IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to these listing particulars following these pages (the "**Listing Particulars**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of these Listing Particulars. In accessing these Listing Particulars, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THESE LISTING PARTICULARS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BONDS AND THE GUARANTEES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION AND THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING LISTING PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THESE LISTING PARTICULARS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

In the United Kingdom, this electronic transmission and these Listing Particulars are addressed to and directed only at: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This electronic transmission and these Listing Particulars must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which this electronic transmission and these Listing Particulars relate is available only to relevant persons in the United Kingdom and will be engaged in only with such persons.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or; (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Confirmation of your Representation: You have been sent the attached Listing Particulars at your request and by accepting the e-mail and by accepting these Listing Particulars you shall be deemed to have represented to each of The Unite Group plc (the "**Issuer**"), the guarantors listed in these Listing Particulars (the "**Guarantors**"), HSBC Bank plc and NatWest Markets Plc (together, the "**Joint Lead Managers**"), that you have understood and agree to the terms set out herein, and: (i) that you are not (or, if you are acting for another person, such person is not) a U.S. person; (ii) if you are a person in the United Kingdom, you are a relevant person and/or a relevant person acting on behalf of relevant persons; (iii) that you are not (or, if you are acting on behalf of another person, such person is not) located in the United States of America, its territories or possessions, any State of the United States or the District of Columbia (where "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); and (iv) that you consent (and if you are acting on behalf of another person, such person consents) to this delivery by electronic transmission.

You are reminded that this electronic transmission and these Listing Particulars have been delivered to you on the basis that you are a person into whose possession these Listing Particulars may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver these Listing Particulars to any other person.

These Listing Particulars do not constitute, and may not be used in connection with, an offer or solicitation to subscribe for or purchase any Bonds by any person in any jurisdiction where offers or solicitations are not permitted by law. The distribution of these Listing Particulars and the offer or sale of the Bonds in certain jurisdictions is restricted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

These Listing Particulars have been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or any Joint Lead Manager, nor any person who controls any Joint Lead Manager nor any director, officer, employee, agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between these Listing Particulars distributed to you in electronic format herewith and the hard copy version available to you on request from the Joint Lead Managers.

THE UNITE GROUP PLC

(incorporated with limited liability under the laws of England and Wales)

£275,000,000 3.500 per cent. Guaranteed Bonds due 2028

The issue price of the £275,000,000 3.500 per cent. Guaranteed Bonds due 2028 (the "**Bonds**") of The Unite Group plc (the "**Issuer**") is 98.656 per cent. of their principal amount. The terms and conditions of the Bonds (the "**Conditions**") are set out in "*Terms and Conditions of the Bonds*".

The Bonds will initially be fully, unconditionally and irrevocably guaranteed on a joint and several basis by certain subsidiaries of the Issuer named under "*Description of the Guarantors*" below (each a "**Guarantor**", and together the "**Guarantors**").

Unless previously redeemed or cancelled the Bonds will be redeemed at their principal amount on 15 October 2028; (the "**Maturity Date**"). Subject to certain conditions, the Bonds may be redeemed at the option of the Issuer in whole but not in part at any time after the Issue Date at the redemption price described under Condition 6(c) (*Redemption and Purchase – Redemption at the option of the Issuer*). Subject to certain conditions set out Condition 6 (*Redemption and Purchase*), the Bonds may also be redeemed at any time upon the occurrence of certain changes affecting taxes in the United Kingdom or Jersey. In addition, upon the occurrence of certain change of control events which result in a negative ratings action being taken by a relevant credit rating agency, each holder of the Bonds (a "**Bondholder**") shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase the Bonds of such Bondholder at their principal amount together with accrued interest. See further Condition 6(d) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control*).

The Bonds will bear interest from 15 October 2018 (the "**Issue Date**") at the rate of 3.500 per cent. per annum payable annually in arrear on 15 October of each year commencing on 15 October 2019. Payments on the Bonds will be made in pounds sterling without deduction for or on account of taxes imposed or levied by the United Kingdom to the extent described under Condition 8 (*Taxation*). The Guarantors will unconditionally and irrevocably guarantee, jointly and severally, the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds (the "**Guarantees**").

This document (the "**Listing Particulars**") has been prepared for the purpose of providing disclosure information with regard to the Bonds which are to be admitted to the Official List of The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and to trading on The Global Exchange Market of Euronext Dublin which is the exchange regulated market of Euronext Dublin (the "**Global Exchange Market**"). The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). This document constitutes listing particulars for the purpose of listing on Euronext Dublin's Official List and to trading on the Global Exchange Market. Application has been made for these Listing Particulars to be approved by Euronext Dublin and for the Bonds to be admitted to Euronext Dublin's Official List and to trading on the Global Exchange Market. Investors should note that securities to be admitted to Euronext Dublin's Official List and to trading on the Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

These Listing Particulars do not constitute: (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"); or (ii) a prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**"). These Listing Particulars have been prepared solely with regard to the Bonds which are: (i) not to be admitted to listing or trading on any regulated market for the purposes of MiFID II; and (ii) not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive). These Listing Particulars have not been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive.

MiFID II professionals/ECPs-only/No PRIIPs KID – the manufacturers' target market is eligible counterparties and professional clients only (each as defined in MiFID II) (all distribution channels). No Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") key information document has been prepared as the Bonds are not available to retail investors in the European Economic Area ("**EEA**").

The Bonds and the guarantees thereof have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Bonds are subject to United States tax law requirements. The Bonds are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds will be in bearer form and in the denominations of £100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000. The Bonds will initially be in the form of a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or around 15 October 2018 (the "**Closing Date**") with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the "**Permanent Global Bond**"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form ("**Definitive Bonds**") in the denomination of £100,000 each and integral multiples of £1,000 in excess thereof, up to and including £199,000 and with interest coupons attached. See "*Summary of Provisions Relating to the Bonds in Global Form*".

An investment in the Bonds involves risk. Prospective investors in the Bonds are recommended to read these Listing Particulars, including the section entitled "*Risk Factors*" carefully. Investors should reach their own investment decision about the Bonds only after consultation with their own financial and legal advisers about the risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of the particular characteristics and terms of the Bonds in light of each investor's particular financial circumstances.

The Bonds are expected to be rated Baa2 by Moody's Investors Service, Limited ("**Moody's**") and BBB by S&P Global Ratings Europe Limited ("**S&P**"). Moody's and S&P are established in the European Union (the "**EU**") and registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). Moody's and S&P appear on the latest update of the list of registered credit rating agencies (as of 27 September 2018) on the European Securities and Markets Authority (the "**ESMA**") website http://www.esma.europa.eu. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Joint Lead Managers

HSBC **NATWEST MARKETS**

11 October 2018

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IMPORTANT NOTICES

The Issuer and each of the Guarantors accepts responsibility for the information contained in these Listing Particulars and declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The information set out in the sections of these Listing Particulars entitled "*Industry Overview*" and "*Description of the Group*" below include extracts from information and data, including industry and market data, released by publicly available third-party sources in Europe and elsewhere. Where information in these Listing Particulars has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer and the Guarantors are aware and able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where it is used. The Issuer and each of the Guarantors has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that these Listing Particulars contain all information regarding the Issuer, the Guarantors and the Bonds which is (in the context of the issue of the Bonds) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer or (as the case may be) any of the Guarantors are honestly held or made and are not misleading in any material respect; these Listing Particulars do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Issuer nor any of the Guarantors has authorised the making or provision of any representation or information regarding the Issuer, any of the Guarantors or the Bonds and the Guarantees other than as contained in these Listing Particulars or as approved for such purpose by the Issuer and the Guarantors. Any such representation or information should not be relied upon as having been authorised by the Issuer, any of the Guarantors, the Joint Lead Managers or HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**").

Neither the Joint Lead Managers, the Trustee nor any of their respective affiliates has authorised the whole or any part of these Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars or takes any responsibility for any acts or omissions of the Issuer, any Guarantor, or any other person (other than the relevant Joint Lead Manager) in connection with the issue and offering of the Bonds. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or any of the Guarantors since the date of these Listing Particulars. Neither the Joint Lead Managers nor the Trustee accepts any liability in relation to the information contained in these Listing Particulars or any other information provided by the Issuer or any of the Guarantors in connection with the distribution of the Bonds. Neither these Listing Particulars nor any other information supplied in connection with the distribution of the Bonds is intended to constitute, and should not be considered as, a recommendation by any of the Issuer, any of the Guarantors, any member of the Group (as defined below), the Joint Lead Managers or the Trustee that any recipient of these Listing Particulars or any other information supplied in connection with the distribution of the Bonds should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in these Listing Particulars and its purchase of Bonds should be based upon such investigation as it deems necessary. Neither the Joint Lead Managers nor the Trustee undertakes to review the financial condition or affairs of the Issuer or any of the Guarantors during the life of the arrangements contemplated by these Listing Particulars or to advise any investor or potential investor in the Bonds of any information coming to their attention.

Neither these Listing Particulars nor any other information supplied in connection with the offering of the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer that any recipient of these Listing Particulars or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Listing Particulars nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Bonds in any jurisdiction where such offer or invitation is not permitted by law.

The distribution of these Listing Particulars and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer, the Guarantors and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of these Listing Particulars and other offering material relating to the Bonds, see "*Subscription and Sale*".

Unless the context otherwise requires, all references in this document to the "**Group**" refer to the Issuer and its Subsidiaries taken as a whole.

Each potential investor in the Bonds should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in these Listing Particulars;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) understand thoroughly the Conditions of the Bonds and the Guarantees;

(iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the potential investor's currency is not pounds sterling; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In particular, the Bonds and the Guarantees have not been and will not be registered under the Securities Act and the Bonds are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

In these Listing Particulars, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**£**", "**pounds sterling**" or "**Sterling**" are to the lawful currency of the United Kingdom and references to "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Group uses certain adjusted figures and underlying growth rates which are not defined by generally accepted accounting principles such as the International Financial Reporting Standards ("**IFRS**"). Adjusted figures and underlying growth rates are presented as additional performance measures used by management, as they provide relevant information in assessing the Group's performance, position and cash flows. The Group believes that these measures provide additional helpful information and enable investors to more clearly track the core operational performance of the Group, by separating out items of income or expenditure relating to acquisitions, disposals, capital items and excluding currency translation effects, while providing investors with a clear basis for assessing the Group's ability to raise debt and invest in new business opportunities. The Group's management uses these financial measures in evaluating the operating performance of the Group as a whole and the individual business segments. Adjusted and underlying financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Such measures may not be directly comparable to similarly reported measures by other companies.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the

Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

HSBC Bank plc will not regard any actual or prospective holders of Bonds (whether or not a recipient of these Listing Particulars) as its client in relation to the offering described in these Listing Particulars and will not be responsible to anyone other than the Issuer and the Guarantors for providing the protections afforded to its clients nor for providing the services in relation to the offering described in these Listing Particulars or any transaction or arrangement referred to herein or therein. NatWest Markets Plc reserves the right to consider whether holders or prospective holders of Bonds described in this Offering Circular are "clients" for the purposes of the inducements regime on an individual basis.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In connection with the issue of the Bonds, NatWest Markets Plc (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars should be read and construed in conjunction with the unaudited consolidated financial statements of the Group as at and for the six months ended 30 June 2018, as set out on pages 22 to 43 inclusive of the document entitled "Half Year Results for Six Months to 30 June 2018" released by the Group on 24 July 2018, the audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 together with the independent auditor's report and notes to the financial statements thereon, as set out on pages 100 to 154 inclusive of the Group's 2017 annual report and accounts and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2016 together with the independent auditor's report and notes to the financial statements thereon, as set out on pages 100 to 153 inclusive of the Group's 2016 annual report and accounts. Such documents shall be incorporated with, and form part of, these Listing Particulars, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

FORWARD-LOOKING STATEMENTS

These Listing Particulars contain forward-looking statements which are based on the Issuer's board of directors' (the "**Board**") current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These statements include forward-looking statements both with respect to the Group and the markets in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature identify forward-looking statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to any limitations of the Issuer's internal financial reporting controls; an increase in competition; an unexpected decline in turnover, rental income or the value of all or part of the Group's property portfolio; legislative, fiscal and regulatory developments, including but not limited to, changes in environmental, safety and healthcare regulations and governmental policy in relation to the delivery of primary healthcare and pharmacies; and currency and interest rate fluctuations. Each forward-looking statement speaks only as of the date of these Listing Particulars. Except as required by the rules of Euronext Dublin or by law, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in these Listing Particulars to reflect any change in the Board's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to any person involved in the preparation of these Listing Particulars or to persons acting on the Issuer's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in these Listing Particulars.

By their nature, forward-looking statements involve known and unknown 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 Group's actual results of operation, financial condition, prospects, growth, synergies, strategies and dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in these Listing Particulars. In addition, even if the results of operations, financial condition, prospects, growth, synergies, strategies and the dividend policy of the Issuer, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in these Listing Particulars, those results or developments may not be indicative of results or developments in subsequent periods. These forward-looking statements are further qualified by the risk factors set out in these Listing Particulars. Prospective investors are urged to read the sections of these Listing Particulars entitled "*Risk Factors*" and "*Description of the Group*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates.

Any forward-looking statement contained in these Listing Particulars based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in these Listing Particulars is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

OVERVIEW

This overview must be read as an introduction to these Listing Particulars and any decision to invest in the Bonds should be based on a consideration of these Listing Particulars as a whole.

Words and expressions defined in the "Terms and Conditions of the Bonds" below or elsewhere in these Listing Particulars have the same meanings in this overview.

Issuer:	The Unite Group plc
Guarantors:	Certain subsidiaries of the Issuer named under "*Description of the Guarantors*" below
Joint Lead Managers:	HSBC Bank plc and NatWest Markets Plc
Trustee:	HSBC Corporate Trustee Company (UK) Limited
Principal Paying Agent:	HSBC Bank plc
Listing Agent:	Arthur Cox Listing Services Limited
Bonds:	£275,000,000 3.500 per cent. Guaranteed Bonds due 2028
Issue Price:	98.656 per cent. of the aggregate principal amount
Issue Date:	15 October 2018
Use of Proceeds:	General corporate purposes including, but not limited to, repayment of indebtedness.
Interest:	The Bonds will bear interest from (and including) the Issue Date at a rate of 3.500 per cent. per annum payable annually in arrear on 15 October in each year commencing on 15 October 2019.
Status and Guarantee:	The Bonds constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The due and punctual payment of all sums from time to time expressed to be payable by the Issuer in respect of the Bonds will initially be unconditionally and (subject to the provisions of Condition 2(d) (*Status and Guarantee - Release of Guarantors*)) irrevocably guaranteed on a joint and several basis by the initial Guarantors. Each such guarantee will constitute the direct, general and unconditional obligations of the relevant Guarantor and shall at all times rank at least *pari passu* with all other present and future unsecured obligations of such Guarantor. See "*Guarantors*" above. The circumstances in which the Guarantors may be released from their obligations in relation to the Guarantee, or in which additional companies may provide a guarantee of the Bonds are set out in Conditions 2(c) (*Status and Guarantee - Addition of Guarantors*) and 2(d) (*Status and Guarantee - Release of Guarantors*).
Form and Denomination:	The Bonds will be issued in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, each with interest coupons attached.

The Bonds will initially be in the form of the Temporary Global Bond, without interest coupons, which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Bond will be exchangeable, in whole or in part, for interests in the Permanent Global Bond, without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form in the denomination of £100,000 each and integral multiples of £1,000 in excess thereof, up to and including £199,000 and with interest coupons attached.

Maturity Date: 15 October 2028

Optional Redemption: The Issuer may, at its option, redeem or purchase, or procure that any of its Subsidiaries shall purchase, all, but not some only, of the Bonds at a redemption price per Bond equal to: (a) if the Optional Redemption Date (as defined in Condition 6(c) (*Redemption and Purchase - Redemption at the option of the Issuer*)) is on or after 15 July 2028, the principal amount of the Bond; or (b) otherwise, the higher of the principal amount of the Bond and an amount calculated by reference to the then yield of the 1.625 per cent. United Kingdom Government Treasury Stock due October 2028 plus a margin of 0.300 per cent, together with accrued interest, as described under Condition 6(c) (*Redemption and Purchase – Redemption at the option of the Issuer*).

Change of Control Put Event: Upon the occurrence of a Change of Control (as defined in Condition 6(d) (*Redemption and Purchase - Redemption at the option of Bondholders following a Change of Control*)) leading to certain contemporaneous negative ratings action being taken by any relevant credit rating agency or agencies, each Bondholder shall have the option to require the Issuer to redeem or, at the option of the Issuer, purchase the Bonds of such holder at a cash purchase price equal to the principal amount thereof plus accrued interest, as described under Condition 6(d) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control*).

Tax Redemption: In the event of certain tax changes, the Issuer may redeem the Bonds in whole, but not in part, at any time at an amount equal to their principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption, as more fully provided in Condition 6 (*Redemption and Purchase*).

Negative Pledge: The Bonds will have the benefit of a negative pledge as described in Condition 3 (*Negative Pledge*).

Financial Covenants: In addition to the negative pledge described above, the Bonds will have the benefit of certain financial covenants relating to Gearing, Secured Gearing and Interest Cover as described in Condition 4 (*Financial Covenants*).

Cross Default: The Bonds will have the benefit of a cross default provision as described in Condition 9 (*Events of Default*).

