% with similarly positive outlook

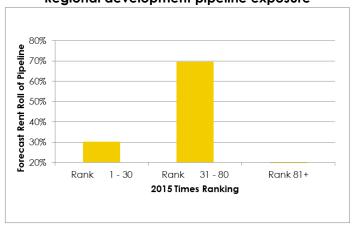
Spread between development yields and swaps remains attractive

- Locking in longer term borrowing costs as appropriate
- Continue to prioritise development in strong regional locations while keeping London under review
- May see some modest reduction in development returns in 2015

Top 10 University partners



Regional development pipeline exposure









	2014	2013	Year-on-year movement
Income			
EPRA earnings (recurring)	£33.3m	£23.1m	44%
EPRA EPS (recurring)	17.2p	13.6p	26%
EPS yield on NAV	4.5%	3.9%	15%
Dividend per share (full year)	11.2p	4.8p	133%
Balance Sheet			
EPRA NAVps	434p	382p	14%
Total return (NAV growth plus dividend paid)	15.0%	10.5%	43%
See-through LTV	43%	49%	12%
Cashflow			
Operations cashflow	£35.0m	£23.2m	50%

EARNINGS GROWTH MOMENTUM MAINTAINED



Continuing improved performance

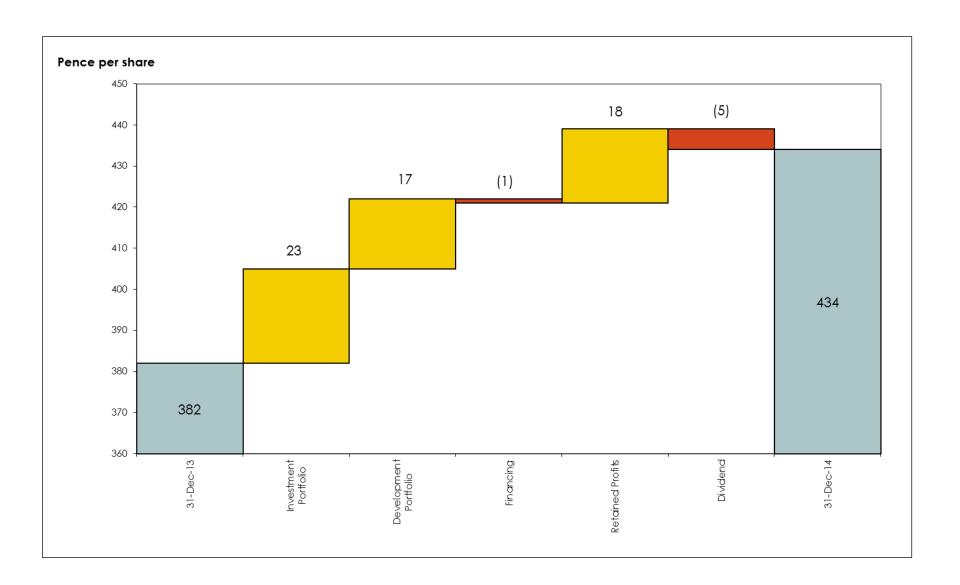
- High occupancy, rental growth and interest savings
- EPRA earnings up to £33.3 million
- 4.5% EPS yield target achieved a year early
- Ongoing efficiency measures
 - Investment in operating platform resulting in margin improvement – further increases planned
 - c.£1 million of one-off costs included in overhead increase, to reverse in 2015
 - Efficiency measure of 60bps achieved, now targeting 35-45bps
- Lower cost of debt from refinancing
- Strong cash conversion
- 2014 dividend up 133% to 11.2 pence
 - 65% of EPS payout

	2014 £m	2013 £m
Total income	254.6	240.7
Unite's share of rental income	130.0	113.4
Unite's share of property operating expenses	(35.7)	(32.4)
Net operating income (NOI)	94.3	81.0
NOI margin	72.5%	71.4%
Management fees	10.0	10.6
Operating expenses	(19.9)	(19.0)
Finance costs ¹	(45.6)	(47.0)
Operations segment result (NPC)	38.8	25.6
Property and other costs	(5.5)	(2.5)
EPRA earnings (recurring)	33.3	23.1
UCC performance fee		7.5
EPRA earnings	33.3	30.6
EPRA EPS (recurring)	17.2p	13.6p
EPRA EPS	17.2p	18.0p
EPRA EPS yield on NAV	4.5%	3.9%

¹ Finance costs include net interest of £31.2m and lease payments of £14.4m on sale and leaseback properties

