



# Press release

For release at 00:01 Thursday 1 March 2018

## UPP converts to a REIT

UPP Group (UPP), the leading provider of on-campus student accommodation infrastructure and support services in the UK, confirms that it has converted to a UK Real Estate Investment Trust (REIT) effective from 1 March 2018.

The REIT structure, which has been promoted by the UK government as an efficient vehicle for the long-term ownership of UK real estate interests, will allow the asset companies composing the Group's property portfolio to benefit from the REIT exemption from corporation tax arising in its property rental business. To facilitate the conversion to a UK REIT, UPP has listed on The International Stock Exchange (TISE). UPP remains UK tax resident.

The move represents the next step in the long-term strategy of the Group to achieve controlled value accretive growth, enhancing resilience and improving the quality of returns to Shareholders. The key elements of this strategy have included a clear focus on its partnership model; strengthening the Group structure to ensure it is effective at building, operating and managing its assets over the life of each concession; placing its entire portfolio on cost-effective long-term borrowing, effectively removing all refinancing risk across the portfolio; and establishing its Irish Stock Exchange listed £5 billion bond programme (UPP Bond 1 Issuer PLC), purposely designed to allow for new assets to be included, at the point of becoming operational.

The successful completion of this project strengthens the ability of UPP to grow the portfolio and invest in building and operating accommodation that enhances the student experience. The new five year business plan targets continuing growth with new and existing partners in coming years located at the heart of campus.

The listing on TISE follows an intense 18 month period of transacting for UPP, which has seen room numbers under management increase by more than 4,000 rooms in partnerships with the University of London, the University of Hull and most recently with Swansea University. The total value of investment in these deals was circa £358m.

Sean O'Shea, Group Chief Executive, commented: "I am delighted that the Group has converted to a REIT, listed on The International Stock Exchange and reached another important milestone in the continued evolution of the business. The strategy of UPP Group has always been a simple one; namely bringing together the longevity of university business models, with cost-effective long dated borrowing, in long-term partnerships for the benefit of universities and investors alike. Whilst we have continued to grow our portfolio – which now has over 35,000 rooms with 16 university partners – we have always actively worked to enhance the resilience of the business.

"The Management team at UPP has always believed that the most effective way to do this is to remain true to the model that we developed two decades ago. In doing so, I am happy to say, the Group is undoubtedly in its strongest shape since we established the company in 1998."

**ENDS**

## Notes to editors

### About University Partnerships Programme

University Partnerships Programme (UPP) is the leading provider of on campus student accommodation infrastructure and support services in the UK. We have around 35,000 rooms under management or in construction through long term partnerships with 16 leading UK universities. With over 800 employees, we work to deliver the very best student experiences, together with great universities.

We offer bespoke partnerships of typically 40 to 50 years which enable universities to make the most effective use of their assets, free up resources and improve services available to students. We design and develop high quality, affordable student accommodation on campus. Our innovative approach means our interests are aligned with those of each university partner.

Founded in 1998, we have since invested in excess of £2.5 billion in universities across the UK. We have established a long-term growth strategy to ensure we remain well positioned to meet the growing demand for investment within the UK's higher education sector, whilst at the same time helping our partners achieve their long-term ambitions. In 2013, we outlined a five-year growth plan in which we aim to invest a further £1 billion in delivering the very best student experiences, as well as expand our portfolio to more than 40,000 rooms.

In 2013, UPP made its debut £382.1 million public bond issuance. With a multicurrency programme size of £5 billion, the issuance was the first of its kind within the sector and illustrates our ongoing ambition to bring long term institutional investment to higher education in the UK. In 2014, UPP launched a further tranche of £149.7 million index linked senior secured notes under its investment grade programme.

\* All figures as at 31 August 2017.

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