Rating:	The Bonds are expected to be rated Baa2 by Moody's and BBB by S&P. Moody's and S&P are established in the EU and registered under the CRA Regulation. Moody's and S&P appear on the latest update of the list of registered credit rating agencies (as of 27 September 2018) on the ESMA website http://www.esma. europa.eu.
Taxation:	All payments of principal and interest in respect of the Bonds and the coupons made by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom, Jersey or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantors shall, save as provided in Condition 8 (*Taxation*), pay such additional amounts as will result in receipt by the Bondholders and the couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required. See further Condition 8 (*Taxation*).
Governing Law:	The Bonds, the Trust Deed, the Agency Agreement and the Subscription Agreement and any non-contractual obligations arising out of or in connection with them will be governed by English law.
Listing and Trading:	Application has been made to Euronext Dublin for the Bonds to be admitted to trading on the Global Exchange Market and to be listed on the Official List of Euronext Dublin with effect from the Issue Date.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See "*Subscription and Sale*".
Risk Factors:	Investing in the Bonds involves risks. See "*Risk Factors*" below.
ISIN:	XS1890846253
Common Code:	189084625
FISN:	THE UNITE GROUP/BD 22001231
CFI Code:	DBFXFB

RISK FACTORS

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, the business of the Issuer and the Guarantors and the industries in which each of them operates together with all other information contained in these Listing Particulars, including, in particular the risk factors described below. Words and expressions defined in the Conditions below or elsewhere in these Listing Particulars have the same meanings in this section.

Prospective investors should note that the risks relating to the Issuer and the Guarantors, the industries in which each of them operates and the Bonds are the risks that the Issuer and the Guarantors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Issuer and the Guarantors each face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Issuer and the Guarantors that are not currently known to the Issuer and the Guarantors, or that either currently seem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantors and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in these Listing Particulars and their personal circumstances.

Risks Relating to the Issuer and the Guarantors

The Group is exposed to demand risk and a potential fall in occupancy

The Group is exposed to demand risk each year up to and until a student enters into a legally binding commitment to accept an offer of a room in the accommodation. Demand for accommodation is influenced by a number of external factors, including:

- sector-related factors that influence the overall numbers of students undertaking courses of study, including the funding of higher education, the impact of Brexit (see below), changes to tuition fees and the UK Government's policy to drive greater competition between institutions, particularly for high achieving students;
- factors that influence the number of students undertaking courses of study at the universities in the vicinity of the relevant student accommodation, including the relative attractiveness of that university compared to alternative higher education institutions;
- factors affecting the specific demand for the Group's accommodation, including the quality of the offerings available, the proximity of accommodation to the campus, the facilities it has to offer and the price of the accommodation relative to alternatives;
- changes in the UK government (the "**Government**") policy on higher education (such as tuition fee increases or changes to immigration rules) that may reduce the number of students and/or reduce the disposable income of students (and therefore the amount available to be spent on accommodation); and
- supply side factors, including overall supply of alternative accommodation and the risk of increased supply over time.

The Group's occupancy rates for its accommodation were over 98 per cent. for each of the last five academic years, but there is no guarantee that occupancy rates will remain at the same levels. Any reduction in the demand for any of the Group's properties could reduce the occupancy levels and/or reduce the ability of the Group to maintain or increase the rent on such properties. Any adverse impact on the Group's business, financial condition or results of operations as a result of a fall in occupancy rates may in turn have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

Change to current United Kingdom government policy on higher education could affect the overall number of students pursuing courses of study and demanding student accommodation

The amount that a university is able to charge its students is subject to any maximum amount that the Government specifies. Current or future administrations may increase or decrease this amount depending upon their higher education policies. There is no guarantee that the Government's approach to tuition fees, and higher education funding generally, will remain consistent.

In the 2012/13 academic year, government policies implementing higher tuition fees temporarily reduced the number of students accepted by universities, with the total number of acceptances decreasing by 5.5 per cent. Consequently, the demand for student housing dropped. While such acceptances have rebounded and continued to grow since, there can be no assurance that further increases in tuition fees or other changes to the structure of university or student funding would not have similar or more significant adverse effects on demand for student housing. For the academic year 2018/19, tuition fees for full time UK and EU students are capped at £9,250 (up from a cap of £3,375 for the academic year 2011/12).

Until the 2014/15 academic year, the Government capped the total number of UK and EU student places that a university could allocate. From 2015, the Government removed this cap on student numbers to allow universities to recruit unlimited numbers of students from the UK and the EU and to increase the amount that universities receive in the form of tuition fees from them. However, there can be no assurance that student numbers will remain uncapped going forwards.

In 2017 the Government commissioned an independent review of the costs and benefits of international students. The review of international students who stay in the UK after completing their university course showed the number was around 4,600 rather than in the 100,000s as previously reported in the media. Whilst this was widely seen as good news for the higher education sector, there can be no assurance that the Government will not restrict the number of international students in the future.

In addition, the number of students from overseas may vary in the event that government policy on visas changes or if any particular university loses its "Highly Trusted Sponsor" status.

Any further increase in the level of tuition fees and therefore the affordability of a university education, uncertainty about limits on student numbers or the availability of visas for overseas students may affect the number of prospective students who choose to apply for a place on a course with a university and thereby decrease demand for residential accommodation. A decrease in the number of students seeking residential accommodation in the Group's properties may affect the occupancy rates of the Group's property portfolio or its ability to maintain or increase rents, which may adversely affect the Group's revenue and property valuations.

Any adverse impact on the Group's business, financial condition or results of operations described above may in turn have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

Increased competition between universities, including from non-UK universities, may affect the demand for places at the UK universities served by the Group

Changes in university funding and increases in tuition fee caps have made the UK higher education sector increasingly competitive and may increase variability in enrolment.

There may also be increased competition from overseas universities, particularly those situated in the EU member states. Students may increasingly consider studying outside the UK, where the overall cost of a degree tends to be lower. An outflow of students to universities other than those in cities in which the Group manages properties, or to overseas universities, may have an effect on the numbers seeking accommodation at the universities in the cities in which the Group manages properties. A fall in the numbers of students seeking university accommodation in the cities in which the Group manages properties may in turn affect the Group's business, financial condition or results of operations and consequently have adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

Demand for accommodation provided by the Group may be affected by increasing competition between operators and increasing levels of residential development

The corporate Purpose-Built Student Accommodation ("**PBSA**") sector of the student accommodation market, in which the Group operates, comprises approximately 590,000 beds. In this sector, there are more than ten operators of more than 6,000 rooms, including the Group, University Partnerships Programme ("**UPP**"), CRM Students and Liberty Living (Source: Savills, Spotlight UK Student Housing 2017). In addition, there has been an increase in the supply of student accommodation as sustained high levels of investment, primarily through investors providing forward commitments to smaller developers, filters into the development market. The result has been an increased supply as student enrolment has grown, increasing competition between operators for students.

Developers and operators may increase investment in the student accommodation market where other construction sectors have contracted. In particular, larger operators could enter the market with a greater capacity to deliver economies of scale, allowing them to develop significant numbers of bed spaces at lower rents.

In addition, the Group may face competition from other forms of accommodation that students could choose. For example, many students choose to live in Houses in Multiple Occupation ("**HMOs**"). A significant increase in HMOs in any one location may reduce demand for the Group's accommodation.

Any increase in the popularity of other forms of student accommodation (such as HMOs), the increase in the supply of student housing or a decrease in rents would place greater pressure on the Group's rent and occupancy levels which could have an adverse impact on the Group's business, financial condition or results of operations and consequently on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

Rental income is dependent on the stability of tenants and other counterparties

The Group's revenue is dependent on the collection of rent from students. Although the Group focuses on higher-quality properties that are more likely to attract more affluent customers, and obtains tenancy guarantees, defaults by customers may increase, particularly if the general UK economy suffers.

In addition, the net revenue generated from the Group's properties may depend on the financial stability of university clients with which the Group has direct contractual relationships under leases or nomination agreements. Clients may default on contract terms, such as rental payment and pre-let agreements, or the advance bookings of student accommodation.

Any material university defaults or an increase in the level of defaults would impact the Group's revenue generated from operations as well as property valuations.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Operating costs may increase

The Group incurs operating expenses attributable to its operations business, pre-contract development costs and fair value movements of share options. Factors that impact operating expenses include increases in:

- the rate of inflation;
- staff costs;
- energy costs, which are actively hedged under the Group's current hedging policy;
- property taxes and other statutory charges;
- insurance premiums; and
- the costs of maintaining properties.

There can be no guarantee that in the future operating expenses will not increase without a corresponding increase in revenue or rents. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

Real estate valuations may fall

The property portfolio of the Group is valued on a semi-annual basis, and the property portfolio of the Unite Student Accommodation Fund ("**USAF**") and the London Student Accommodation Joint Venture ("**LSAV**") are valued on a quarterly basis, by CB Richard Ellis Ltd, Jones Lang LaSalle Ltd and Messrs Knight Frank, Chartered Surveyors in accordance with the RICS Appraisal and Valuation Manual.

The valuations of the Group's properties, including the properties of USAF and LSAV, speak only as of their valuation date, and the value of the Group's property portfolio may fall. Any decrease in value may be as a result of a reduction in the occupancy or rental rates achievable in respect of the properties, increases in costs or interest rates or other factors. These factors may include general economic conditions, such as the availability of credit finance and the performance of the UK economy, or particular local factors such as competition. Further, the valuation of real estate involves significant judgement and changes in the core assumptions could have a significant impact on the carrying value of the underlying assets. This process is inherently subjective and based on assumptions that may prove to be inaccurate. There can be no guarantee that any sale of any properties will necessarily realise the value at which such property is held in the accounts of the Issuer, the Group, USAF or LSAV. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Economic conditions in the United Kingdom may have a negative impact on the Group's business and the value of the Group's property portfolio

Economic conditions in the United Kingdom, where all of the Group's property assets are located, government and Bank of England fiscal and monetary policies and credit market conditions, amongst other things, impact both the valuation of the Group's property portfolio and liquidity in the commercial real estate market.

In recent years following the 2008-2009 global economic downturn, the outlook for the UK property investment market has been improving. However, the Group cannot guarantee that this improvement will be sustained, or that volatility will not return to the market. Accordingly, there can be no guarantee that the value of the Group's property assets will not fall, and that the Group will not be required to make write-downs of its assets, which could be material. If interest rates rise in the UK, this rise could have a negative impact on the valuation of the Group's property assets and the returns on the investment in these assets as compared to other asset classes.

Real estate illiquidity may restrict the Group's ability to sell properties

Real estate is illiquid and can be difficult to sell. In the event that the Group is unable to sell properties (whether to its own co-investment vehicles or other third parties), at the times and prices it seeks, the Group may be unable to realise cash from its investment portfolio or strategically adjust its property portfolio to the extent it seeks. The relative lack of liquidity in the student accommodation sector when compared to other sub-sectors of the property market also means that yield revenues for the Group may lag behind the wider market to some extent. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Changes in interest rates may have an adverse impact on the Group

It is the Group's current policy to hedge a significant proportion of its interest rate exposure: as at 30 June 2018, 71 per cent. of investment debt was hedged and/or held at fixed rates giving the Group security over the cost of its debts. This proportion is expected to increase to 100 per cent. by December 2018 based on forward starting swaps. This approach results in some volatility in the Group's net assets caused by marking these derivative contracts to market (revaluing them) at each balance sheet date. Additionally, an increase in interest rates would increase the financing cost of any unhedged portion of debt and may also impact the valuation of the Group's properties. Further, the Group may be exposed to market interest rate risk when the interest rate swaps that the Group entered into in connection with its financing arrangements expire, or if it has inaccurately or ineffectively hedged its market interest rate exposure.

In addition, there can be no guarantee that the Group will be able to continue borrowing on similar terms to its current facility. If interest rates on new debt raised by the Group are higher than the rates applicable to the Group's existing debt, the Group's profitability may be affected.

Property acquisition involves certain risks, including risks relating to environmental liabilities associated with the property

The acquisition of properties involves a number of risks inherent in assessing the values, strengths, weaknesses and profitability of properties. Whilst the Group believes it undertakes sufficient and appropriate valuations and environmental and structural surveys in order to assess those risks, unexpected problems and latent liabilities or contingencies, such as the existence of hazardous substances or other environmental liabilities, may emerge.

In the ordinary course of business and in connection with future acquisitions, the Group may become responsible for certain environmental clean-up liabilities or costs. As the owner of real property, the Group is subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the party causing or knowingly permitting the contamination. If the Group owns or acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Group is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset valuation. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Property development and management involves certain inherent risks

Property development and management involves certain risks, including construction cost inflation, cost overruns, delays to the completion of developments and reliance on third parties complying with their obligations. Any delays or cost overruns might impact on the Group's returns from development activities and its revenue generated from operations.

Additionally, there is a risk that a contractor engaged by the Group might fail, as a result of general economic conditions or specific factors. In the event that a contractor fails, the Group's development activities might be delayed or the costs of completing a development may increase.

The Group's development projects are also subject to other hazards and risks normally associated with the construction and development of commercial real estate, including personal injury and property damage. The occurrence of any of these events could result in increased operating costs, reputational damage, fines, legal fees, or criminal prosecution of the Group, and its directors or management. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Property investment may be affected by legal and regulatory changes

The risks incidental to the ownership of real estate include changes in relation to tax and landlord/tenant, environmental protection and safety and planning laws, as well as land use and building regulation standards.

If these laws and regulations are changed, or new obligations imposed, property development and investment may become more difficult or costly, and therefore have an adverse effect on the income from, and value of, any properties owned by the Group, including those in which it holds an interest through co-investment vehicles. Additionally, any new laws may be introduced which may be retrospective and affect existing planning consents. Recent legal and regulatory changes have addressed the containment and management of asbestos in buildings, access for disabled persons, and provisions for the measurement and reporting of the energy efficiency of buildings.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

There is a risk that the Group's properties may have been constructed with materials that endanger occupants

Following the Grenfell Tower tragedy on 14 June 2017 at a local authority residential tower, there has been a nationwide review of cladding affixed to residential tower blocks and fire safety procedures in tall buildings. In the aftermath of the tragedy, the Department for Communities and Local Government wrote to local authority and housing association landlords, asking them to identify all their residential tower blocks (specifically properties over 18 metres in height), identify those residential tower blocks with aluminium type external cladding and inspect those properties to establish whether the cladding panels were made of an aluminium composite material, so that they could be submitted for testing through a process established by the Department for Communities and Local Government. For further information, please see "*Description of the Group—Fire safety and cladding*" below.

The Group has undertaken a full fire safety review of all of its 122 properties working closely with the Department for Communities and Local Government. Following the initial test, samples from six of the Group's buildings did not meet the requisite standards. The remedial work on these buildings has now been completed.

Notwithstanding the fact that the Group has completed the fire safety review in light of the Grenfell Tower tragedy, there is a risk that residences owned by the Group may in future be discovered to have been built with materials that are sub-standard, the cause of, or a contributing factor to, a fire or other destruction of residence, or compromise residents' safety. If such an event occurs, the Group's income from the particular property may be reduced, there may be significant expenses to rebuild the property and rectify the problem and the Group's future rental yield may decrease. The Group's brand and reputation may also be harmed.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Any of the Group's properties may be compulsorily purchased by a public authority

Any property in the United Kingdom may at any time be compulsorily acquired by a public authority possessing compulsory purchase powers, including local authorities and statutory undertakers (such as electricity, gas, water and railway undertakers) if it can demonstrate that the acquisition is necessary or desirable for the promoter's statutory functions or in the public interest.

If an order is made in respect of all or any part of a property, compensation is generally payable on a basis equivalent to the open market value of the owners' proprietary interests in the property to be purchased at the time of such purchase, taking account of diminution in value of any retained land and other adverse impacts of the compulsory purchase. There is often a delay between the compulsory purchase of a property and payment of compensation. However, there is no clarity as to the total amount of compensation that might be available, or the time in which such compensation might be payable, with any compulsory purchase order. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

If the Group suffers losses for which it is uninsured, it may be forced to obtain additional financing to repair or rebuild the damaged asset or it could lose the value of the damaged asset altogether

The Group does not have insurance coverage for certain extreme types of catastrophic losses, which are not insurable or for which economically reasonable insurance is unavailable. In addition, there can be no guarantee that the Group's current insurance coverage is sufficient to fully cover the types of losses that are insured, or that such coverage will not be cancelled or become unavailable on economically reasonable terms in the future. If the Group were to suffer damage to an asset for which it was uninsured or insufficiently insured, it may be forced to obtain additional financing, repair or rebuild the damaged asset or lose the value of the damaged asset altogether. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group's co-investments carry risks

A significant proportion of the properties managed by the Group (72 per cent. of gross asset value as at 30 June 2018) are held through USAF or LSAV, co-investment vehicles in which the Group holds a significant minority equity interest. These vehicles pose some risks to the Group, including risks relating to:

- a shared level of strategic control and decision-making in relation to those vehicles, which can reduce the Group's ability to control strategy for the vehicles and for its own portfolio;
- the variability of the management fees paid by those vehicles to the Group, which is subject to factors not fully within the Group's control; and
- the limit on the liquidity of the Group's holdings in these vehicles.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

In addition, these vehicles may incur further indebtedness (whether secured or unsecured) subject to internal gearing guidelines and without recourse to the Group. Such an occurrence could have an impact on the profitability of these vehicles and return generated by the Group from its holdings in them. Additionally, the price of the Bonds could also be adversely impacted (e.g. the price of the Bonds could be negatively affected by a new secured bond issue by USAF, which might be seen as a more attractive investment by the market than the Bonds which do not have the benefit of security).

Control and decision-making

The Group is a manager of USAF and LSAV, which gives it day to day management and control of the properties held by those vehicles. However, significant decisions are decided by the joint venture partners equally (the sovereign wealth fund of Singapore, the Government of Singapore Investment Corporation ("**GIC**"), in the case of LSAV), or, in the case of USAF, decided by an Advisory Committee. As a result, at a strategic level, the Group does not exert control over the co-investment vehicles, which means that the Group's strategy and plans for a particular asset held by a co-investment vehicle may not be implemented. This may negatively impact the ability to take strategic decisions regarding the operation, management or sale of such assets, which may decrease the value of the assets held within the co-investment vehicle and the Group's results of operations. Disagreements with the London-based co-investment vehicles could lead to deadlock and potential dissolution of the vehicles. In addition, the LSAV co-investment vehicle is for a fixed term. This structure requires that an active decision be made by joint venture partners to either continue or terminate the vehicle. There can, however, be no assurance that the joint venture partners will agree to a continuation or a liquidation of such vehicle, which could result in increased costs for the Group.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Management fees

Fees received by the Group as property and asset manager of USAF and LSAV are calculated in part by reference to the value of the assets and cash held by USAF and LSAV. As a result, these management fees are dependent upon a variety of factors outside the Group's control, including the value of the properties in USAF's portfolio, calls for cash or assets in the portfolio (for example, if a unit holder calls for a redemption and USAF is unable to find a buyer for the units and therefore must sell assets to return cash to the unit holder), and other variables. In addition, if the Group was removed as asset manager or investment manager in USAF or LSAV, it would cease to receive asset management or investment management fees, which currently provide the Group with a stable and recurring source of income. The Group received £14.1 million in such fees in the year ended 31 December 2017 (year ended 31 December 2016: £14.0 million) and £17.7 million for the 12 months until 30 June 2018.