BALANCED TOTAL RETURNS







SEE-THROUGH BALANCE SHEET AND INCOME STATEMENT

	Wholly owned	USAF/JVs (Unite share)	Unite see-through 2014	Unite see-through 2013
	£m	£m	£m	£m
Balance sheet				
Rental properties	952	558	1,510	1,175
Properties under development	49	65	114	195
Total property portfolio/GAV	1,001	623	1,624	1,370
Net debt	(449)	(248)	(697)	(666)
Other assets/(liabilities)	(38)	(8)	(46)	(22)
EPRA net assets	514	367	881	682
LTV	45%	40%	43%	49%
			2014	2013
Income statement				
Net operating income	63.5	30.8	94.3	81.0
Overheads less management fees	(5.6)	(4.3)	(9.9)	(8.4)
Finance costs	(36.1)	(9.5)	(45.6)	(47.0)
Development/other	(5.9)	0.4	(5.5)	5.0
EPRA earnings	15.9	17.4	33.3	30.6

STRONG CAPITAL STRUCTURE



Strong debt position

- Improved maturity profile and diversity of sources
- Limited refinancing requirements before 2020
- Beginning to lock into rates for development pipeline and reduce cost of debt
- On track to hit 40% LTV target

Share placing completed in March

- 24.5 million shares at 410 pence (8% premium to December 2013 NAV)

97% of investment debt at fixed rate

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

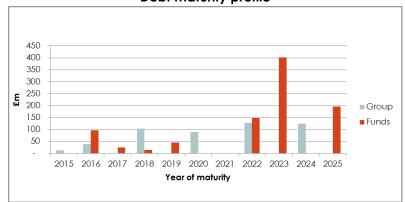
Net debt to remain broadly neutral in 2015

£70-100 million planned disposals to offset capex

Key debt statistics (see-through)

	2014	2013
Net debt	£697m	£666m
LTV	43%	49%
Cost of debt	4.7%	4.7%
Average debt maturity (years)	6.5	7.1
Proportion non-bank debt	71%	75%
Proportion investment debt fixed	97%	86%
Proportion unsecured	25%	27%

Debt maturity profile



CO-INVESTMENT VEHICLES SIMPLIFIED



OCB sale completed

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

UCC / LSAV merger completed

USAF £115 million new capital

- £58 million third-party capital, £57 million Unite
- Proceeds deployed into Cordea Savills portfolio acquisition
- Unite stake increased to 22%

Fees of £14.7 million in 2014

- USAF performance fee forecast to return to positive territory
- Potential for USAF performance fee of £5-15 million in 2015 depending on yields

Summary financials	USAF £m	LSAV/UCC £m
GAV	1,573	557
Net debt	(611)	(230)
Other assets/liabilities	(27)	(8)
NAV	935	319
Unite share of NAV	207	160
LTV	39%	41%
Unite stake	22%	50%
Maturity	Infinite	2022
Unite fees in period		
Asset/property management	6.9	3.4
Acquisition fee	1.4	-
Development management	-	2.7
	8.3	6.1
1		

A fee of £0.3 million was also generated from OCB prior to the sale



HOME FOR SUCCESS PROGRAMME FIRMLY ON TRACK



Brand investment programme launched in April

- £40 million total investment, £20 million Unite share
- Launched from a position of strength

Programme on track

- All properties rebranded by start of 2014/15 academic year
- LED lighting installed at 31 properties
- 25 common rooms upgraded
- c.100 additional housekeepers recruited for kitchen cleans
- First phase of IT upgrade launched as planned

Completion targeted by H1 2016

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





SECURED DEVELOPMENT PROGRAMME



	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 (LSAV-Unite share)	2,3201	128	95	33	51	20	9.0%
Regions (wholly owned)	4,400	347	259	33	221	77	9.5%
Total	6,720	475	354	66	272	97	9.3%

^{1 100%} of LSAV beds

Secured regional pipeline progressing well

- 2015 schemes progressing well
- 2016 and 2017 pipeline now secured

Keeping London under review

- Secured LSAV projects progressing well
- Market fundamentals remain strong
- Watching for signs of land prices easing

Regional development opportunities remain attractive

- May see returns fall by 50-75bps in 2015
- Target pipeline could add further 9 pence per share to NAV and 3 pence per share to earnings

