

The UNITE Group plc

The UK's leading provider of student accommodation

The heart of
student living



Joint Lead Managers

Investec Bank plc

Numis Securities Limited

Authorised Distributors

Barclays Stockbrokers

Brown Shipley

Killik & Co

Pilling & Co Stockbrokers

Redmayne-Bentley

Selftrade (execution only)

Smith & Williamson

Securities

Stocktrade (a division of
Brewin Dolphin Ltd)

**6.125% FIXED RATE BONDS
DUE 2020**

INFORMATION BOOKLET

IMPORTANT INFORMATION



Kelvin Court, Glasgow G3 8RY

This Information Booklet is an advertisement for the purposes of Prospectus Rule 3.3 and Article 34 of Commission Regulation (EC) No 809/2004 (as amended) and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended) (the "**Directive**") and/or Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**").

The UNITE Group plc ("**UNITE**") is the legal entity that will issue the Bonds referred to below. This Information Booklet, which has been prepared by UNITE, has been approved by Investec Bank plc and Numis Securities Limited (the "**Joint Lead Managers**") solely for the purposes of section 21 of FSMA. Each of the Joint Lead Managers are authorised and regulated by the Financial Services Authority.

This Information Booklet is not an offer for the subscription or sale of the Bonds. The Bonds may only be sold in Jersey in compliance with the provisions of the Control of Borrowing (Jersey) Order 1958. The Bonds may only be sold in Guernsey in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987. The Bonds may only be sold in the Isle of Man in compliance with the provisions of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011.

This Information Booklet relates to The UNITE Group plc 6.125% Bonds due 2020 (referred to in this Information Booklet as the "**Bonds**"). A prospectus dated 21 November 2012 (the "**Prospectus**"), which comprises a base prospectus for the purposes of the Directive, has been prepared and made available to the public in accordance with the Directive.

Copies of the Prospectus are available from www.unite-group.co.uk/investors/bonds and in hard copy at the registered office of The UNITE Group plc at The Core, 40 St Thomas Street, Bristol BS1 6JX. A copy is also available on request from your Authorised Distributor.

This Information Booklet does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States in offshore transactions, as defined in, and in reliance on, the Securities Act. The information contained in this Information Booklet does not constitute an offer of securities for sale in the United States, nor may the Bonds be sold in the United States absent a registration or an exemption from registration as provided in the Securities Act. Any failure to comply with this restriction may constitute a violation of the laws of the United States.

For additional information on the selling restrictions, see the "Subscription and Sale" section in the Prospectus.

THE UNITE GROUP PLC



Kendrick Hall, Reading RG1 5AE

UNITE is the UK's leading provider of student accommodation with a £1.3 billion portfolio of approximately 42,000 beds in 130 centrally located properties in 23 strong university cities across the UK. UNITE has a track record of consistently high occupancy levels across its portfolio.

Founded in 1991, UNITE is a FTSE 250 company listed on the main market of the London Stock Exchange with a market capitalisation of approximately £425 million.

UNITE and its subsidiaries (the "Group") is focused on delivering a consistent, balanced return profile from recurring earnings, rental growth and development returns, whilst maintaining modest gearing levels. UNITE's sole focus is on the UK student accommodation market.

UNITE generates recurring income from the management and operation of properties (which are either owned by the Group or through co-investment vehicles in which it has a substantial minority interest). UNITE also benefits from development returns, as well as capital growth through its property portfolio. UNITE has doubled recurring profits for the six months ended 30 June 2012 to £14.4 million.

Higher Education Sector

The Group works closely with universities in order to deliver high quality, well located student accommodation at affordable prices in strong higher education markets.

The locations of the properties managed by UNITE, together with a long period of growth in demand for university places and shortage of high quality accommodation, has driven high occupancy rates and solid rental growth over the long term and supported valuations of UNITE's properties.

Despite recent changes to the funding of the Higher Education sector which have resulted in the growth in student numbers levelling out in 2012, UNITE has been able to maintain occupancy at 96% and delivered rental growth of approximately 3% in this year of change, supporting its strategy to focus on the stronger universities and locations within cities.

Geographical focus

UNITE has focused its activity in the major university cities in the UK. London is the dominant market in UNITE's operating portfolio with 45% of its capital now invested in London. The top 10 markets (including London) in which UNITE manages beds represent 76% of the total managed portfolio. Each of the markets in the top 10 has at least two major universities and there are 12 Russell Group universities located in those cities.

Financing

As at 30 June 2012, the Group's net debt was £501 million, representing a loan-to-value ("LTV") ratio of 54%.