The occurrence of any of the above events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Liquidity risk

The Group's holdings in co-investment vehicles are illiquid. As a result, it will be difficult for the Group to exit these vehicles. In relation to USAF, although unit holders are entitled to require USAF to redeem units, such process can take a significant amount of time, since USAF is required to find a buyer for the units before redeeming them. There is no guarantee that any such buyer exists or if it will be willing to pay the amount that the Group requires to sell the units. If no buyer is available, such redemptions can prove costly for USAF itself, since USAF may be required to sell property to fund the redemption request, which may have a negative impact on the value of the Group's remaining holding in USAF, and may also have a negative effect on the management fees paid by USAF to the Group.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Changes in the Group's tax status or to tax legislation may affect the Group's ability to fulfil its commitments

Applicable tax rules and their interpretation may change. Any change to the tax status of any member of the Group or to the Group's co-investment vehicles or to taxation legislation or its interpretation may affect the Group's ability to realise income and a return on any disposal of investments. Reduced income and capital returns on investments may have an adverse effect on the Group's results of operations and financial position.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

There is a risk of accidents causing personal injury at premises owned or managed by the Group, which could result in litigation against the Group

There is a risk of accidents at premises owned by the Group, which could result in personal injury to tenants, people visiting the premises, employees, contractors or members of the public. The Group has approved health and safety policies and procedures applicable to all its locations. In addition, the Group has public liability insurance in place, which the Board consider provides an adequate level of protection against third party claims. Should an accident attract publicity or be of a size or nature that is not adequately covered by insurance, the Group could face significant costs, and the Group's ability to put in place public liability insurance cover in the future may also be adversely affected.

Any adverse impact on the Group's business, financial condition or results of operations described above may in turn have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

The Group's reputation could be damaged

The Group's reputation and brand is important to its business, both with students and their parents and with the universities with which the Group has relationships. The Group's reputation could be damaged by a number of factors, including health and safety failings and misconduct or fraud of the Group's staff or third party contractors. Any damage to the Group's reputation could result in a reduction in occupancy levels or the Group's ability to maintain and/or increase rents, which could have a negative impact on property valuations or have an adverse impact on operations. Any adverse impact on the Group's business, financial condition or results of operations as a result of the Group's reputation being damaged may in turn have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

If the Group does not succeed in attracting, developing and retaining skilled personnel, the ability of the Group to deliver its business strategy may be reduced

The Group is dependent on members of its senior management team and a flexible, highly skilled and well-motivated workforce and believes its future success will depend in part on its ability to attract, retain and motivate highly skilled management and personnel. Although measures are in place to reward and retain key individuals and to protect the Group from the impact of excessive staff turnover, the Directors cannot give assurances that the Directors, senior managers and other key employees will remain with the Group. If the Group fails to staff its operations appropriately, or loses one or more of its key senior executives and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations may be adversely affected. Likewise, if the Group does not succeed in attracting, developing and retaining skilled personnel, the ability of the Group to deliver its business strategy may be reduced.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The decision of the UK to leave the EU may have a negative effect on the Group's business

On 23 June 2016, the UK voted to leave the EU ("**Brexit**"). Whilst the process of implementing the decision began in March 2017, there is still uncertainty around the process and timing of the withdrawal and the outcome of negotiations between the UK and the EU regarding future arrangements, including EU student fees and visa requirements and research grant funding. It is difficult for the Group to assess what the impact of Brexit will be on its business, financial condition or results of operations. While EU students may continue to come to the UK to study, there is a risk that numbers may fall. Demand however is still strong, with EU applications up 2 per cent. and non-EU up 6 per cent. as at 30 June 2018.

EU students represent 7 per cent. of the UK student population and 8 per cent. of the Group's beds were let to EU students in the financial year ended 31 December 2017. Non-EU international students occupied a further 27 per cent. of the Group's beds during the same period.

The uncertainty surrounding Brexit and the impact of Brexit on the economy and property market may adversely affect the Group's business and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group may be subject to privacy or data protection failures

The Group is subject to regulation regarding the use of private data relating to students and universities, primarily pursuant to the General Data Protecting Regulation (the "**GDPR**"). The Group processes confidential student data as part of its business and must comply with the GDPR in relation thereto. There is a risk that this data could be stolen, lost or disclosed, or processed in breach of data protection regulation. If the Group or any of the third-party service providers on which it relies fails to store or transmit student information in a secure manner, or if any loss of student data were otherwise to occur, the Group could face liability under the GDPR. This could also result in the loss of the goodwill of its tenants and deter new potential tenants, which may have an adverse impact on the Group's business, financial condition or results of operations. A breach of the GDPR may also subject the Group to significant financial penalties.

The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group may not be able to maintain or increase the rental rates for its residences, which may have a material adverse impact on the Group's business, financial condition and results of operations and on the value of the Group's properties

The Group's rental income and the value of the Group's properties are dependent on the rental rates that can be achieved from the properties in the Group's portfolio. The ability of the Group to maintain or increase the rental rates for its rooms may be adversely affected by the UK's general economic condition, the disposable income of students and the overall demand for university education. In addition, there may be other factors that depress rents or restrict the Group's ability to increase rental rates, including local factors relating to particular properties/locations (such as increased competition for market share) and any damage to the Group's reputation.

The nominations agreements which the Group has in place represented 60 per cent. of the Group's accommodation as at 30 June 2018 (as at 30 June 2017: 59 per cent.). Under multi-year nominations agreements, there is a contractual rental uplift that is either RPI-linked or fixed, with a minimum and maximum rental uplift achieved by way of caps and floors. If the Group's expenses increase and the Group is unable to make a corresponding increase in the rental rates as a result of the caps in the nominations agreement, this may have an adverse impact on the Group's business, financial condition and results of operations.

Any failure to maintain or increase the rental rates for the Group's rooms may have a material adverse effect on the value of the Group's properties as well as the Group's business, financial condition or results of operations and in turn affect the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Rental income is subject to both the rental rate and the letting length. The letting length is in some cases dependent on the dates of the academic year of the university. Changes in the length of academic years may impact on the rental income of the Group. This may in turn affect the value of the Group's properties as well as the Group's business, financial condition or results of operations and in turn affect the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The rental income generated by the Group's properties depends in part on successfully maintaining relationships with, and the financial stability of, the educational institutions with which the Group has direct contractual relationships

The rental income generated from the properties in the Group's portfolio is dependent upon on successfully maintaining relationships with, and the financial stability of, the universities with which the Group partners. In the event that a university, with which the Group has entered into a nominations agreement, were to default on contractual terms, such as rent collection or pre-bookings of a certain number of rooms, such default may have an adverse effect on the Group's business, financial position and results of operations. In addition, if the Group fails to maintain a good relationship with universities whether because it provides inadequate service or management of properties, because its competitors provide a more attractive proposition or because the university change their property needs, it could adversely impact the university's willingness to supply students for the Group's accommodations. In addition, any dispute with a university, or non-renewal of a particular contract with a university, could damage the relationship with that university and could become known to other university, which could result in similar disputes with or renegotiations or non-renewal actions being taken by the other universities. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The success of each university in terms of student recruitment and retention, and its aspirations to increase its position in national league tables, will be dependent on its academic reputation, the quality of its teaching and research and the popularity of the courses it offers. The success of each university may be affected by the Teaching Excellence and Student Outcomes Framework ("**TEF**"), introduced recently by the government to score universities as to the quality of their teaching. It is likely, however, that student expectations will increase in line with the tuition fee cap. Quality of provision, value for money and the ability to provide an advantage in terms of employability are expected to be the drivers of student choice and future success will likely be based on the ability of an institution to understand a more competitive market dynamic and take best advantage of its market position. There is a risk that any university that does not respond to this dynamic effectively may suffer damage to its reputation and reduced popularity with students, which may adversely affect the student numbers applying to that university and therefore demand for the accommodation on offer for students studying at such university. If any of these events occur, it may not be possible for the Group to secure alternative tenants for the relevant residence, depending on the location and other features of such residence, and any alternative use will be unlikely to generate equivalent income to that generated by letting to students.

An increase in the popularity of shorter / more semester-led courses could adversely affect demand for the Group's properties could reduce the occupancy levels. Rooms rented for a single term or over the summer are booked under either Referral Nominations Agreements or Direct Let arrangements (each as defined below), typically by students on language courses and extensions to bookings by those on a full-time university course. Demand for these courses may be affected by factors similar to those which apply to full-time courses such as changes to education policy and increased competition between universities, including from non-UK universities, and between operators (see "*—Increased competition between universities, including from non-UK universities, may affect the demand for places at the UK universities served by the Group*" and "*—Demand for accommodation provided by the Group may be affected by increasing competition between operators and increasing levels of residential development*" above). Rental income received by the Group from these shorter term rentals has increased in recent years, but there is no guarantee that this will continue to rise or remain at the same levels. Any reduction in the demand for any of the Group's properties could reduce the occupancy levels and/or reduce the ability of the Group to maintain or increase the short-term rent on such properties. Any adverse impact on the Group's business, financial condition or results of operations as a result of a fall in short-term occupancy may in turn have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantees.

In addition, the number of students studying at any university may be affected by the business model and estates strategy of that university. For example, a university may change business model to teach online (for example, with alternative course delivery such as Massive Open Online Courses) rather than physically on campus, or may change the location of their campus or of an individual faculty. Such change to a business model could in turn reduce the number of students requiring accommodation as a result of studying at such university. The occurrence of any of these events, including the reputational decline of any university the Group offers accommodation in connection with, may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group may default under a lease agreement it has in respect of the residences the Group holds pursuant to long leases (or part long leases)

The Group's interest in certain of the properties in its portfolio is in the form of a leasehold (or part long leasehold) interest as opposed to a freehold interest. For such residences, there is a risk that the relevant landlord may terminate their agreement with the Group (the "**Head Lease**") before the expiry of the contractual term for failure to pay rent or another breach of tenant obligation. The rent obligations under most of these leases are for nil or nominal sums. Typically the most onerous tenant obligation in a Head Lease is an obligation to keep the buildings in good repair which the Group is likely to comply with to be able to sub-let residences to students. If any such failure to pay rent or breach occurs, the landlord may commence court proceedings or otherwise take action to terminate the Head Lease. Despite the common law protection afforded to the Group as a tenant, given the residential nature of the residences, if a landlord took action and relief was not obtained by the relevant Guarantor, all future income from that residence may be lost which may adversely affect the Group's business, financial condition and/or results of operations and therefore adversely affect the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee. The Group may also suffer reputational damage which may result in a decreased interest from future students.

There is a risk "Direct Let" agreements entered into by the Group are frustrated

An assured shorthold tenancy entered into directly with the student (a "**Direct Let**") that the Group has entered into in respect of a residence could, in exceptional circumstances, be frustrated under English law. Under English law, frustration may occur where a supervening event so radically alters the implications of the continuance of a lease for a party thereto that it would be inequitable for such lease to continue. If any of the Group's Direct Let agreements were frustrated, this may have an adverse effect on the rental income derived from, or able to be generated by, the relevant residence which in turn may adversely affect the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group's ability to maintain the condition of and refurbish its properties in a satisfactory manner, within budget and on time is dependent on its vendors, suppliers, refurbishment contractors and other service providers

Maintaining the Group's property portfolio in good condition through a rolling refurbishment programme is an important factor in preserving the Group's rental income and occupancy rates.

Substantially all of the Group's property renovations, refurbishments and related work are outsourced to third-party contractors. Although the Group carefully chooses its contractors to perform this work, there is a risk that the performance of the contractors may not meet the Group's standards or specifications. Negligence or poor work quality by any contractors may result in defects in the buildings, which could in turn result in the Group suffering financial losses, harm to its reputation or expose the Group to third-party claims.

The Group's ability to refurbish and maintain the condition of its properties in a satisfactory manner, within budget and on time will depend on the ability of its vendors, suppliers, refurbishment contractors and other service providers to provide competent, attentive and efficient services to the Group. To the extent that the Group's preferred contractors and other service providers are unable or unwilling to perform their contractual commitments, there is a risk of reputational damage to the Group, or that the Group will have to seek alternative contractors (or to perform such services itself) which could be difficult or more costly. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment to exercise due care and skill may have an adverse impact on the Group's business, financial condition or results of operations.

Furthermore, property renovation projects and annual maintenance programmes involve certain risks, including working at sites occupied by students, cost inflation, cost overruns and delays. Third-party contractors may undertake projects for parties other than the Group or encounter financial or other difficulties, such as supply shortages, labour disputes or work accidents, which may cause delays in the completion of the Group's projects or result in increases in the Group's costs. Timely completion of renovations of student accommodation or refurbishment of existing properties is of particular importance to the Group since newly renovated accommodation has to be available before the start of the relevant new academic year. Time overruns could reduce occupancy rates or the level of rents achievable and cost overruns may have an adverse impact on the Group's business, financial condition or results of operations.

The termination of the Group's relationship with any service provider, or any delay in appointing a replacement for such service provider, could disrupt the business of the Group materially and could have a material adverse effect on the Group's ability to maintain the condition of or refurbish its properties in a satisfactory and timely manner. Further, misconduct or misrepresentations by employees of the vendors, suppliers, contractors and other service providers could prevent the Group from completing refurbishment projects and annual maintenance programmes in a timely manner or could adversely affect the Group's reputation as a provider of high quality, well maintained and serviced student accommodation. Any failure by the Group or the vendors, suppliers, refurbishment contractors and other service providers on which it relies to adequately maintain the condition of the Group's property portfolio could harm the Group's business, financial condition and results of operations and therefore have an adverse effect on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group's due diligence may not identify all risks and liabilities in respect of an acquisition of new properties and/or operating businesses

Prior to entering into an agreement to acquire any property and/or business, the Group performs due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and other key legal due diligence questions and property valuations). To the extent that the Group or other third parties underestimate or fail to identify risks and liabilities (including any environmental or construction liabilities) associated with the investment in question, the Group may be subject to defects in title or to environmental, structural or operational defects requiring remediation, or the Group may be unable to obtain necessary permits, which may have an adverse impact on the Group's business, financial condition or results of operations. A due diligence failure may also result in acquired properties that fail to perform in accordance with projections.

In addition, to the extent that the Group fails to identify risks associated with the relevant university (including risks associated with its financial solvency), the Group may enter into long-term tenancy or other arrangements which do not meet either party's needs or are subsequently not honoured by the counterparty. Failure by the Group to conduct appropriate due diligence may result in a university seeking to terminate or breach the terms of an arrangement or rental review clauses and may also result in other contractual terms becoming too onerous for the Group. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

Furthermore, there is a risk that certain properties acquired by the Group may have a latent design defect which was not discovered as part of the diligence exercise and has not yet come to light. Such defect may require significant capital expenditure to remedy which is not budgeted for or anticipated. Although the Group has appropriate third party professional indemnity insurance in place, there is no assurance that this will be suitable for the defect discovered or that any pay-out will cover the full cost of the remediation works. Certain of the Group's recent acquisitions may include new properties in respect of which the relevant building contractor will retain liability through a warranty for a limited amount of time. There is a risk that the Group does not discover defects within this window and becomes liable. If any of the Group's properties is found to have defects that require rectification, the cost, loss of rental income, timing implications and reputational damage of such rectifications may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group may fail to acquire the best sites on the right terms

There is increasing competition for the best development sites in the student accommodation sector, which pushes up prices. There is a risk that increased competition results in the Group failing to secure development sites, or being unable to secure those sites on the best terms. The occurrence of any of these events may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group depends on key information technology and communication systems which may fail or be subject to disruption or become obsolete

The Group's operations are highly dependent on technology and communications systems, including internet websites and portals operated by the Group. Tenancies, room reservations, collection of rents and deposits and many other elements of the Group's business are managed using PRISM, the Group's bespoke operating platform. The efficient and uninterrupted operation of the systems, technology and networks on which the Group relies and its ability to provide students and universities with reliable access to its services are fundamental to the success of the Group's business. Any damage, malfunction, interruption to or failure of systems, networks or technology used by the Group could result in a lack of confidence in the Group's services and a possible loss of existing partners or students to its competitors or could expose the Group to higher risk or losses, which may have an adverse impact on the Group's business, financial condition or results of operations. Any crash of the PRISM operating system could result in the Group not being able to process room bookings, lease agreements and rental payments.

As the functioning of the Group is reliant on adequate technology and communication systems, it is fundamental that the technology the Group relies on remains current and does not fall behind that generally used in the student accommodation market, particularly that which is relevant to processing information and marketing rooms directly to students. There is a risk that if the Group fails to adopt new systems and approaches as they are discovered it may fall behind its competitors both from an operational and reputational perspective. To keep up with technological trends and developments also requires significant and continued investment. There is a risk that the technology the Group invests in is not as effective as anticipated or that such investment cannot compete with the scale of investment made by the Group's competitors.

The Group's systems are vulnerable to damage or interruption from manual intervention, natural disasters, power loss, telecommunication failures, terrorist attacks, computer viruses, computer denial of service attacks and other events. The Group's systems are also vulnerable to security breaches or intrusions, sabotage and acts of vandalism by employees and contractors as well as other third parties. Any interruption in the availability of the PRISM operating system, the Group's website, customer support site or telephone systems would create a business interruption and may have an adverse impact on the Group's reputation, business, financial condition or results of operations.