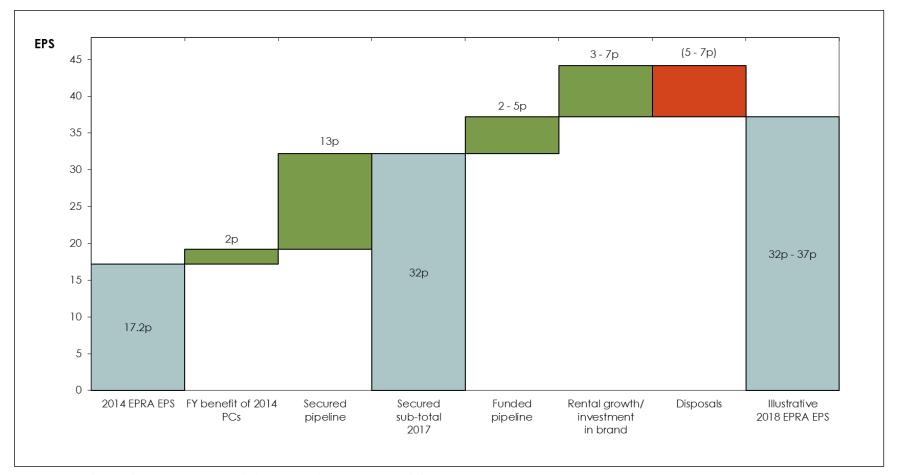
Secured pipeline provides visibility of future growth

47 pence to NAV per share and 13 pence to EPS

HIGHLY VISIBLE EARNINGS GROWTH PROGRESSION



 Earnings growth prospects supported by high-quality development programme, positive rental growth outlook, brand and operating platform



Note: Illustrative Earnings demonstrates building blocks of growth - not profit forecast

SUMMARY AND OUTLOOK



Strong performance on all fronts

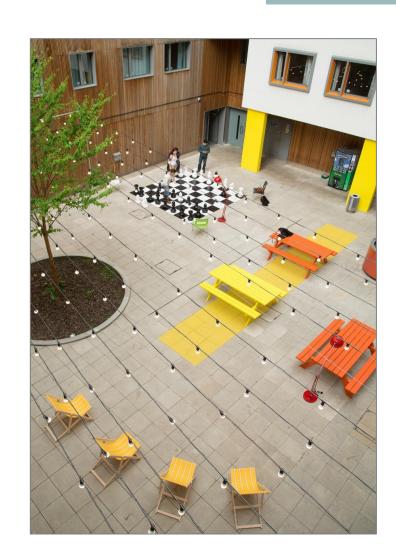
Delivering significant increase in dividend

Well positioned for continued growth

- Strongest ever student intake in 2014/15
- Further growth likely in 2015/16 with removal of cap
- Supply of new accommodation less than anticipated growth in student numbers
- Volume of capital likely to drive yield compression in 2015

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 recurring earnings and cashflow sustainably





UK STUDENT ACCOMMODATION MARKET



Student numbers have doubled since 1991

- Driven by government policy, demographics, global mobility
- 180,000 more applicants than places in 2014/15
- Variations at city / University level

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

- Forecasts c.50,000 (12%) increase in intake and student population to increase by c.100,000
- Stronger Universities best places to benefit

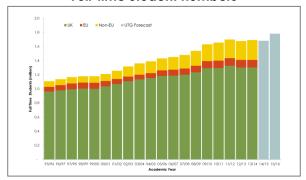
UK attractive to international students

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

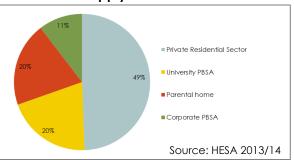
Supply / demand imbalance persists

- University stock levels flat
- Private rented sector facing tougher regulations
- Pipeline estimated at c.32,000 beds

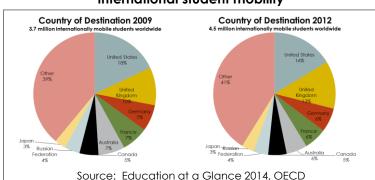
Full-time Student numbers



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 (13/14)	Market Share
1	1	London	7,378	7,612	282,631	2.6%
2	2	Sheffield	3,728	3,728	47,579	7.8%
3	3	Liverpool	3,398	3,398	49,009	6.9%
4	4	Leeds	3,215	3,138	50,262	6.4%
5	5	Bristol	2,998	2,899	39,307	7.6%
6	8	Birmingham	2,422	1,826	58,995	4.1%
7	6	Manchester	2,337	2,337	61,534	3.8%
8	7	Glasgow	2,155	2,155	53,494	4.0%
9	9	Leicester	1,685	1,685	29,166	5.8%
10	10	Portsmouth	1,402	1,402	17,990	7.8%
			30,718	30,180	689,967	4.5%
Propor	tion of	Unite portfolio	71%	73%	_	