This debt is provided by a number of different facilities with varied lenders, typically secured against specific assets in the Group's property portfolio. The strong cashflow generation of student accommodation supports the debt with an interest cover ratio of 2.6x as at 30 June 2012.

UNITE's focus is on controlling gearing levels, with an LTV target of 50% by the end of 2012, extending its debt maturities and diversifying sources of funds. The Group has a new £121 million 10 year facility with Legal & General and a further £169 million of bank facilities were extended or arranged during the six months to 30 June 2012. As a result, the Group had £150 million of undrawn committed facilities, sufficient to refinance all of its 2012 and 2013 debt maturities.



**PHOENIX COURT
BRISTOL BS1 3PH**

KEY FEATURES OF THE BOND

- **Issuer:** The UNITE Group plc
- **Interest rate:** 6.125% per annum, payable semi-annually in arrears on 12 June and 12 December every year, with the first payment of interest being made on 12 June 2013 and the final payment of interest being made on the Maturity Date.

The actual return for an investor will depend on the price at which they purchase the Bonds (if different from the face value) and, if they do not hold the Bonds until the Bonds mature, the price at which they sell their Bonds.

- **Offer period:** The Bonds are available for purchase through your existing stockbroker or financial adviser in the period from 21 November 2012 until noon on 5 December 2012 (London time) or such earlier date as agreed by UNITE and the Joint Lead Managers and announced via a Regulatory Information Service (the “End of Offer Date”).
- **Authorised Distributors:** A number of authorised distributors (listed on page 9 of this Information Booklet) have been approved by UNITE and the Joint Lead Managers to provide this document and the Prospectus to potential investors in the Bonds until the End of Offer Date.

UNITE has also granted its consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom, Jersey, Guernsey and the Isle of Man. The conditions attached to this consent are set out on page i of the Prospectus.

Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by UNITE and investors should check with such party whether or not such party is so approved.

- **Date on which the Bonds are issued and on which interest begins to accrue:** expected to be 12 December 2012.
- **Term of the Bonds:** 7.5 years.
- **Maturity Date (i.e. when the Bonds mature and are due to be repaid):** 12 June 2020.

- **Face value of each Bond:** £100.
- **Issue price:** £100.
- **Minimum initial order:** £2,000, prior to the End of Offer Date; thereafter the Bonds can be bought and sold in multiples of their £100 face value.
- **Redemption at Maturity Date:** The Bonds will be repaid at 100% of their face value on the Maturity Date (i.e. £100), assuming UNITE remains in business and is able to pay its debts in full and assuming the Bonds have not otherwise been redeemed early or purchased and cancelled.
- **Early redemption by UNITE:** UNITE will have the option to redeem the Bonds early (in whole but not in part), at any time, at 100% of their face value or, if higher, an amount calculated by reference to the prevailing yield of the 3.75% United Kingdom Government Treasury Stock due 2020 plus a margin of 0.5%, together with any accrued interest.

- **Early redemption due to changes in relevant tax laws:** If, following a change in United Kingdom tax law, UNITE becomes obliged to pay additional amounts in respect of the Bonds, the Bonds may be redeemed early (in whole but not in part) at the option of UNITE at the face value of the Bonds, together with any accrued interest.

- **Optional early redemption by the bondholders:** Bondholders will have the option to require UNITE to purchase or redeem the Bonds at 100% of their face value, together with any accrued interest on a change of control event (as further detailed in the Prospectus).

If 80% or more of the Bonds originally issued have been purchased or redeemed in this way by the bondholders, UNITE may, at its option, purchase or redeem all the remaining Bonds at face value plus accrued interest.

- **Trading:** Investors will be able to buy Bonds or sell their Bonds to anyone wishing to make a secondary purchase during the term of the Bonds. See “How to trade the Bonds” on page 7 and “Key risks of investing in the Bonds” on page 5 for more details.

- **ISA eligibility:** At the time of the issue, the Bonds should be eligible for investing in a stocks and shares ISA.

- **Bonds ISIN:** XS0856594642

- **Joint Lead Managers:** Investec Bank plc and Numis Securities Limited.

- **Amount of the Bonds to be issued:** The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date. There is no minimum total amount of the Bonds that may be issued.

- **Negative Pledge:** So long as any Bond remains outstanding, UNITE has undertaken not to create any security interest upon its assets in favour of any other listed Bonds or similar tradable instruments without also according similar security to the Bonds, subject to certain exceptions.

- **Financial covenant:** For so long as any Bond remains outstanding, UNITE has undertaken that:

- (i) on a semi-annual basis, Net Debt as a percentage of Property Assets does not exceed 75%; and
- (ii) for each annual financial period, the ratio of Net See-through Operating Income to Net See-through Financing Costs for the same period will be at least 1.5.