The Group has disaster recovery procedures in place which include transactional data being automatically backed up in a separate secure location on a frequent basis. Whilst such procedures are intended to mitigate the effects of events such as those listed above on the Group's business, there can be no assurance that such procedures can account for and protect against all eventualities or that they will be effective in preventing any interruption to the operations and systems of the Group. The Group has cyber security insurance. Whilst to date there has been no significant malfunction of the Group's technology and systems, any such events could result in a lack of confidence in the Group's services, a possible loss of existing partners to its competitors and potential liabilities, all of which may have an adverse impact on the Group's business, financial condition or results of operations and therefore have an adverse impact on the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group is exposed to external events and risks beyond its control

External events beyond the Group's control, such as terrorist attacks, civil emergencies or political unrest in the UK or overseas, could result in damage to the Group's properties or otherwise inhibit or prevent student access to the Group's properties, which in turn may impact upon the operations of the Group. In addition, if a particular city in which the Group operates or a particular university is targeted in an act of terror, there is a risk that future student applications to that university fall and students' desire to live in that city decreases. Although the Group has insurance against terror related events, there can be no assurance that such insurance will cover any material adverse effect to the Group's business. The occurrence of such events could also give rise to reduced investor demand for the Group's properties resulting in reduced property values as well as reduced rental income. If any of these external events occurred, this would have a material adverse impact on the Group and the value of its assets and, accordingly, the financial condition of the Issuer and the Guarantor and the Issuer's ability to satisfy its obligations under the Bonds and/or the Guarantors' ability to satisfy their obligations under the Guarantee.

The Group proactively manages the maturity profile of its debt and aims to refinance its bank debt at least 6–12 months before maturity; it diversifies its sources of finance with different lenders and in different maturity buckets. Refinancing activity is managed by the Chief Financial Officer and with Board oversight, and is the subject to control under internal metrics defined in the Group's Capital Operating Guidelines.

The Group has significant headroom on its debt covenants but is exposed to the risk that adverse movements in property values or student demand could lead to a breach of covenants or an inability to refinance debt on expiry. If unable to refinance debt, then a forced sale of assets may potentially be required leading to sales below valuation.

The Group has incorporated the audited consolidated financial statements of The Unite Group PLC by reference into these Listing Particulars which consolidate the position of the Issuer, the Guarantors and the Non-Guarantor Entities

For the purposes of the issuance of the Bonds, the Group has incorporated by reference into these Listing Particulars the audited financial statements of The Unite Group PLC for the years ended 31 December 2016 and 31 December 2017 (the "**Accounts**"). See "*Documents Incorporated by Reference*". The Accounts consolidate the position of the Issuer, the Guarantors and the Non-Guarantor Entities (as defined below).

Based on the Group's consolidated financial information for and as of the year ended 31 December 2017, the Non-Guarantor Entities (as defined below) recorded an EBITDA of £99,000,000 and net assets of £381,189,000, representing 37 per cent. and 22 per cent., respectively, of the Group's consolidated EBITDA and consolidated net assets. As such, investors should note that the consolidated financial information incorporated by reference into these Listing Particulars may be of limited use in assessing the financial position of the Issuer and the Guarantors and should be read in conjunction with the financial information set out elsewhere in these Listing Particulars, including in "*Description of the Group—Selected Financial Information*", "*Description of the Group—Financial Information*" and in paragraph 13 of the section entitled "*General Information*".

"**Non-Guarantor Entities**" means the Issuer's Subsidiaries (excluding Excluded Subsidiaries) other than any Guarantor.

The above financial information has been calculated in accordance with the following: (i) in the case of the Issuer, the EBITDA and net asset numbers of the Issuer which are presented in its standalone statutory accounts, minus, in the case of net assets, any investments in the equity of subsidiaries; (ii) in the case of the Non-Guarantor Entities, the aggregate of the EBITDA and net asset numbers of each of the Non-

Guarantor Entities which are presented in their standalone statutory accounts (or, in the case of non-UK entities, would be presented in such accounts if prepared on an equivalent basis); and (iii) in the case of the Guarantors, the Group's consolidated EBITDA and consolidated net assets as shown in the Accounts, minus the EBITDA and net asset figures calculated in accordance with paragraphs (i) and (ii).

The Group calculates "EBITDA" as its EPRA earnings before charging interest, tax, depreciation and amortisation. EPRA earnings are prepared on the basis recommended for real estate companies by EPRA, the European Public Real Estate Association. This excludes movements relating to changes in values of investment properties and interest rate swaps and the related tax effects.

The financial information included in these Listing Particulars should also be read in conjunction with the Accounts.

Risks Relating to the Bonds

The Bonds may be redeemed prior to maturity

In the event that the Issuer or any of the Guarantors would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom, Jersey or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the Conditions. In addition, the Conditions provide that the Bonds are redeemable at the Issuer's option in certain other circumstances. An optional redemption feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

If the Issuer redeems the Bonds in any of the circumstances mentioned above, there is a risk that the Bonds may be redeemed at times when the redemption proceeds are less than the current market value of the Bonds or when prevailing interest rates may be relatively low, in which latter case Bondholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Condition 2 (Status and Guarantee) of the Bonds is intended to ensure that the Bonds and the Issuer's Principal Bank Facility rank pari passu with each other at all times

On 20 November 2017, the Issuer entered into a £350,000,000 unsecured revolving credit facility agreement with, *inter alios*, HSBC Bank plc and National Westminster Bank Plc as mandated lead arrangers. This agreement and any subsequent refinancing or replacement of it is referred to as the "**Principal Bank Facility**". The Conditions require that any guarantor under the Principal Bank Facility must also guarantee the Bonds.

Therefore: (i) on the Issue Date, all guarantors under the Principal Bank Facility are also guarantors of the Bonds; (ii) from the Issue Date onwards, if a member of the Group is added as a new guarantor to the Principal Bank Facility, the Issuer must promptly inform the Trustee and add it as a guarantor of the Bonds; and (iii) conversely, if in future a guarantor ceases to be a guarantor under the Principal Bank Facility, the Issuer can require (subject to certain Bondholder protections) that it ceases to be a guarantor of the Bonds. In addition, for so long as any Bond remains outstanding the Issuer may at any time procure that any member of the Group provides a Guarantee in respect of the Bonds on the terms set out in the Trust Deed.

Minimum Denomination

As the Bonds have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Bonds may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Bond in respect of such holding (should Definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to the minimum denomination. Further, a Bondholder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Bonds at, or in excess of, the minimum denomination such that its holding amounts to the minimum denomination.

The terms of the Bonds may be modified with the consent of specified majorities of the relevant Bondholders at a duly convened meeting, and the Trustee may consent to certain modifications to the Bonds, or substitution of the Issuer, without the consent of the relevant Bondholders

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the relevant Bonds, including holders of the relevant Bonds who did not attend and vote at the relevant meeting and holders of the relevant Bonds who voted in a manner contrary to the majority. The Trust Deed constituting the Bonds also provides that the Trustee may (except as set out in the Trust Deed), without the consent of the relevant Bondholders, agree to certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the relevant Bonds or the Trust Deed or to the substitution of another company as principal debtor under the relevant Bonds in place of the Issuer in the circumstances described in Condition 13 (*Meeting of Bondholders; Modification and Waiver; Substitution*) and the Trust Deed.

Credit Rating

The Bonds are expected to be assigned a rating of Baa2 by Moody's and BBB by S&P and may in the future be rated by additional independent credit rating agencies (including on an unsolicited basis), although the Issuer is under no obligation to ensure that the Bonds are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these risk factors and other factors that may affect the liquidity or market value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

If the Issuer determines to no longer maintain one or more credit ratings, if any other independent credit rating agency decides to assign a rating to the Bonds, or if any credit rating agency withdraws, suspends or downgrades any credit ratings of the Issuer or the Bonds, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or the Bonds on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), such event could adversely affect the liquidity or market value of the Bonds.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation, unless: (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation; or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Changes in law may adversely affect the rights of Bondholders

Changes in law after the date hereof may affect the rights of Bondholders as well as the market value of the Bonds. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Bonds, which may have an adverse effect on an investment in the Bonds.

In addition, any change in law or regulation that triggers a relevant tax change in the United Kingdom would entitle the Issuer, at its option (subject to certain conditions), to redeem the Bonds, in whole but not in part, as provided under Condition 6 (*Redemption and Purchase*).

No assurance can be given as to the impact of any possible judicial decision or change to English law, regulation or administrative practice after the date of issue of the Bonds.

Risks Relating to the Market

There is no active trading market for the Bonds

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantors. Although applications have been made for the Bonds to be admitted to listing on the Official List of Euronext Dublin and to trading on the Global Exchange Market, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

Because the Global Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantors

The Bonds will be represented by the Global Bonds except in certain limited circumstances described in the Permanent Global Bond. The Global Bonds will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive Definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer and the Guarantors will discharge their payment obligations under the Bonds by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Bondholders of beneficial interests in the Global Bonds will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of pounds sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to pounds sterling would decrease: (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds, which bear a fixed rate of interest, involves the risk that subsequent increases in market interest rates may adversely affect the market value of the Bonds.

Changes in the Group's tax status or to tax legislation may affect the Issuer's ability to fulfil its commitments

Tax rules and their interpretation may change. Any change to the tax status of any member of the Group or to taxation legislation or its interpretation may affect the Issuer's ability to realise income and a return on any disposal of investments. Reduced income and capital returns on investments may have an adverse effect on the Issuer's ability to fulfil its commitments under the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The £275,000,000 3.500 per cent. Guaranteed Bonds due 2028 (the "**Bonds**", which expression includes any further bonds issued pursuant to Condition 15 (*Further issues*) and forming a single series therewith) of The Unite Group plc (the "**Issuer**") are subject to, and have the benefit of, a trust deed dated 15 October 2018 (as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") between the Issuer, certain subsidiaries of the Issuer as set out in Schedule 4 (*The Guarantors*) to the Trust Deed (the "**Guarantors**", which expression shall include any member of the Group (as defined in Condition 2 (*Status and Guarantee*) which becomes, and has not for the time being ceased to be, a Guarantor pursuant to the relevant provisions of Condition 2 (*Status and Guarantee*)) and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 15 October 2018 (as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the initial Guarantors, HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions and definitions. The holders of the Bonds (the "**Bondholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof 8 Canada Square, London E14 5HQ, United Kingdom and at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out in the Agency Agreement.

1. Form, Denomination and Title

The Bonds are serially numbered and in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, with Coupons attached at the time of issue. Title to the Bonds and the Coupons will pass by delivery. The holder of any Bond or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. Status and Guarantee

(a) *Status of the Bonds*: The Bonds constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Bonds*: The initial Guarantors have in the Trust Deed jointly and severally, unconditionally and (subject to the provisions of Condition 2(d) (*Release of Guarantors*)) irrevocably guaranteed the due and punctual payment of all sums from time to time expressed to be payable by the Issuer in respect of the Bonds and the Coupons, and each member of the Group which becomes a Guarantor pursuant to Condition 2(c) (*Addition of Guarantors*) will guarantee, jointly and severally, unconditionally and (subject to the provisions of Condition 2(d) (*Release of Guarantors*)) irrevocably the due and punctual payment of all sums from time to time expressed to be payable by the Issuer in respect of the Bonds and the Coupons. Each such guarantee (each a "**Guarantee of the Bonds**") constitutes direct, general and unconditional obligations of the relevant Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the relevant Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(c) *Addition of Guarantors*: if at any time after 15 October 2018 (the "**Issue Date**") and for so long as: (i) any commitments remain available; and/or (ii) any utilised amount(s) remain outstanding under the Principal Bank Facility (whichever is later), any member of the Group (including, without limitation, any Limited Partnership whose general partners are Subsidiaries of the Issuer) provides a guarantee in respect of the Principal Bank Facility (as defined below), the Issuer covenants that it shall procure that such member of the Group shall, as soon as reasonably practicable but in any event no later than 14 days after the date of giving its guarantee in respect of the Principal Bank Facility, provide a Guarantee in respect of the Bonds and the Coupons on the terms set out in the Trust Deed. Notwithstanding the above, for so long as any Bond remains outstanding the Issuer may at any time procure that any member of the Group (including, without limitation, any Limited Partnership whose general partners are Subsidiaries of the Issuer) provides a Guarantee in respect of the Bonds and the Coupons on the terms set out in the Trust Deed. The Issuer shall provide written notice to the Trustee of the proposed addition of any member of the Group as a Guarantor. The Trust Deed provides that the Trustee shall agree to any such Guarantee being provided by any such further Guarantor, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may reasonably require to reflect the corporate status and jurisdiction of incorporation of such Guarantor and such other conditions as are set out in the Trust Deed (including the delivery to the Trustee of a legal opinion of independent counsel of recognised status as to the capacity of the relevant Group member to enter into such amendment or supplement and the validity and enforceability of such amendment or supplement (and such other matters as the Trustee may reasonably require)), but without the consent of the Bondholders or the Couponholders.

(d) *Release of Guarantors*: A Guarantor which is not required to provide a guarantee in respect of the Principal Bank Facility may be (subject always to Condition 2(c) (*Addition of Guarantors*) and the following provisions of this Condition 2(d) (*Release of Guarantors*)) irrevocably released and relieved of all of its obligations under the relevant Guarantee of the Bonds and all of its present and future obligations as a Guarantor under the Trust Deed, the Bonds and the Coupons, but without prejudice to any obligations or liabilities which may have accrued prior to such release, upon the Issuer giving written notice to the Trustee signed by two authorised signatories of the Issuer to that effect. Any such notice must also contain the following certifications to the Trustee:

(i) that no Event of Default or Potential Event of Default (each as defined in the Trust Deed) is continuing, or is expected to result from the release of that Guarantor and the provisions of Condition 4 (*Financial Covenants*) will continue to be complied with following the release of such Guarantor;

(ii) that no part of the financial indebtedness in respect of which that Guarantor is or was providing a guarantee in respect of the Principal Bank Facility (if applicable) is at that time due and payable but remains unpaid in circumstances where any obligation to make payment has arisen under the relevant guarantee in respect of the Principal Bank Facility; and

(iii) that such Guarantor is not providing (and is not required to provide), in accordance with the terms of the Principal Bank Facility, any guarantee, indemnity, security, surety or other form of collateral or credit support arrangement in respect of the Principal Bank Facility.

If any Guarantor or any other member of the Group released from providing a Guarantee as described above subsequently provides a guarantee in respect of the Principal Bank Facility or otherwise provides a guarantee of the Bonds at the discretion of the Issuer, the relevant member of the Group will, in accordance with the Trust Deed, provide a Guarantee as described in Condition 2(c) (*Addition of Guarantors*).

(e) *Notice of Change of Guarantors*: Notice of any release or addition of a Guarantor at any time pursuant to the foregoing provisions of this Condition 2 (*Status and Guarantee*) will be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).

(f) *Trustee not obliged to monitor*: The Trustee shall not be obliged to monitor compliance by the Issuer or any other member of the Group with Condition 2(c) (*Addition of Guarantors*) or Condition 2(d) (*Release of Guarantors*) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely, without liability to any person, on a notice of the Issuer provided under this Condition 2 (*Status and Guarantee*), and, until it receives any such notice, it shall assume that no other member of the Group has provided a guarantee in respect of the Principal Bank Facility.

In these Conditions:

"**Group**" means the Issuer and its Subsidiaries taken as a whole;

"**Principal Bank Facility**" means the £350,000,000 revolving credit facility agreement dated 20 November 2017 between, *inter alios,* the Issuer and HSBC Bank plc and National Westminster Bank Plc as mandated lead arrangers, as amended and/or restated and/or replaced and/or refinanced from time to time or any facility (or facilities) which in turn refinances or replaces such facility as the primary working capital and standby facility (or facilities) of the Group excluding the Excluded Subsidiaries, however many times) (each, individually and/or collectively, the "**Principal Bank Facility**"); and

"**Subsidiary**" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006, as amended.

3. **Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor shall, and the Issuer and the Guarantors shall procure that none of their respective Subsidiaries (excluding Excluded Subsidiaries) will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without: (i) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee; or (ii) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

In these Conditions:

"**Excluded Subsidiaries**" means any Joint Venture and/or fund in which any member of the Group has an interest (including, without limitation, The UNITE UK Student Accommodation Fund (USAF) and the London Student Accommodation Venture (LSAV)) and any Subsidiary of such Joint Venture or fund.

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means (without double-counting) any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force as at the Issue Date, have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) in either case, as at the relevant date on which Indebtedness is calculated, shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market); and

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

4. **Financial Covenants.**

For so long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer shall ensure that:

(a) Gearing does not at any time exceed 1.75:1;

(b) Secured Gearing does not at any time exceed 0.25:1; and

(c) Interest Cover in respect of any Measurement Period shall not be less than 1.75:1.

For so long as any Bond remains outstanding, the Issuer will: (i) deliver to the Trustee within 180 days of each Testing Date: (A) a compliance certificate signed by two authorised signatories of the Issuer, certifying that the Issuer is and has been in compliance with the covenants set out in this Condition 4 at all times during the Measurement Period; and (B) a copy of the consolidated annual financial statements of the Group for the financial period most recently ended, as required by the terms of the Trust Deed; and (ii) within 120 days of each Testing Date, make a copy of the consolidated annual financial statements of the Group for the financial period most recently ended available to Bondholders on an investor relations website relating to the Group.