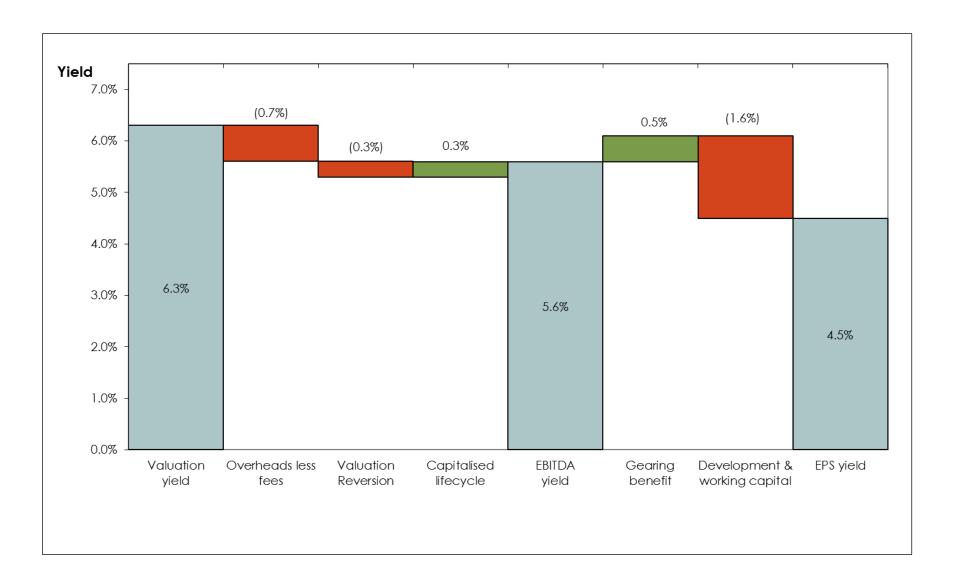




	2014 £m	2013 £m
IFRS net assets	843	653
Valuation gains not recognised on properties held at cost	31	23
Mark to market of fixed rate debt	(3)	(11)
Deferred tax	-	-
EPRA NNNAV	871	666
EPRA NNNAV per share	429pps	373pps

VALUATION TO EPS YIELD BRIDGE





DEBT FACILITIES



On-balance sheet

	Facility £m	Drawn £m	Maturity
RBS	46	-	2015
BNP Paribas	33	33	2015
HSBC	49	18	2016
Mass Mutual	124	124	2023
Legal + General	119	119	2024
Others	9	9	2018-22
Unsecured			
Convertible bond ¹	81	81	2018
Retail Bond	90	90	2020
Working capital	22	22	2018
Total	573	496	

Co-investment vehicles

	Facility £m	Drawn £m	Maturity
USAF			
Secured bond	565	565	2023/25
Lloyds RCF 1	92	92	2016
Lloyds RCF 2	25	14	2018
	682	671	
LSAV/UCC			
UOB	25	25	2017
HSBC	135	38	2018
RBS	45	45	2019
L&G	149	149	2022
	354	257	

¹ £90m bonds issued, £81m recognised as debt

UNITE STUDENTS

SECURED DEVELOPMENT PIPELINE

	Target delivery	Secured beds	Total completed value (£m)	Total Development costs (£m)	Capex in 2014 (£m)	Capex remaining (£m)	Forecast NAV remaining (£m)	Forecast yield on cost
Regional wholly owned								
Trenchard Street, Bristol	2015	483	37	27	13	9	2	9.6%
Greetham Street, Portsmouth	2016	836	54	42	5	37	11	9.3%
Causewayend, Aberdeen	2016	399	33	23	3	20	7	9.8%
Far Gosford, Coventry	2016	270	22	17	-	17	6	9.4%
Newgate Street, Newcastle	2017	606	44	31	-	31	13	9.7%
St Leonard's, Edinburgh	2017	550	52	40	1	39	12	9.5%
Tara House, Liverpool	2017	598	45	35	6	29	10	9.3%
Constitution Street, Aberdeen	2017	658	60	44	5	39	16	9.4%
Total regional wholly owned		4,400	347	259	33	221	77	9.5%
LSAV								
Angel Lane, London	2015	759	84	54	21	15	15	9.3%
Stapleton, London	2016	862	109	85	35	49	16	8.8%
Wembley, London	2016	699	62	50	13	37	9	8.7%
Total LSAV		2,320	255	189	69	101	40	9.0%
Unite share of LSAV		2,320	128	95	33	51	20	9.0%
Total pipeline (Unite share)		6,720	475	354	66	272	97	9.3%