You are referred to “Important Information” on page 1, “Key features of the Bonds” on page 4, “Key risks of investing in the Bonds” on page 5 and to the Prospectus.

The Prospectus contains the final terms of the Bonds. This can be downloaded at www.unite-group.co.uk/investors/bonds. A copy of the Prospectus should also have been provided to you by your stockbroker or financial adviser.

KEY RISKS OF INVESTING IN THE BONDS



Grand Central, Liverpool L3 5GA



Sky Plaza, Leeds LS2 8AR

A number of particularly important risks relating to an investment in the Bonds are set out below. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. You should seek advice as to whether an investment in the Bonds is suitable for you. You should be aware that you could get back less than you invest or lose your entire initial investment.

Full details regarding the risk factors relating to UNITE and the Bonds are set out in the Prospectus on pages 12 to 19. Please read them carefully.

- Unlike a bank deposit, the Bonds are not covered by the Financial Services Compensation Scheme (“FSCS”). As a result, the FSCS will not pay compensation to an investor in the Bonds in the event of the failure of UNITE.
- If UNITE is unable to pay its debts in full, or if it were to go out of business, you may lose some or, in the worst case scenario, all of your investment in the Bonds.

UNITE is the ultimate parent company of its subsidiaries and is dependent upon receipt of funds from its subsidiaries in order to fulfil its obligations under the Bonds. The obligations of UNITE under the Bonds are therefore structurally subordinated to any security or charge granted over the property and other assets of, and to any other creditors of, UNITE’s subsidiaries. This may diminish the assets available for the purposes of paying any outstanding sums due to you in the event of the insolvency of UNITE.

In the event that UNITE becomes insolvent, you may nevertheless be able to recover your investment in priority to any subordinated bondholders and shareholders of UNITE. However, you could still lose some or all of the money you have invested.

- If you choose to sell your Bonds at any time prior to the Maturity Date, the price you receive from a purchaser could mean that you get back less than your original investment when you sell them. Factors that will influence the market price of the Bonds include, but are not limited to, market appetite, inflation, the time to maturity, interest rates and the financial position of UNITE. In particular, you should note that:

- (i) if interest rates start to rise, then the income to be paid by the Bonds might become less attractive on a relative basis and the price you get if you sell the Bonds before the Maturity Date could fall. However, the market price of the Bonds has no effect on the interest you receive or what you get back on expiry of the Bonds if you hold on to the Bonds until they mature; and
- (ii) inflation may reduce the real value of the Bonds over time which may affect what you could buy with the return on your investment in the future. This may, therefore, make the interest you receive on the Bonds less attractive in the future.

- If you invest at a price other than the face value of the Bonds, the overall return or “yield” on the investment will be different from the interest on the Bonds set out above.
- There is no guarantee that a market for the Bonds will develop and, if it does, there is no guarantee that it will be maintained for the life of the Bonds. Therefore you may not be able to sell your Bonds easily or at the price that you paid for them. There is no guarantee that the Joint Lead Managers will remain as market-makers in respect of the Bonds. If no replacement market-maker were appointed in such circumstances, this could have an impact on your ability to sell the Bonds.



GREAT SUFFOLK STREET LONDON SE1 0NS

FURTHER INFORMATION



Great Suffolk Street, London SE1 0NS

What is a Bond?

A Bond is a form of borrowing by a company seeking to raise funds from investors.

The Bonds have a fixed life and a fixed rate of interest. The company promises to pay a fixed rate of interest to the bondholder until the date that the Bonds mature when it also promises to repay the amount borrowed.

You do not have to keep the Bonds until the date that the Bonds mature. A Bond is a tradable instrument whereas a traditional loan (including a normal bank deposit or bank account) is not.

The market price of a Bond will fluctuate between the beginning of a Bond's lifetime (when it is "issued") and when it matures.

As with any investment there is a risk that a bondholder could get back less than their initial investment or lose their initial investment, including if they sell their Bonds at a price lower than that which they paid for them.

Holding the Bonds

The Bonds will be held in custody for you by your distributor, or as may be arranged by your stockbroker or financial adviser.

ISA eligibility of the Bonds

At the time of the issue, the Bonds should be eligible for investing in a stocks and shares ISA. However prospective investors should seek independent advice from their tax adviser regarding the ISA eligibility of the Bonds, which will depend on the individual circumstance, taxation law and practice at the relevant time.

Taxation of the Bonds

The tax treatment of an investor will depend on its individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future). Prospective investors should consult their own tax advisers to obtain advice about their particular tax treatment in relation to the Bonds. The tax treatment of the Bonds may be complex and the level and basis of taxation may change during the life of the Bonds.