Any certificate provided to the Trustee pursuant to limb (i) above may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

In these Conditions:

"**Borrowings**" means, as at the relevant date, the "Borrowing" of the Group as shown in the category "Liabilities" in the Group's then most recent consolidated balance sheet;

"**Cash and Cash Equivalents**" means, as at the relevant date, the cash and cash equivalents of the Group as shown in the category "Cash and cash equivalents" in the Group's then most recent consolidated balance sheet, adjusted by taking no account of any Cash and Cash Equivalents which are not freely available to the Group;

"**Consolidated PBT**" means, as at the relevant date, the revenue of the Group from operating activities as shown in the category "Results from operating activities" in the Group's then most recent consolidated income statement, adjusted by adding: (i) the joint ventures operations segment result; and (ii) the management fee adjustment relating to trading with joint ventures, but taking no account of any loss or gain against book value arising on the disposal of an asset by a member of the Group, in each case, as shown in the Group's then most recent consolidated financial statements;

"**Consolidated Shareholders' Funds**" means, as at the relevant date, the equity attributable to the owners of the Issuer as shown in the category "Equity attributable to the owners of the parent company" in the Group's then most recent consolidated balance sheet, adjusted by:

(a) deducting any amount in respect of intangible assets;

(b) adding back the amount of any deferred tax liability calculated in respect of accelerated capital allowances or on revaluation gains;

(c) taking no account of any items related to the valuation, whether actual or imputed, of the Group's pension schemes and/or other retirement benefit schemes or of the Group's employee share option schemes; and

(d) adding an amount equivalent to the amount payable to the Issuer in respect of any unissued shares in the Issuer which have been underwritten on normal commercial terms including as to conditionality and are scheduled to be issued within 60 days,

in each case, where applicable, as shown in the Group's then most recent consolidated financial statements;

"**Gearing**" means the ratio of Net Debt to Consolidated Shareholders' Funds;

"**Interest Cover**" means the ratio of Consolidated PBT to Net Interest Expenses for each Measurement Period;

"**Measurement Period**" means the period of 12 months ending on the relevant Testing Date (and the first Measurement Period shall be in respect of the 12-month period ending on 31 December 2018);

"**Net Debt**" means the Borrowings less Cash and Cash Equivalents;

"**Net Interest Expenses**" means, as at the relevant date, the aggregate amount of interest (including commitment fees) paid by the Group in relation to all Borrowings as shown in the category "Loan interest and similar charges" in the Group's then most recent consolidated income statement (for the avoidance of doubt, taking no account of mark-to-market adjustments in respect of any hedging or swap arrangements or swap cancellation costs), less any interest received by the Group in respect of Cash and Cash Equivalents as shown in the category "Finance income" in the Group's then most recent consolidated income statement;

"**Secured Borrowings**" means such part of the Borrowings that is borrowed on the security of any mortgage or charge over property assets of a member of the Group;

"**Secured Gearing**" means the ratio of Secured Net Debt to Total Non-Current Assets;

"**Secured Net Debt**" means the Secured Borrowings less Cash and Cash Equivalents;

"**Testing Date**" means 31 December and 30 June of each year; and

"**Total Non-Current Assets**" means the non-current assets as shown in the category "Total non-current assets" of the Group's then most recent consolidated balance sheet.

5. **Interest**

The Bonds bear interest from (and including) the Issue Date at the rate of 3.500 per cent. per annum, (the "**Rate of Interest**") payable annually in arrear on 15 October in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 7 (*Payments*).

Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder; and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be £35 in respect of each Bond of £1,000 denomination. If interest is required to be paid in respect of a Bond on any other date, or in respect of a Bond with any other denomination, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest penny (half a penny being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Bond divided by the Calculation Amount, where:

"**Calculation Amount**" means £1,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

6. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 October 2028, subject as provided in Condition 7 (*Payments*).

(b) *Redemption for tax reasons*: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 15 October 2018; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) a Guarantor has or (if a demand was made under the Guarantee of the Bonds) would become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Guarantee of the Bonds, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or Jersey (as the case may be) or any taxing jurisdiction other than the United Kingdom or Jersey (as the case may be) in which it becomes tax resident, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 15 October 2018; and (B) such obligation cannot be avoided by the relevant Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due or (as the case may be) a demand under the Guarantee of the Bonds were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two authorised signatories of the relevant Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and

(B) if required by the Trustee, an opinion addressed to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the relevant Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept (without further enquiry) such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above, in which event they shall be conclusive and binding on the Bondholders.

Upon the expiry of any such notice as is referred to in this Condition 6(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 6(b) (*Redemption for tax reasons*).

(c) *Redemption at the option of the Issuer:* The Issuer may, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem or purchase, or procure that any of its Subsidiaries shall purchase, the Bonds, in whole or in part, for the time being outstanding at a redemption price per Bond equal to: (a) if the Optional Redemption Date is on or after 15 July 2028, the principal amount of the Bond; or (b) otherwise, the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

(i) the principal amount of the Bond; and

(ii) the principal amount of the Bond multiplied by the price (as reported in writing to the Issuer and the Trustee by an independent financial adviser (the "**Financial Adviser**") appointed by the Issuer at the Issuer's expense and whose identity is approved in writing by the Trustee) expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards) at which the Gross Redemption Yield on the Bonds (if the Bonds were to remain outstanding until their stated maturity) on the Determination Date is equal to the sum of (x) the Gross Redemption Yield at 11.00 a.m. (London time) on the Determination Date of the 1.625 per cent. United Kingdom Government Treasury Stock due October 2028 (or, where the Financial Adviser advises the Issuer that, for reasons of illiquidity or otherwise, such bond is not appropriate for such purpose, such other government bond as such Financial Adviser may recommend) plus (y) a margin of 0.300 per cent.

Any notice of redemption given under this Condition 6(c) (*Redemption at the option of the Issuer*) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(b) (*Redemption for tax reasons*). No notice of redemption may be given under this Condition 6(c) (*Redemption at the option of the Issuer*) where the Optional Redemption Date would fall during a Change of Control Put Period (as defined in Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*) below).

In these Conditions:

"**Determination Date**" means the date which is the second business day in London prior to the Optional Redemption Date; and

"**Gross Redemption Yield**" means a yield calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005) (as amended or supplemented from time to time).

(d) *Redemption at the option of Bondholders following a Change of Control:*

A "**Change of Control Put Event**" will be deemed to occur if:

(i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006, as amended) whose shareholders are or are to be substantially the same as the pre-existing shareholders of the Issuer becomes interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in: (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer; or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable on a poll vote at a general meeting of the Issuer (such event being, a "**Change of Control**");

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of: (x) the first public announcement of the occurrence of a relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (Baa3 (from Moody's) / BBB- (from S&P or Fitch), or their respective equivalents, or better) (an "**Investment Grade Rating**") from any Rating Agency at the invitation of the Issuer (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer, any Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1 (from Moody's)/ BB+ (from S&P or Fitch) or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently upgraded or restored to an Investment Grade Rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer, any Non-Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from BB+ to BB being an example of a downgrade by one rating category) or withdrawn and is not, within the Change of Control Period, subsequently upgraded or restored to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and, within the Change of Control Period, (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds or of any other of its unsecured and unsubordinated debt; or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain a credit rating of at least an Investment Grade Rating by the end of the Change of Control Period,

(a "**Negative Rating Event**"),

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only sub-paragraph (A) above will apply; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to sub-paragraphs (A) and (B) of sub-paragraph (ii) above, or not to award a credit rating of at least an Investment Grade Rating as described in sub-paragraph (C) of sub-paragraph (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the relevant Change of Control.

If a Change of Control Put Event occurs, the holder of each Bond will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(b) (*Redemption for tax reasons*) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the date (the "**Change of Control Put Date**") which is seven days after the expiration of the Change of Control Put Period (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and at any time upon the Trustee having express notice thereof, and if so requested by the holders of at least one-quarter in aggregate of the principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Change of Control Put Event Notice**") to the Bondholders (and the Trustee, where such Change of Control Put Notice is given by the Issuer) in accordance with Condition 16 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Bond must deposit such Bond with any Paying Agent at its Specified Office at any time during its normal business hours within 90 days after a Change of Control Put Event Notice is given (the "**Change of Control Put Period**"), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of any Paying Agent (a "**Change of Control Put Notice**"). No Bond so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Any such Bond should be delivered together with all Coupons appertaining thereto maturing after the Change of Control Put Date, failing which the relevant Paying Agent will require payment from or on behalf of the Bondholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Bondholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11 (*Replacement of Bonds and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Bond and Change of Control Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt in respect of the Bond so delivered. Payment in respect of any Bond so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the Specified Office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in principal amount of the Bonds then outstanding have been redeemed or purchased pursuant to this Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by Moody's, Fitch or S&P (each as defined below) are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency (as defined below), the Issuer shall determine the rating designations of Moody's and/or Fitch and/or S&P and/or such Substitute Rating Agency, as applicable, as are most equivalent to the prior rating designations of Moody's, Fitch and/or S&P, as the case may be, and this Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*) shall hence be construed accordingly.

The Trustee is under no obligation to ascertain or monitor whether a Change of Control Put Event or Change of Control or Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control or Negative Rating Event has occurred, or to seek any confirmation relating to a decision of any Rating Agency pursuant to paragraph (iii) above and, until it shall have express notice pursuant to the Trust Deed to the contrary, the Trustee shall be entitled to assume that no Change of Control Put Event or Change of Control or Negative Rating Event or other such event has occurred and shall have no liability to the Bondholders or any other person in respect thereof.

In these Conditions:

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the relevant Change of Control (both dates inclusive) (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the first public announcement of such consideration);

"**Rating Agency**" means Moody's Investors Service, Limited ("**Moody's**"), Fitch Ratings Ltd. ("**Fitch**") or Standard & Poor's Credit Market Services Europe Limited ("**S&P**") or any of their respective successors or any other internationally recognised rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Group Parent, any actual or potential bidder or any adviser thereto relating to any potential Change of Control where, within 180 days following the date of such announcement or statement, a Change of Control occurs.

(e) *Partial redemption*: If the Bonds are to be redeemed in part only on any date in accordance with Condition 6(c) (*Redemption at the option of the Issuer*), the Bonds to be redeemed shall be selected on a pro rata basis in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation, and the notice to Bondholders referred to in Condition 6(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Bonds so to be redeemed.

(f) *No other redemption*: The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Bondholders following a Change of Control*) above.

(g) *Purchase*: The Issuer, the Guarantors or any of their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

(h) *Cancellation*: All Bonds so redeemed or purchased by the Issuer, the Guarantors or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

7. **Payments**

(a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bonds at the Specified Office of any Paying Agent outside the United States by pounds sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in London.

(b) *Interest*: Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) *Payments subject to fiscal laws*: All payments in respect of the Bonds are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*); and (ii) any withholding or deduction arising under or in connection with Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any regulations or agreements thereunder, any official interpretation thereof, any law interpreting any intergovernmental agreement thereto or any legislation adopted by any non-U.S. jurisdiction in connection with those provisions. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*: If a Bond is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(e) *Payments on business days*: If the due date for payment of any amount in respect of any Bond or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a sterling account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

(f) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the Specified Office of any Paying Agent outside the United States.

(g) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

8. Taxation

All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom, Jersey or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond or Coupon;

(b) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim or filing for exemption to any tax authority in the place where the relevant Bond or Coupon is presented for payment;

(c) more than 30 days after the Relevant Date except to the extent that the holder of such Bond or Coupon would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or

(d) where such withholding or deduction arises under or in connection with Sections 1471 - 1474 of the Code, any regulations or agreements thereunder, any official interpretation thereof, any law interpreting any intergovernmental agreement thereto or any legislation adopted by any non-U.S. jurisdiction in connection with those provisions.

In these Conditions, "**Relevant Date**" means whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 8 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or a Guarantor becomes subject at any time to any taxing jurisdiction other than the United Kingdom or Jersey respectively, references in these Conditions to the United Kingdom or Jersey (as the case may be) shall be construed as references to the United Kingdom or Jersey (as the case may be) and/or such other jurisdiction.

9. **Events of Default**

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject, in the case of the happening of any of the events mentioned in paragraphs (b) (*Breach of other obligations*) below and, in relation only to a Subsidiary of the Issuer other than the Guarantors, paragraphs, (e) (*Security enforced*), (f) (*Insolvency, etc.*), (g) (*Cessation of business*), (h) (*Winding up, etc.*) or (i) (*Analogous event*) below, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Bondholders and, in all cases, to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) *Non-payment*: the Issuer or any Guarantor fails to pay any amount of principal or interest in respect of the Bonds provided that such failure to pay continues for more than seven days in the case of principal or 14 days in the case of interest; or

(b) *Breach of other obligations*: the Issuer or any Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default: (i) is, in the opinion of the Trustee, incapable of remedy; or (ii) being a default which is, in the opinion of the Trustee, capable of remedy remains un-remedied for 30 days after the Trustee has given written notice thereof to the Issuer and the relevant Guarantor; or

(c) *Cross-default of Issuer, Guarantor or Material Subsidiary*:

(i) any Indebtedness of the Issuer, any Guarantor or any of their respective Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the relevant Guarantor or (as the case may be) the relevant Material Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer, any Guarantor or any of their respective Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds £10,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount in excess of £10,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer, any Guarantor or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial (in the opinion of the Trustee) part of the undertaking, assets and revenues of the Issuer, any Guarantor or any of their respective Subsidiaries; or

(f) *Insolvency, etc.*: (i) the Issuer, any Guarantor or any of their respective Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, any Guarantor or any of their respective Subsidiaries or the whole or a substantial (in the opinion of the Trustee) part of the undertaking, assets and revenues of the Issuer, any Guarantor or any of their respective Subsidiaries or (iii) the Issuer, any Guarantor or any of their respective Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or

(g) *Cessation of business*: the Issuer or any member of the Group ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in respect of a member of the Group other than the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, any Guarantor or any of their respective Subsidiaries (otherwise than, in the case of a Subsidiary which is not a Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(i) *Analogous event*: any event occurs which has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (h) (*Winding up, etc.*) above; or

(j) *Guarantee not in force*: any Guarantee (other than a Guarantee that is permitted to be released pursuant to Condition 2 (*Release of Guarantors*)) of the Bonds is not (or is claimed by the relevant Guarantor not to be) in full force and effect.

In these Conditions:

"**Material Subsidiary**" means each member from time to time of the Group (excluding the Excluded Subsidiaries and Restricted Subsidiaries (as defined in the Trust Deed)) which (in each case, on an unconsolidated basis and excluding all intra-Group items): (i) has gross assets representing five (5) per cent. or more of the consolidated gross assets of the Group (excluding the Excluded Subsidiaries and Restricted Subsidiaries); or (ii) has net rental income representing five (5) per cent. or more of the consolidated net rental income of the Group (excluding the Excluded

Subsidiaries and Restricted Subsidiaries) for the Measurement Period ending on the most recent Testing Date, as further described in the Trust Deed.

10. **Prescription**

Claims for principal shall become void unless the relevant Bonds are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

11. **Replacement of Bonds and Coupons**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Principal Paying Agent may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

12. **Trustee and Paying Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Bondholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity relating to the Issuer or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual holders of Bonds or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Bonds and the Coupons, the Paying Agents act solely as agents of the Issuer, the Guarantors and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer and the Guarantors reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; *provided, however, that* the Issuer and the Guarantors shall at all times maintain a principal paying agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Bondholders.

13. **Meetings of Bondholders; Modification and Waiver; Substitution**

(a) *Meetings of Bondholders*: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing not less than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the

Bonds or the date for any such payment, to change the currency of payments under the Bonds, to amend the terms of any Guarantee of the Bonds (other than as permitted under the Trust Deed) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Bondholders, who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed, holding in aggregate not less than 75 per cent. in nominal amount of the Bonds outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification and waiver*: The Trustee may, without the consent of the Bondholders or the Couponholders, agree to any modification of these Conditions, the Bonds, the Coupons, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Bondholders and to any modification of the Conditions, the Bonds, the Coupons or the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Bondholders or the Couponholders, authorise or waive any proposed breach or breach of the Conditions, the Bonds, the Coupons, the Trust Deed or the Agency Agreement or determine that any Event of Default or Potential Event of Default shall not be treated as such (other than relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

(c) Unless the Trustee agrees otherwise, any such authorisation, waiver, determination or modification shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16 (Notices).

(d) *Substitution*: The Trust Deed contains provisions under which a Guarantor or any other company may, without the consent of the Bondholders or Couponholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Bonds provided that certain conditions specified in the Trust Deed are fulfilled, including, in the case of a substitution of the Issuer by a company other than the relevant Guarantor, a requirement that each Guarantee of the Bonds is fully effective in relation to the obligations of the new principal debtor under the Trust Deed and the Bonds.

No Bondholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder or (as the case may be) Couponholder except to the extent provided for in Condition 8 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

14. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Bondholder may proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

15. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders or the Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and first payment of interest) so as to form a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of bonds having the benefit of the Trust Deed.

16. **Notices**

Notices to the Bondholders shall be valid if published in a leading English language daily newspaper published in Ireland (which is expected to be the *Irish Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders.

17. **Governing Law and Jurisdiction**

(a) *Governing law*: The Bonds and the Trust Deed and any non-contractual obligations arising out of or in connection with the Bonds and the Trust Deed are governed by English law.

(b) *Jurisdiction*: Each of the Issuer and the Guarantors has in the Trust Deed: (i) agreed for the benefit of the Trustee and the Bondholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Bonds (including any non-contractual obligation arising out of or in connection with the Bonds); and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds will initially be in the form of the Temporary Global Bond which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Bonds will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Bonds in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Bonds in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Bonds are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Bonds are intended upon issue to be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Bond will be exchangeable in whole or in part for interests in the Permanent Global Bond not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Bond unless exchange for interests in the Permanent Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Bond will become exchangeable in whole, but not in part, for Bonds in definitive form ("**Definitive Bonds**") in the denominations of £100,000 and higher integral multiples of £1,000 in excess thereof up to and including £199,000 each at the request of the bearer of the Permanent Global Bond against presentation and surrender of such Permanent Global Bond to the Principal Paying Agent if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 9 (*Events of Default*) occurs. No Definitive Bonds will be issued with a denomination above £199,000.

Whenever the Permanent Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Bond to the bearer of such Permanent Global Bond against the surrender of such Permanent Global Bond to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Bond and the Permanent Global Bond will contain provisions which modify the Conditions as they apply to the Temporary Global Bond and the Permanent Global Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Bond and the Permanent Global Bond will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Bond or (as the case may be) the Permanent Global Bond to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the relevant Bonds. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Bond or (as the case may be) the Permanent Global Bond, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Bond and the Permanent Global Bond "**business day**" means any day which is a day on which dealings in foreign currencies may be carried on in London.

Exercise of put option: In order to exercise the option contained in Condition 6(d) (*Redemption and Purchase - Redemption at the option of Bondholders following a Change of Control*) the bearer of the Permanent Global Bond must, within the period specified in the Conditions for the deposit of the relevant Bond and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 6(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Bonds, the Permanent Global Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Bonds to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg) as either a pool factor or a reduction in principal amount at their discretion.

Notices: Notwithstanding Condition 16 (*Notices*), while all the Bonds are represented by the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) and the Permanent Global Bond is (or the Permanent Global Bond and/or the Temporary Global Bond are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be used by the Group for general corporate purposes including, but not limited to, repayment of indebtedness.

INDUSTRY OVERVIEW

The UK student accommodation market

Overview

Overall student numbers are currently at record levels, with just under 1.9 million students studying in the UK. For students attending a UK university there are three key categories of student accommodation:

- the parental home (approximately 25 per cent.);
- the traditional private rented sector (approximately 40 per cent.); and
- either corporate or university owned PBSA (approximately 35 per cent.).

Student numbers

The Group's customer base for the 2017/18 academic year is made up of 65 per cent. UK students, 27 per cent. non-EU international students and 8 per cent. EU students.

Student numbers remain robust, supported by the global standing of UK universities. The Group expects student intake in the 2018/19 academic year to be around 530,000, in line with the levels for the 2017/2018 academic year, with the proportion of applicants accepted onto courses increasing to around 78 per cent. (up from 76 per cent. in 2017). Applications to UK universities (from both domestic and international applicants) as at 30 June for 2018/19 numbered 636,980, down 2 per cent. from the same point in 2017. This decline was driven mainly by the demographic decline in the UK that has been ongoing since 2015, and has seen the number of 18-20 year-olds fall from 2.4 million in 2015 to 2.3 million in 2018. This is expected to reach a low point of 2.2 million in 2021, before growing rapidly and reaching 2.4 million by 2025 and 2.6 million by 2045. Whilst demographics have reduced the number of 18-20 year-olds in the UK, the desire to go to university has grown and the proportion of 18-20 year olds going to university has increased steadily from 33 per cent. in 2015 to a record level of 38 per cent. in 2018. With higher participation rates expected to continue alongside the rapid reversal of the demographic decline from 2021, the longer term outlook for UK students is encouraging.

There has been some speculation that changes in national demographics, combined with rising tuition fees and the UK's decision to leave the EU, could lead to a decline in student numbers and, by implication, a reduction in demand for accommodation. However, data from the Universities and Colleges Admission Service ("**UCAS**") shows that applications for 2018 from the EU rose by 2 per cent. and those from international students rose by 6 per cent., to a record level. The Group expects high and mid-ranked universities, where the Group's business is focused, to continue attracting more students than those at the lower end of the league tables and therefore the Group believes its portfolio remains well placed to withstand any potential reductions in applications.

The near term outlook for EU students has been boosted by the recent Government announcement that students from the EU starting their courses in 2019 will have current funding arrangements guaranteed for the duration of their degrees, meaning that the full impact of any new funding arrangements following the UK leaving the EU will not take effect until 2022/23.

Other trends

The Group has continued to see the strongest application growth at the higher ranked universities with declines at lower ranked institutions. The strength of the sector underpins a positive outlook for the student accommodation market over the next few years, with the strongest growth in student numbers expected in cities where the Group operates.

The Government is undertaking a review into "post-18 education". The review is focused on providing more choice and better information about the options available to people after the age of 18, offering value for money, greater access for people from all backgrounds and ensuring that the education system is providing the skills that employers need. The review will report its findings during 2019, but the Group expects some initial findings later in 2018. Overall, the Group expects the review to be broadly supportive of the ongoing growth of higher education and will continue to enable universities, providing high-quality outcomes with value for money, to support the growing demand for degree qualifications.

The student accommodation sector has attracted significant levels of capital investment over the last four years with over £16 billion of investment activity. This increased investment activity has seen the supply of new accommodation increase and the total number of purpose-built beds (including university-owned beds) grow to 590,000 in 2018 (2017: approximately 580,000), representing around one-third of the UK's student population. At this level, there remains a shortage of purpose-built accommodation compared to the numbers of first-year, international and increasingly second and third-year students. The outlook suggests that the rate of new supply will continue at around 25,000 beds in 2018 and continue at this level over the following two years. Moreover, a large proportion of the new supply is focused on the premium end of the market and the Group believes the competitive threat that this poses to its more mainstream proposition is limited.

Supply and demand imbalance

A supply and demand imbalance persists in the student accommodation sector. In the period since the early 1990s, during which full-time student numbers have doubled, universities have generally been unable to fund the construction of sufficient of their own new student accommodation. Consequently universities rely on the private sector to house a much greater proportion of the student population than was previously the case.

Private sector accommodation comprises the typical private rented sector (individual houses or flats let to students) or corporate PBSA which tends to be appealing to universities because it can help meet their own housing shortfall and provide safe, secure, well managed accommodation. This is particularly important in the case of first-year and overseas students, for whom universities generally try to guarantee accommodation.

For the 2018/19 academic year, there are 750,000 first year and international students but only 615,000 purpose built beds. The shortfall in purpose built beds/accommodation is met by the private rented sector. In addition, the proportion of second and third year students choosing purpose built accommodation is increasing.

The level of corporate supply is expected to be 50,000-60,000 beds over the next three to four years, whilst the level of university supply is expected to remain flat.

The level of new supply of student accommodation being built across the UK is currently constrained for a number of reasons:

- financial constraints persist for universities meaning that they are building very little new accommodation themselves and what they are building tends to be primarily replacement stock rather than new supply;

- the traditional private rented sector is facing increased regulation and high demand from non-students. Consequently it is increasingly difficult or unappealing for private landlords to let properties to students; and

- access to capital and a strict planning environment have restricted the supply of new corporate PBSA, particularly outside of London.

The extent of the existing supply and demand imbalance, combined with the above constraints on new supply and the Group's favourable view of student numbers in the future means that the Group expects the supply and demand imbalance to continue.

DESCRIPTION OF THE GROUP

Overview

The Group is the UK's largest developer and manager of modern, purpose-built student accommodation. Since opening its first building in 1991, the Group has built the UK's largest portfolio of student accommodation as measured by bed numbers and gross asset value, managing approximately 49,000 beds in 122 well-located properties in 22 key university towns and cities across England and Scotland (Source: CBRE).

Since its establishment, the Group has grown through a combination of organic growth, acquisitions and co-investment vehicles. In 1999, the Issuer's ordinary shares were admitted to trading on the AIM Market of the London Stock Exchange and moved to the main market of the London Stock Exchange the following year.

The Group's initial period of rapid growth was followed by a period of financial and operational consolidation during which a number of co-investment vehicles were created allowing the Group to benefit from further capital investment. The Group is now focussed on delivering a more consistent, balanced return profile from recurring earnings, rental growth and development returns, whilst maintaining gearing at modest levels. The Group's sole focus is currently on the UK student accommodation market.

The Group generates income from the management and operation of properties which are either wholly owned by the Group or through co-investment vehicles in which it has interests. The Issuer also benefits from development returns and capital growth through its property portfolio.

The strong locations of the properties managed by the Group, together with a long period of growth in demand for university places and a shortage of high quality accommodation, has driven high occupancy rates of over 98 per cent. and solid rental growth of between 3.0 and 3.5 per cent. per annum over the last five years. It has also supported valuations of the properties held by the Group and its co-investment vehicles.

Strategy

The Group's strategy is to build the UK's largest portfolio of student accommodation, with engaged, committed people delivering high levels of customer satisfaction, ensuring the Group is the partner choice for universities. The main elements of this strategy are:

- quality properties:
    - development and portfolio recycling to ensure the Group has the right properties, in the right locations, aligned to high-ranking universities; and
    - ensuring the Group's buildings are safe, secure and energy efficient;
- quality service platform:
    - maintaining high occupancy rates;
    - delivering continuing rental growth;
    - delivering ongoing efficiency improvements through the Group's proprietary operating platform; and
    - customer service enhancements and satisfaction;

- quality university partnerships:
    - o continuing to build strong partnerships with high-quality universities;
    - o growing the proportion of 'Unite' beds aligned to mid-to high-ranking universities; and
    - o growing the quality of nominations agreements with rental guarantees, retail price index uplift and extended life; and
- quality people:
    - o ongoing training to ensure the Group's employees deliver the best customer experience for its students;
    - o leadership and development opportunities to ensure a strong pipeline of talent; and
    - o ensuring the Group has a diverse employee population.

Through the implementation of the strategy, the Group has strengthened its market leading position and its strategy looking forward is intended to cement its position for the long term.

The Group has a strong reputation in the university sector, based on its national scale and long term presence as an accommodation provider.

In a competitive and changing market, the Group's business model and future strategy are focused on leveraging a unique combination of assets and capabilities to provide homes for students in the locations where they are most needed. The Group calls this combination 'Home for Success'. It aims to drive brand loyalty and awareness among both students and the Group's university partners, as well as long term earnings and capital growth.

Core Occupancy Period Agreements

The Group's student accommodation is let pursuant to four types of occupancy agreements. "**University Agreements**" comprising Leases, Nomination Agreements and Referral Nominations Agreements all involve direct relationships between the Group and the university. The fourth type of agreement is a Direct Let sold directly to a student by the Group.

"**Leases**" are commercial leases entered into between the Group and a university, whereby the university contracts directly with the Group for a specific number of rooms for a defined period. The university then enters into letting agreements directly with its students. Leases in place for the 2018/19 academic year are contracted for multiple years and include an income guarantee.

Under a "**Nomination Agreement**", a university reserves a set number of rooms at pre-agreed rental levels and provides a specified income guarantee to compensate the Group for rental income shortfall, should any of the reserved rooms fail to be occupied. A number of the Group's Nomination Agreements cover multiple years.

"**Referral Nominations Agreements**" are typically one to three year agreements between a university and the Group, whereby a university contractually agrees to refer students to reserved rooms, usually with a specified minimum guarantee of income. The student then enters into an assured shorthold tenancy agreement with the Group. The Group maintains regular communication with its university partners throughout the preceding academic year to ensure that the number of allocated rooms matches eventual demand. Should a university indicate that it may require fewer rooms, the Group will reallocate rooms to a Direct Let.

Under a Direct Let agreement the Group enters into an assured shorthold tenancy directly with a student without a university's contractual involvement. The Group markets to students through online marketing, social media, advertising on campuses, external referral agencies (which the Group particularly uses to market to international students), and its sales offices in China and Cyprus.

All assured shorthold tenancy agreements have a requirement for a parental guarantee.

The Group has sold 61 per cent. of its rooms for the 2018/19 academic year (2017/18 academic year: 60 per cent.) under University Agreements.

Booking cycle over the academic year

The Group's booking cycle starts in October of each year for the following academic year. Direct Let rooms are posted for letting on the Group's website during October, depending on local market dynamics. Throughout the booking cycle the Group monitors booking progress and Direct Let rental rates, adjusting these appropriately to reflect local market demand to optimise rental rates based on market intelligence. University Agreement rental rates are set at differing points in the cycle based on the contractual mechanism in place with each institution. Longer term agreements specify rental uplift based mainly on annual retail price index movements, often with floors of 1-2 per cent. and caps of 4-5 per cent.

By the end of December, the Group has typically agreed the majority of new University Agreement rental rates and, where necessary, room requirements for each academic year. Also by the end of December, approximately 20 per cent. of its Direct Let portfolio is typically already booked for the next academic year.

By March, the Group typically agrees most single-year Nomination Agreements while any remaining multi-year University Agreement rental rates are typically agreed by no later than April. During the summer months, the Group also focuses on Summer Occupancy Revenue and the annual summer maintenance programme. By July, typically 85-90 per cent of the Direct Let rooms have been booked. In August and into September, after A-level results are published, the Group focuses on a targeted clearing plan to meet budget occupancy by the start of the new academic year. The booking cycle ends in September of each year, by which time budget occupancy is expected to be let, with the opportunity to sell empty rooms on shorter lets throughout the year.

Summer income

The Group generates rental revenue through letting rooms during the summer. The Group's summer income has been primarily derived from the following sources: (i) extensions to tenancies by existing core occupancy period students, (ii) short-term tenancies granted to students and others, (iii) lettings to universities, and (iv) commercial conference or related lettings.

The added flexibility that PRISM has introduced to the Group's booking and service delivery standards is supporting the growth of flexible tenancies. This is allowing the Group to improve the utilisation of its assets, especially over the summer, and it is expected that this will drive further growth in summer income over the next few years.

The summer is also the period for the annual lifecycle maintenance capex programme to refresh all residences in the portfolio. This ensures that all rooms are clean and well-maintained prior to the beginning of each academic year.

Managing Core Occupancy Period Agreements

The Group deliberately tries to ensure that rooms in each residence or across a city are let pursuant to a mixture of Lease/Nomination and Direct Let agreements, for both operational and economic reasons, although such a mixture is not pursued where it is not optimal. By offering a mixture of occupancy agreements, the Group receives a more diverse blend of first-year and senior students, which avoids dominance by first-year students and can alleviate certain concerns, such as noise, that a high concentration of new students can create.

Moreover, a broader mixture of students from both University Agreements and Direct Lets allows for the more flexible management of residences, particularly by allowing the Group to better control and stagger move-out periods for students. In addition, the accommodation can be promoted for the following year to first-year students sourced through a university institution during their residency at a relatively low cost.

Property portfolio

The valuation of the Group's property portfolio at 30 June 2018, including the Group's share of gross assets held in USAF and LSAV, was £2.8 billion (31 December 2017: £2.6 billion; 30 June 2017: £2.3 billion). The proportion of the Group's property portfolio that is income generating is 88 per cent., with 85 per cent. of the portfolio located at high and mid-ranked universities. This figure is expected to increase following completion of the Group's development and university partnership pipeline and various planned acquisitions and disposals. Geographically, 42 per cent. of the investment portfolio (on a Group share basis) is located in London, with the remainder in regional locations.

The Group aims to maintain a mix of price points within its portfolio in each town or city by offering a range of different room and tenancy types, both across and within properties. This helps the Group maintain as broad an appeal as possible to the Group's target customers and provides a strong foundation for sustainable rental growth.

The Group's focused investment into its existing portfolio comprises a long term planned and preventative maintenance programme, properly integrated with in-year maintenance activities and coupled with periodic upgrade investment to some assets. Long term maintenance activities are required to maintain rental growth prospects whereas upgrade investments are expected to increase rent levels further.

The level of transactions in the student accommodation sector has remained high following the trend seen over the last few years, with over £4 billion of assets trading in 2017 and a further £2 billion traded in the first half of 2018. Whilst transaction volumes are expected to be lower than the high levels seen over the last three years, there is still a strong appetite to deploy capital in the sector from a range of capital investors.

As a result of this ongoing investor appetite and subsequent transactions, there has been a modest level of yield compression across the sector. This movement has been most notable in London, where there has been the strongest level of demand for assets.

This yield compression has been reflected in the Group's portfolio and the average net initial yield at 30 June 2018 was 5.15 per cent. (31 December 2017: 5.2 per cent.; 30 June 2017: 5.3 per cent.). Investor appetite remains strongest for assets in good locations, close to high-performing universities, and this has led to a further differentiation in yields between assets.

An indicative spread of Direct Let yields at 30 June 2018 by location is outlined below:

	30 Jun 2018	30 Jun 2017	31 Dec 2017
London	4.25-4.5%	4.25-5.0%	4.25-4.5%
Prime regional	5.0-5.5%	5.25-5.75%	5.0-5.5%
Regional	6.0-6.5%	6.0-6.75%	6.0-6.5%

In the 12 months to 30 June 2018, the Group's wholly owned property portfolio contributed gross rental income of £106.8 million. Further information on the rental income derived from the Group's property portfolio is provided in "*—Selected Financial Information*" below.

Buildings designed for students

The focus of the Group's property activity is to provide buildings designed specifically around students in the best locations alongside high-performing universities to support the Group's brand. The Group also looks to continually enhance the specification of its estate, using technology to enhance customer service and drive efficiency savings through energy and water savings, enhanced Wi-Fi speeds and new features to improve the living experience. The Group's development and portfolio activity is designed to support this strategic approach to ensure that the portfolio is best placed to drive full occupancy and rental growth in the medium term.

For instance, based on an understanding of the changing lifestyle of students, the Group has updated the specification of its kitchens to ensure that they reflect the preferences and habits of today's student while, through features such as sophisticated integrated hobs with automatic timers, reducing the risk of fires. In partnership with the Group's broadband provider, CableCom Networking, it is trialling an upgraded 1GB broadband network in the Cowley Barracks development, delivering consistent 200MB Wi-Fi to all of the Group's customers. In response to student feedback, the Group has started rolling out new, more comfortable and hardwearing mattresses across its properties.

Development activity

The 2018 development pipeline completed on time and to budget in August and September 2018. The Group opened 3,074 beds across seven properties, with 100 per cent. of the rooms let to students attending high and mid-ranked universities and 60 per cent. of the beds secured under nominations agreements, with an average life of nine years, supporting the Group's ongoing focus on quality of income.

Development activity continues to be a significant driver of growth in future earnings and gross asset value. The Group's pipeline of traditional development, forward funds and university partnership development activity encompasses eight properties in seven cities aligned to high and mid-ranking universities: London (26 per cent.), Liverpool (16 per cent.), Leeds (15 per cent.), Oxford (14 per cent.), Bristol (12 per cent.), Manchester (10 per cent.) and Birmingham (7 per cent.). These will comprise 6,310 beds and is expected to contribute an additional £60 million in rental income and £1.07 billion in gross asset value over the next four years. Returns on these new projects are expected to achieve an average of 7.2 per cent. yield on cost. The vast majority (98 per cent.) of this development activity will be focused on growing the Group's wholly owned assets portfolio.

Through its development activity, the Group expects to build upon its history of continued gross asset value and net operating income growth while maintaining a stable occupancy rate.