Please also refer to the section of the Prospectus entitled "Taxation" for information regarding taxation in relation to the Bonds.

All amounts and returns described herein are shown before any tax impact.

It is the responsibility of every investor to comply with the tax obligations operative in his/her country of residence.

How to trade the Bonds

The Bonds are expected to be listed on the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds ("ORB"). ORB is intended to provide private investors with easier access to trading Bonds by providing a transparent and efficient mechanism for UK retail investors to access the Bond markets. The Bonds are tradable instruments and prices will be quoted in the market during trading hours.

The Bonds are expected to be supported in a market-making capacity by the Joint Lead Managers. Market-making means that a person will maintain prices for buying and selling the Bonds. Each of the Joint Lead Managers will be appointed as registered market makers through ORB when the Bonds are issued.

Investors should, in most normal market conditions, be able to sell their Bonds to anyone wishing to make a secondary purchase at any time, subject to market conditions.

Pricing information for sales and purchases of the Bonds in the market will be available throughout trading hours on the ORB.

Please see: www.londonstockexchange.com/exchange/prices-andmarkets/retail-bonds/retail-bonds-search.html

Fees

UNITE will pay the fees and expenses set out in the Prospectus. The Joint Lead Managers will receive fees and commissions of up to 0.75% of the amount of the Bonds issued. In addition, UNITE will pay a distribution fee of 0.5% of the Bonds issued to be shared between the Joint Lead Managers and the Authorised Distributors.

Distributors may charge fees and/or commissions in respect of any Bonds purchased and/or held. UNITE is not responsible for the level or payment of any of these fees and/or commissions.



EMILY BOWES COURT LONDON N17 9FD

AUTHORISED DISTRIBUTORS

The Bonds are available for purchase through your existing stockbroker, financial advisor or the Authorised Distributors below in the period from 21 November 2012 until noon on 5 December 2012 (London time) or such earlier date as agreed by UNITE and the Joint Lead Managers and announced via a Regulatory Information Service.

Barclays Stockbrokers

1 Churchill Place
London E14 5HP
www.barclaysstockbrokers.co.uk/Investment-Choices/IPO/pages/at-a-glance.aspx

Brown Shipley

Founders Court
Lothbury
London EC2R 7HE
www.brownshipley.com/retail-bond-issues

Killik & Co

46 Grosvenor Street
London W1K 3HN
www.Killik.com/bonds

Pilling & Co Stockbrokers

Henry Pilling House
Booth Street
Manchester M2 4AF
www.pilling.co.uk

Redmayne-Bentley

9 Bond Court
Leeds LS1 2JZ
www.redmayne.co.uk

Selftrade (execution only)

Boatman's House
2 Selsdon Way
London E14 9LA
www.selftrade.co.uk/unite

Smith & Williamson Securities

25 Moorgate
London EC2R 6AY
www.smith.williamson.co.uk/fixed-income-dealing-service

Stocktrade

(a division of Brewin Dolphin Ltd)

12 Smithfield Street
London EC1A 9BD
www.stocktrade.co.uk/bond-offers.asp



Great Suffolk Street, London SE1 0NS



Waverly House, Bristol BS1 1WH



Emily Bowes Court, London N17 9FD



SKY PLAZA LEEDS LS2 8AR

Disclaimer

This Information Booklet does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Bonds. The contents of this Information Booklet are indicative and are subject to change without notice. This Information Booklet should not be solely relied on for making any investment decision in relation to the purchase of Bonds. Any decision to purchase or sell the Bonds should be made on the basis of a careful review of the information contained in the Prospectus. Please therefore read the Prospectus carefully before you invest. Before buying or selling a Bond you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek independent advice.

Each of the Joint Lead Managers is acting for itself and will not act and has not acted as your legal, tax, accounting or investment adviser and will not owe you or your clients any fiduciary duties in connection with a purchase or sale of the Bonds, or any related, transaction. No reliance may be placed on either Joint Lead Manager for advice or recommendations of any sort. The Joint Lead Managers make no representation or warranty to you with regard to the information contained in the Prospectus.

This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as each of them may do so under applicable law, the Joint Lead Managers do not warrant its completeness or accuracy. None of Investec Bank plc, Numis Securities Limited and The UNITE Group plc is responsible for any advice or service you may receive from a third party in relation to the Bonds.

The Joint Lead Managers and their respective affiliates, connected companies, employees and/or clients may have an interest in securities of the type described in this Information Booklet and/or in related securities. Such interest may include dealing, trading, holding or acting as market-makers in such instruments and may include providing banking, credit and other financial services to The UNITE Group plc.