The Group has been able to unlock value through its University Partnership approach and where it is able to drive efficiency gains or transfer development risk. Alongside the two schemes secured during 2018, the Group is starting to evaluate more potential schemes in London. The new London plan (setting out planning policy in London) requires future schemes in London to include up to 35 per cent. of rooms at an affordable rent. It is expected that this will act as a further restriction on supply of direct-let beds in London and place further value on the Group's existing investment and development portfolio. The Group's relationships with universities in London and strong track record with planning authorities in key London boroughs will provide it with a unique opportunity to work with its partners under the new guidelines.

The Group will continue to deploy capital into development and forward fund opportunities that meet its target returns and enhance the quality of its portfolio.

In the first half of 2018, the Group secured planning on its site in Leeds for delivery in 2020 and a 678-bed forward funded development in Wembley for delivery in 2020. The new scheme in Wembley allows the Group to create a new hub in Wembley, providing over 1,000 rooms at more affordable rents. The development yield of 6.0 per cent. reflects the lower risk on the scheme, with planning in place and construction and letting risk remaining with the vendor. In total a further five properties with 4,200 beds have planning confirmed with opening dates expected between 2019 and 2021.

Funds and joint ventures

In addition to the portfolio wholly owned by the Group, the Group has an indirect interest in additional properties and beds through its interest in two joint co-investment vehicles, LSAV and USAF. The number of properties and beds (not including properties under development) owned by LSAV, USAF and wholly owned by the Group respectively as at 30 June 2018 is set out below.

	Beds	**Properties**
LSAV	8473	14
USAF	25,252	74
Wholly Owned	12,325	41

LSAV is a joint venture between the Issuer and the sovereign wealth fund of Singapore, GIC, through which the Group is undertaking its current London development programme and in which the Group has a 50 per cent. stake. Following the acquisition of the Aston Student Village, LSAV does not have any further acquisition capacity. The development phase of the joint venture expired at the end of 2017. Any further acquisitions or investments would require mutual consent from both the Issuer and GIC. As at 30 June 2018, LSAV held a portfolio value of £1.20 billion with 79 per cent. of this portfolio held in properties in London, with the remaining 21 per cent. held in properties in Birmingham.

USAF is an established leading multi-investor fund set up by the Group in December 2006, managed by the Group and in which the Group has a 25.3 per cent. stake. USAF owns a geographically diverse portfolio of income-generating student accommodation assets focused on key university towns and cities and valued at £2.26 billion as at 30 June 2018. The majority of USAF's assets were developed by the Group and benefit from high quality locations reflecting the Group's first mover advantage when developing in many of these towns and cities. USAF is making good progress with its three forward fund assets in Durham and Birmingham and acquired an investment asset in Edinburgh. Both of the schemes in Durham opened in August 2018 and are fully let. Further details of the schemes are set out in the table below.

		Secured beds No.	Total completed value £m	Total development costs £m	Capex in period £m	Capex remaining £m	Forecast NAV remaining £m	Forecast yield on cost %
USAF								
2018 completions								
Old Hospital	Durham	363	37	36	10	5	1	6.5%
Houghall Court	Durham	222	20	19	5	5	1	6.2%
2019 completions								
Battery Park	Birmingham	418	43	38	0	29	5	6.3%
Total USAF		**1,003**	**100**	**93**	**15**	**39**	**7**	**6.4%**
Unite share of USAF		**n/a**	**25**	**23**	**4**	**10**	**2**	**6.4%**

USAF will continue to deliver its strategy to increase exposure to high-quality universities and to expand its presence in markets to take advantage of scale. USAF has around £50 million of acquisition capacity which it expects to deploy in the next few months.

The Group does not expect to enter into or create any new funds or joint ventures in the near future. The Group expects the proportional contribution from LSAV and USAF to its total income to fall by December 2019, reflecting the growing contribution of the Group's wholly owned assets portfolio which is expected to increase as assets currently in the development pipeline are retained on completion.

University Partnerships (wholly owned)

In addition to growing the value of income underpinned by university-backed Nominations Agreements, the Group has made further progress with its strategy of delivering ongoing growth through partnerships with universities.

The business continues to benefit from the Group's focus of aligning its portfolio with the strongest university locations. Supported by the Group's strong university relationships with over 60 universities and continued investment in its service platform, reservations are in line with last year's levels. Reservations for the 2018/19 academic year are currently 98 per cent. (2017/18: 99 per cent.). 61 per cent. of income is highly visible and recurring, underpinned by university nominations agreements, which have a remaining average life of six years with inbuilt annual inflation-linked rental uplifts. Of the remaining income, the Group continues to attract more second and third year, and returning students, who now account for 69 per cent. of its Direct Let income. Consequently the Group is reliant on Direct Let sales to first year students of only 12 per cent. of the portfolio beds.

The Group has maintained its focus on quality locations and, with the publication of the 2018 Teaching Excellence Framework rankings, have seen the level of income from "Gold" and "Silver"-ranked institutions increase to 85 per cent. The Group's development pipeline and planned disposal activity means that we remain on track to increase our focus on the high and mid-ranked universities to 90 per cent. on completion of the pipeline. The key measures demonstrating the high-quality income are outlined below.

Proportion of income from high and mid-ranked universities:	85 per cent.
Proportion of beds under Nominations Agreements:	61 per cent.
Average remaining life of Nominations Agreements:	6 years
Customer analysis:	
UK:	65 per cent.
International:	27 per cent.
EU:	8 per cent.

We actively manage our property portfolio by using our deep local market knowledge and customer insight to enhance the quality of our properties. We are focusing on the strongest higher education institutions, where there is significant and growing demand for PBSA, and we have strong university relationships.

Following the Group's first on-campus acquisition of the entire Aston University accommodation provision in 2017, the Group has secured two further University Partnership schemes. Firstly, the Group acquired the former Cowley Barracks in Oxford. Working with Oxford Brookes University, the Group secured planning permission to build 887 beds and agreed terms for a 25-year Nominations Agreement with the university, taking its partnership with them to over 1,250 beds. The agreement provides the university with much needed accommodation in a local area where new development is difficult and the Group with income and rental growth certainty over the long term. This scheme is under construction and is progressing towards completion in the summer of 2019.

The Group has also secured a new development site, its first in London since 2013, in Middlesex Street, E1. Working with King's College London, the Group has submitted a planning application to build around 1,000 beds of cluster-flat accommodation. The Group expects to enter into a long-term Nominations Agreement over this property, providing capacity in a location where there is a severe shortage of high quality affordable student accommodation.

		Secured beds No.	Total completed value £m	Total development costs £m	Capex in period £m	Capex remaining £m	Forecast NAV remaining £m	Forecast yield on cost %
2019 completions								
Cowley Barracks	Oxford	887	94	73	36	36	13	6.5%
2021 completions								
Middlesex Street[1]	London	960	250	193	5	188	57	6.3%
Total University Partnerships		**1,847**	**344**	**266**	**41**	**224**	**70**	**6.4%**

[1] Subject to obtaining planning consent

Commercial arrangements

The Group has commercial arrangements with universities, with accommodation either leased to the educational institutions which then let individual units to students (Leases, as described above), or under Nomination Agreements (lasting up to 25 years) under which the Issuer lets accommodation direct to students, but with an institution typically guaranteeing a minimum rental income at agreed room rates.

As at 30 June 2018, 60 per cent. of the rooms for the 2017/2018 academic year were under Nomination Agreements (30 June 2017: 59 per cent.) with an average remaining life of six years, providing the Group with income and rental growth certainty on over half its revenue. The remaining 40 per cent. of accommodation is let directly to students under a Direct Let agreement.

Disposals

During 2017, £472 million of assets were sold in third party transactions (Group share: £181 million), generating £5 million profit on a Group share basis.

In September 2018, 14 properties were sold for £180.5 million to a third party (Group share: £84.7 million).

The assets were selected for disposal based on their relative performance and forecast future rental growth. The disposals form part of the Group's strategy to align its portfolio to high and mid-ranked universities and to focus on more affordable accommodation in the best locations in the cities in which the Group operates. Following the completion of the disposals, 92 per cent. of the Group's beds are in shared apartments, also known as cluster flats.

The Group will continue to recycle assets in the portfolio to maintain its focus on quality and to maintain capital discipline as it continues to seek further acquisition and development opportunities.

Fire safety and cladding

Following the tragic events caused by the fire at Grenfell Tower on 14 June 2017, the Group completed a full review of fire safety across its portfolio. Working with the Ministry of Housing, Communities and Local Government, the Group identified six buildings that required some cladding to be replaced and / or further testing to be undertaken. This remedial work has now been completed in line with the costs and revenue impact that the Group outlined during 2017. The safety of the Group's customers and staff remains its primary responsibility. The Group's buildings are modern, well maintained and built with advanced fire management specifications and have rigorous fire safety management and maintenance regimes. The Group has worked with the British Safety Council to design a specific fire safety audit and is one of the first businesses to undertake this audit. The Group expects the results by the end of 2018.

A sustainable business

The Group continues to invest in the portfolio to maintain its buildings to a high standard and to take advantage of asset management opportunities. As part of this activity, the Group sees opportunities to enhance the efficiency of its buildings through energy saving initiatives. Over the course of the last five years, the Group has invested £30 million into energy saving initiatives such as LED lighting, smart building controls, solar panels and air source heat pumps, with payback of under five years on these investments. The Group has developed an award-winning customer engagement programme, working closely with the National Union of Students, to encourage students to act in an environmentally friendly manner. The Group also purchases 100 per cent. renewable energy. The energy, water and carbon reductions from these initiatives have delivered significant savings that support the Group's margin improvements.

Alongside the Group's focus on its environmental impact, it believes strongly in supporting universities to widen participation into higher education. The Unite Foundation works in partnership with 28 universities to provide support to students from challenging backgrounds.

These improvements, along with other aspects of the Group's 'Up to us Responsible Business Strategy', have helped the Group maintain GRESB Green Star status and a 4-star rating and are reflected in other environmental, social and governance assessments, including an 'AA' rating from MSCI ESG and listings on the FTSE4Good index and the GPR IPCM LFFS Sustainable GRES index.

Competitive advantage

The Group's main competitors are UPP, the Vero Group (a joint venture formed in 2016 combining iQ and Prodigy Living), CRM Students and Liberty Living. The Group has a number of key strengths which it believes translate into competitive advantage and allow it to build on its market leading position. At present, the Group enjoys the largest market share in all 10 of the top 10 university cities as measured by the number of beds. Further detail on the Group's market share in these 10 university cities for the 2018/19 academic year is included in the table below.

	Group market share	Beds
London	3.2%	9,394
Sheffield	9.2%	3,999
Birmingham	7.7%	4,508
Bristol	8.5%	3,494
Leeds	6.2%	3,458
Liverpool	6.1%	3,015
Portsmouth	13.6%	2,706
Manchester	3.5%	2,336
Edinburgh	3.2%	1,700
Leicester	4.8%	1,687
		36,297*

*Representing approximately 74 per cent. of total beds

The Group believes that its competitive advantage is underpinned by:

- its long-standing relationships with leading UK universities;
- its in-house expertise and a robust integrated and user friendly digital operating platform, PRISM, which differentiates it from many competitors who manage their assets externally;
- its solid growth prospects and a resilient business model underpinned by conservative financial policies;
- an affordable product; and
- growth through development and value-add acquisitions.

As at the date of these Listing Particulars, the Group manages 48,826 beds (30 June 2017: 49,600) with the next closest competitor managing approximately 35,000 beds. As at 30 June 2018, the Group manages property with the value of £5.0 billion (of which the Group's share is £2.8 billion).

Product and service offering

The properties within the Issuer's operational portfolio are purpose-built, professionally managed and branded, offering students high-quality accommodation. The Issuer provides an all-inclusive product offering, including 24 hour management presence, a choice of room size, full furnishing, swipe card entry, CCTV, games rooms, vending machines, bike stores and laundry facilities. Rents are also an inclusive package of utilities, high speed Wi-Fi and contents insurance cover. The Group maintains a leading web presence in the sector, enabling customers to view, book rooms and manage their accounts on-line, with a scalable platform to permit growth. New app-based services allow students to meet their flatmates online before arriving at university and to quickly report any issues once checked-in. The Issuer manages the maintenance of the Group's estate according to established operating standards, including those properties that are co-owned or managed by the Issuer on behalf of third parties.

The Group's proprietary digital platforms deliver a range of user-friendly services for a generation of students for whom digital living is second nature. Some 96 per cent. of students are now using the My Unite mobile application to meet each other and take the administrative hassle out of everyday tasks, from making payments to booking the laundry and reporting maintenance issues. The Group's Common Room portal provides a wide range of engaging and relevant content about different aspects of university living, much of it created by the Group's community of paid student contributors. The Group has introduced a series of new services such as an online check-in capability, designed to make arrival day as smooth and simple as possible for students.

Tax and REIT conversion

The Group converted to Real Estate Investment Trust ("**REIT**") status and is exempt from tax on its property business with effect from 1 January 2017. The UK REIT regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of the Corporation Tax Act 2010.

Indebtedness and capital structure

The Group has a retail bond of £90 million maturing in June 2020 and two secured loans totalling £238 million maturing between 2022 and 2024. In 2017 the Group put in place a new £350 million revolving credit facility. At present, 58 per cent. of the Group's debt is unsecured, with the Group intending to move towards a fully unsecured debt structure as opportunities arise. As at 30 June 2018, 51 per cent. of the Group's assets are unencumbered.

As at the date of these Listing Particulars, the Group's credit rating is Baa2 (stable) (from Moody's) and BBB (stable) (from S&P), both with stable outlooks.

The Group continues to maintain capital discipline, operating within its internal credit guidelines. By doing so, the Group expects to remain lowly levered, with high levels of interest headroom maintained and with a diversified funding base. See "*—Selected Financial Information*" below.

Financial information

The financial information incorporated by reference in these Listing Particulars consists of the audited financial statements of The Unite Group PLC for the years ended 31 December 2016 and 31 December 2017 prepared in accordance with United Kingdom Generally Accepted Accounting Standards. The Accounts consolidate the results of the Issuer, the Guarantors and the Non-Guarantor Entities.

The Non-Guarantors Entities are included in the Accounts. The EBITDA and net assets of the Non-Guarantor Entities, and percentage of those figures to the Group's consolidated EBITDA and consolidated net assets, are set out in paragraph 13 of "*General Information*". Also see "*Risk Factors—The Group has incorporated the audited consolidated financial statements of The Unite Group PLC by reference into these Listing Particulars which consolidate the position of the Issuer, the Guarantors and the Non-Guarantor Entities*".

Selected financial information

The following table highlights selected financial information in respect of the Group for the financial years ended 31 December 2015, 2016 and 2017.

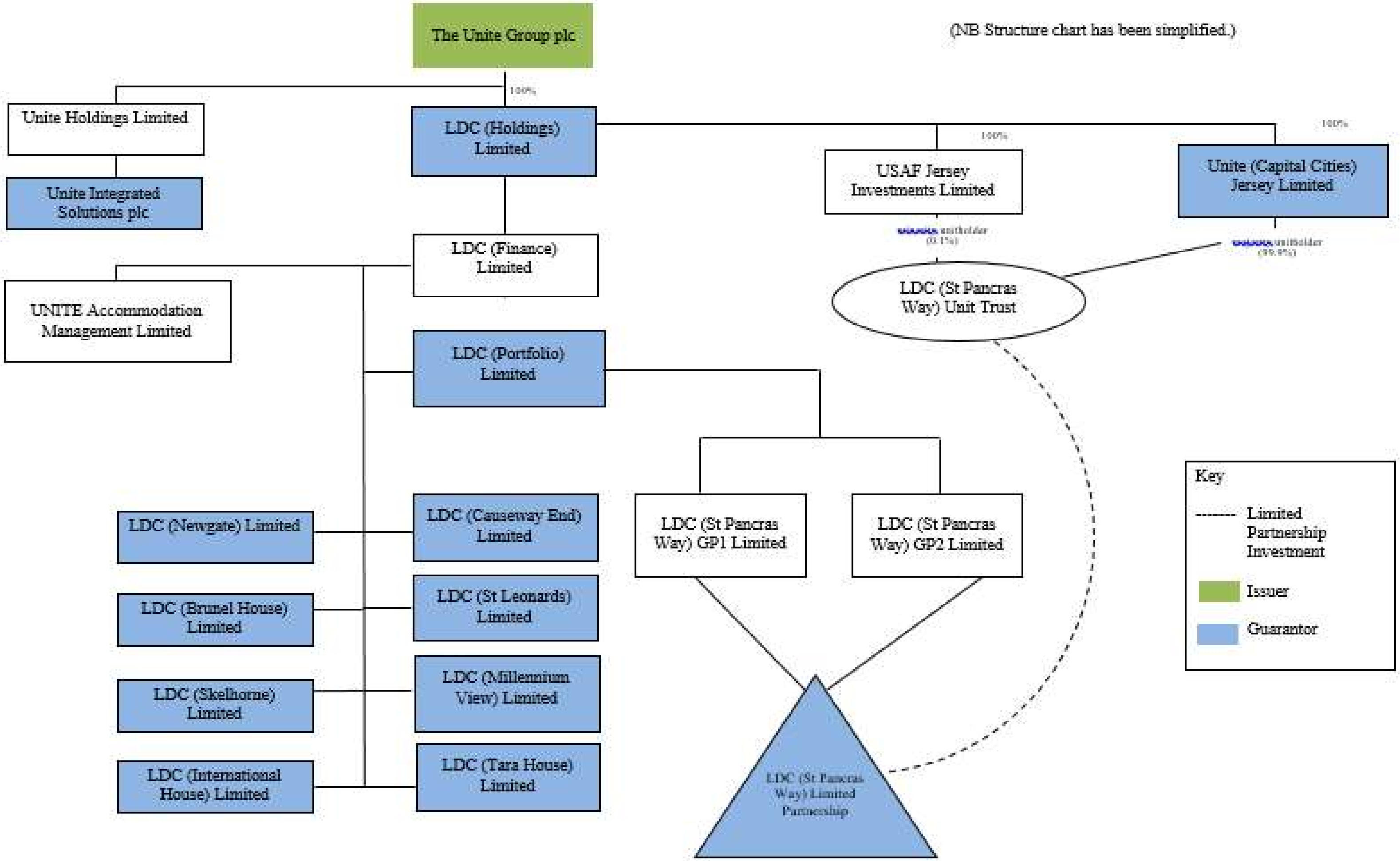
	2015	2016	2017
	£m	£m	£m
Rental income (wholly owned)	93	97	100
Share of JVs (USAF and LSAV) Rental Income	51	62	71
Total Rental Income (Unite ownership share)	**144**	**159**	**171**
Profit before tax	388	201	229
Wholly owned Investment Properties	1,024	1,062	1,261
Share of JVs (USAF and LSAV) Investment Properties	811	1,023	1,118
Total Investment Properties (Unite ownership share)	**1,835**	**2,085**	**2,379**
Wholly owned properties under development	150	185	206
Share of JVs (USAF and LSAV) development properties	80	7	10
Total development properties (Unite ownership share)	**230**	**192**	**216**
Total properties (Unite ownership share)	**2,065**	**2,277**	**2,595**
Asset under management	**3,827**	**4,327**	**4,611**
Cash and cash equivalents	27	43	51
Borrowings	475	475	513
Net asset value	1,298	1,476	1,754

The table below sets out the Group's key financial metrics against its internal credit guidelines as at 30 June 2018.

	Guideline[1]	H1 2018
Credit metrics		
LTV[2]	Mid-30s	27%
ICR[3]	>2.0x	4.1x
Net Debt to EBITDA	6.0-7.0x	5.9x
Development		
Properties under development to portfolio value	<20%	12%
Funding diversity		
Debt from single provider	<25%	22%
Non-bank debt	50-75%	59%
Weighted cost of debt	<5.5%	4.1%
Funding and rate certainty		
Weighted average debt term	>3 years	4.8 years
Debt expiring in any one year	<33%	21%
Fixed rate debt	75-95%	85%

[1] Policy metrics are calculated on a see-through basis and pro forma post-refinance.
[2] LTV refers to the Group's Loan to Value ratio.
[3] ICR refers to the Group's interest cover ratio.

GROUP STRUCTURE CHART



DESCRIPTION OF THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 15 May 1996 (with registered number 03199160) as a public limited company under the Companies Act 2006 (as amended). The registered office of the Issuer is at South Quay, Temple Back, Bristol, United Kingdom, BS1 6FL.

Principal activities

The Issuer is the UK's largest developer and manager of modern, purpose-built student accommodation as measured by number of beds and gross asset value (Source: CBRE).

Directors

The directors of the Issuer and their respective functions are:

Name	**Function**	**Principal other activities outside of the Group**
Phil White	Chairman	Non-Executive Chairman of Lookers plc and Non-Executive Director of VP plc.
Richard Smith	Chief Executive Officer	None.
Joe Lister	Chief Financial Officer	Non-Executive Director of Helical plc.
Elizabeth McMeikan	Non-Executive Director	Senior Independent Director of JD Wetherspoon plc. Senior Independent Non-Executive Director and member of the remuneration commitee of FlyBe plc and board member and Chairman of Moat Homes Ltd.
Professor Sir Tim Wilson	Non-Executive Director	Trustee of the Council for Industry and Higher Education. Board member of British Property Federation's cross-sector student accommodation committee.
Andrew Jones	Non-Executive Director	Chief Executive Officer of LondonMetric Property plc.
Ross Paterson	Non-Executive Director	Finance Director of Stagecoach Group plc. Non-Executive Director and Audit Committee Chair of Virgin Rail Group Holdings Limited. Member of the Business Policy Committee of the Institute of Chartered Accountants of Scotland.
Richard Akers	Non-Executive Director	Senior Independent Director and Chair of the Remuneration and the Safety, Health and Environmental Committees of Barratt Developments plc. Non-

Executive Director of Shaftesbury plc and an Advisory Board Member of Battersea Power Station Development Company.

The business address for each director above is the same as the registered address of the Issuer.

As at the date of these Listing Particulars, there are no potential conflicts of interest between any duties of the directors to the Issuer and their private interests and/or other duties.

Auditors

Deloitte LLP, with its registered office at 1 New Street Square, London, EC4A 3PA, is the auditor of the Issuer. Deloitte LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

DESCRIPTION OF THE GUARANTORS

The Guarantors are subsidiaries of the Issuer which, directly or indirectly, owns the whole economic interest in each of the Guarantors. For further information regarding each Guarantor's position in the Group, see "*Group Structure Chart*".

The Guarantors are:

Company name	**Registered number**	**Date of incorporation**
LDC (Holdings) Limited	02625007	28 June 1991
Unite (Capital Cities) Jersey Limited	89664	8 March 2005
LDC (St Pancras Way) GP1 Limited	07359501	27 August 2010
LDC (St Pancras Way) GP2 Limited	07359428	27 August 2010
LDC (St Pancras Way) Limited Partnership	LP014137	7 October 2010
LDC (Portfolio) Limited	08419375	26 February 2013
Unite Integrated Solutions plc	02402714	10 July 1989
LDC (Causewayend) Limited	08895966	14 February 2014
LDC (Tara House) Limited	09214177	11 September 2014
LDC (St Leonards) Limited	08895830	14 February 2014
LDC (Skelhorne) Limited	09898132	2 December 2015
LDC (International House) Limited	10131352	19 April 2016
LDC (Millennium View) Limited	09890375	26 November 2015
LDC (Newgate) Limited	08895869	14 February 2014
LDC (Brunel House) Limited	09760628	3 September 2015

The registered address of each of the Guarantors other than Unite (Capital Cities) Jersey Limited is South Quay, Temple Back, Bristol, United Kingdom, BS1 6FL. The registered address of Unite (Capital Cities) Jersey Limited is 13 Castle Street, St Helier, Jersey, JE4 5UT.

The directors of each of LDC (Holdings) Limited, Unite Integrated Solutions plc and LDC (Millennium View) Limited are Christopher Szpojnarowicz, David Faulkner, Nicholas Hayes, Joseph Lister and Richard Smith. The directors of each of LDC (Portfolio) Limited, LDC (Causewayend) Limited, LDC (Tara House) Limited, LDC (St Leonards) Limited, LDC (Skelhorne) Limited, LDC (International House) Limited, LDC (Newgate) Limited and LDC (Brunel House) Limited are Christopher Szpojnarowicz, David Faulkner, Nicholas Hayes and Joseph Lister. The directors of each of LDC (St Pancras Way) GP1 Limited and LDC (St Pancras Way) GP2 Limited are David Faulkner, Joseph Lister and Christopher Szpojnarowicz. The directors of Unite (Capital Cities) Jersey Limited are Michael Allapitan, Joseph Lister and Ian Webster. The general partners of LDC (St Pancras Way) Limited Partnership are LDC (St Pancras Way) GP1 Limited and LDC (St Pancras Way) GP2 Limited.

Auditors

Deloitte LLP, with its registered office at 1 New Street Square, London, EC4A 3PA, is the auditor of each of the Guarantors. Deloitte LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

TAXATION

United Kingdom Taxation

*The following is a general description of certain United Kingdom tax considerations relating to the Bonds and is based on the Issuer's understanding of current United Kingdom law and the published practice of HM Revenue & Customs ("**HMRC**"), which may not be binding on HMRC. It assumes that there will be no substitution of the Issuer and does not address the consequences of any substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Bonds). It does not purport to be a complete analysis of all tax considerations relating to the Bonds whether in the United Kingdom or elsewhere. It applies only to the position of persons who are absolute beneficial owners of their Bonds. It describes only the United Kingdom withholding tax treatment of payments of interest in respect of the Bonds. It does not deal with any other aspect of the United Kingdom taxation treatment of acquiring, holding or disposing of the Bonds.*

The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future, possibly with retrospective effect. Prospective holders of Bonds who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are advised to consult their own professional advisers.

Also investors should note that the appointment by an investor in Bonds, or any person through which an investor holds Bonds, of a custodian, collection agent or similar person in relation to such Bonds in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

A. Interest on the Bonds

The Bonds will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "**Act**") provided they are and continue to be listed on a recognised stock exchange, within the meaning of section 1005 of the Act. While the Bonds are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Bonds may be made without withholding or deduction for or on account of United Kingdom income tax.

Euronext Dublin is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Global Exchange Market of Euronext Dublin may be regarded as "listed on a recognised stock exchange" for these purposes.

Interest on the Bonds may also be paid without withholding or deduction for or on account of United Kingdom income tax where, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Bonds is paid reasonably believes) that the recipient of the payment: (a) is a person beneficially entitled to the interest and within the charge to United Kingdom corporation tax as regards the payment of interest, because it is: (i) a United Kingdom resident company; or (ii) a non-United Kingdom resident company carrying on a trade in the United Kingdom through a permanent establishment which brings into account the interest in computing its United Kingdom taxable profits; or (b) falls within, or acts as nominee for an entity falling within, various categories enjoying a special tax status (including charities and pension funds); or (c) is a partnership beneficially entitled to the interest, and consisting only of entities falling within (a)(i), (a)(ii) or (b), in each case provided that HMRC has not given a direction that the interest should be paid under deduction of tax.

In other cases, absent a relief or exemption (such as a direction by HMRC that interest may be paid without withholding or deduction for or on account of United Kingdom income tax to a specified Bondholder following an application by that Bondholder under an applicable double tax treaty), an amount must generally be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.) from payments of interest on the Bonds.

B. Payments by a Guarantor

The United Kingdom withholding tax treatment of payments made by a Guarantor under the terms of the Guarantee in respect of interest on the Bonds (or other amounts due under the Bonds) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.), subject to such relief as may be available under an applicable double tax treaty (a "**Treaty**"), or to any other exemption which may apply. Where such a Treaty relief is available, and the applicable conditions in the relevant Treaty are satisfied, the Bondholder should be entitled to a refund of tax withheld, provided it complies with the applicable formalities relating to such claim within the relevant limitation period. It may, however, not in practice be possible for the Bondholder to obtain a direction for the guarantee payments to be made free from withholding tax.

C. Other Rules Relating to United Kingdom Withholding Tax

Where Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" in sections A to C above mean "interest" as understood in United Kingdom tax law. The statements in sections A to C above do not take any account of any different definitions of "interest" or principal" which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation. Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Bonds which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. Where a payment on a Bond does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes. In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Jersey Taxation

In Jersey, no stamp duty will be levied on the issue or transfer of the Bonds except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Bonds on the death of a Bondholder where such Bonds are situated in Jersey. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a Bondholder domiciled in Jersey, or situated in Jersey in respect of a Bondholder domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. of such estate and such duty is capped at £100,000. Where the Bonds are in registered form and the register is not maintained in Jersey such Bonds should not be considered to be situated in Jersey for these purposes.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

There is no withholding or any other tax or duty or any other levy or impost whatsoever required to be deducted under the law of Jersey from any payment to be made by any Guarantor under the terms of the Guarantee in respect of interest on the Bonds (or other amounts due under the Bonds).

SUBSCRIPTION AND SALE

HSBC Bank plc and NatWest Markets Plc (each a "**Joint Lead Manager**", and together the "**Joint Lead Managers**") have, pursuant to a subscription agreement dated 11 October 2018 (the "**Subscription Agreement**") and made between the Issuer, the Guarantors and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Bonds at the issue price of 98.656 per cent. of the principal amount of the Bonds, less a combined management and underwriting commission payable to the Joint Lead Managers. The Issuer (failing which, the Guarantors) have also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Bonds. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

The United States of America

The Bonds and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds: (a) as part of their distribution at any time; or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Jersey

Each Joint Lead Manager has agreed and undertaken that:

(a) it shall not, in connection with any offer, sale, subscription or exchange or marketing of any Bonds (together, being the "**Actions**"), carry on fund services business and/or investment business (as applicable) in or from within Jersey for the purposes of the Financial Services (Jersey) Law 1998, unless: (i) it is registered to carry on fund services business and/or investment business (as applicable) in or from within Jersey under that Law and is acting in accordance with its registration; or (ii) an exemption applies to it in respect of the carrying on of fund services business and/or investment business (as applicable) in or from within Jersey in connection with any such Action;

(b) it shall not circulate in Jersey any offer for subscription, sale or exchange of the Bonds unless: (i) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (ii) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom; and

(c) to the extent it does carry out those activities set out in (a) and (b) above, it complies, and will comply, with all applicable laws, orders and regulations in Jersey in connection with such activity and any advertising or promotion thereof including, without limitation, the Financial Services (Jersey) Law 1998 and the Financial Services (Advertising) (Jersey) Order 2008.

United Kingdom

Each Joint Lead Manager has further represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

Persons into whose hands these Listing Particulars come are required by the Issuer, the Guarantors and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish these Listing Particulars or any other offering material relating to the Bonds, in all cases at their own expense.

GENERAL INFORMATION

1. **Authorisation**

The creation and issue of the Bonds has been authorised by a resolution of the Board dated 18 September 2018. The giving of the Guarantee of the Bonds by the Guarantors has been authorised by a resolution of the board of directors of each Guarantor dated 27 September 2018.

2. **LEI Code**

The Issuer's legal entity identifier code is: 213800BBUUWVDH9YI827.

3. **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or any of the Guarantors is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Issuer, the Guarantors and/or the Group.

4. **Significant/Material Change**

Since 31 December 2017 there has been no material adverse change in the prospects of the Issuer, any Guarantor or the Group. Since 30 June 2018 there has been no significant change in the financial or trading position of the Issuer, any Guarantor or the Group.

5. **Auditors**

The consolidated financial statements of the Group have been audited without qualification for the years ended 31 December 2016 and 31 December 2017 by Deloitte LLP. Deloitte LLP is registered to carry on audit work in the United Kingdom and Ireland by the Institute of Chartered Accountants in England and Wales.

6. **Documents on Display**

For so long as the Bonds are listed on the Global Exchange Market and the rules of that exchange so require, physical copies of the following documents may be inspected during normal business hours at the offices of the Issuer at South Quay House, Temple Back, Bristol BS1 6FL, United Kingdom:

(a) the constitutive documents of the Issuer;

(b) the constitutive documents of each of the Guarantors;

(c) the Agency Agreement and the Trust Deed (which include the Guarantees); and

(d) the audited consolidated financial statements of the Group for the years ended 31 December 2016 and 31 December 2017 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2018.

7. **Material Contracts**

There are no material contracts entered into other than in the ordinary course of any of the Issuer's, the Guarantors' or a member of the Group's business, which could result in any of the Issuer, any Guarantor or a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds or any Guarantor's ability to meet its obligations in respect of the Guarantee.

8. **Yield**

On the basis of the issue price of the Bonds of 98.656 per cent. of their principal amount, the yield on the Bonds is 3.663 per cent. on an annual basis. These figures are calculated on the basis of the issue price and as at the date of these Listing Particulars, and are not an indication of future yield.

9. **ISIN and Common Code**

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Bonds is XS1890846253 and the common code is 189084625.

10. **Irish Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Bonds and is not itself seeking admission of the Bonds to the Official List of The Irish Stock Exchange plc trading as Euronext Dublin or to trading on the Global Exchange Market.

11. **Clearing Systems**

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

12. **Joint Lead Managers transacting with the Issuer and the Guarantors**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantors and their respective affiliates in the ordinary course of business, including as lenders to the Issuer under the term loan facilities agreement. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or the Guarantors routinely hedge their credit exposure to the Issuer and the Guarantors consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

13. **Certain Financial Information**

Based on the Group's consolidated financial information for and as of the year ended 31 December 2017:

(a) the Issuer recorded an EBITDA of -£3,000,000 and net assets of £762,155,000, representing -1 per cent. and 43 per cent., respectively, of the Group's consolidated EBITDA and consolidated net assets;

(b) the Guarantors recorded an EBITDA of £169,000,000 and net assets of £610,656,000, representing 64 per cent. and 35 per cent., respectively, of the Group's consolidated EBITDA and consolidated net assets; and

(c) the Non-Guarantor Entities recorded an EBITDA of £99,000,000 and net assets of £381,189,000, representing 37 per cent. and 22 per cent., respectively, of the Group's consolidated EBITDA and consolidated net assets.

The above financial information has been calculated in accordance with the following: (i) in the case of the Issuer, the EBITDA and net asset numbers of the Issuer which are presented in its standalone statutory accounts, minus, in the case of net assets, any investments in the equity of subsidiaries; (ii) in the case of the Non-Guarantor Entities, the aggregate of the EBITDA and net asset numbers of each of the Non-Guarantor Entities which are presented in their standalone statutory accounts (or, in the case of non-UK entities, would be presented in such accounts if prepared on an equivalent basis); and (iii) in the case of the Guarantors, the Group's consolidated EBITDA and consolidated net assets as shown in the Accounts, minus the EBITDA and net asset figures calculated in accordance with paragraphs (i) and (ii).

The Group calculates "EBITDA" as its EPRA earnings before charging interest, tax, depreciation and amortisation. EPRA earnings are prepared on the basis recommended for real estate companies by EPRA, the European Public Real Estate Association. This excludes movements relating to changes in values of investment properties and interest rate swaps and the related tax effects.

THE ISSUER

The Unite Group plc
South Quay House
Temple Back
Bristol BS1 6FL
United Kingdom

JOINT LEAD MANAGERS

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

PRINCIPAL PAYING AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

TRUSTEE

HSBC Corporate Trustee Company (UK) Limited
8 Canada Square
London E14 5HQ
United Kingdom

LEGAL ADVISERS

To the Issuer and the Guarantors as to English law:

Slaughter and May
1 Bunhill Row
London EC1Y 8YY
United Kingdom

To the Joint Lead Managers and the Trustee as to English law:

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

AUDITORS TO THE ISSUER AND THE GUARANTORS

Deloitte LLP
1 New Street Square
London EC4A 3PA
United Kingdom

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin D02 T380
Ireland