

For Release at 0700hrs on 12 December 2018

UPP BOND 1 ISSUER PLC

Results for the year ended 31 August 2018

UPP Bond 1 Issuer PLC is pleased to announce that the Consolidated Report and Accounts of UPP Bond 1 Holdings Limited ("Holdco"), the reporting Parent undertaking of UPP Bond 1 Issuer PLC, for the year ended 31 August 2018. The 2018 Investor Report and the Results Presentation are available on the Investor website at: www.upp-ltd.com/investor-centre/announcements

Business highlights include;

- Occupancy for 2017/18 of 100.0% (2016/17: 99.9%)
- Turnover up by 2.6%, reflecting RPI-linked annual term rental income increases
- Increase in gross profit of 3.7% and an EBITDA of 3.5% driven by savings on utilities and reduction in tax costs
- EBITDA margin increase of 0.6% year on year
- Both Historic and Projected Annual Debt Service Coverage Ratios comfortably above lock-up triggers post-year end
- Strong demand has continued into 2018/19 with projected occupancy of 99.2% across the AssetCos.
- Term rental income predicted to increase by 2.7% compared to 2018

Sean O'Shea, Chief Executive Officer commented;

"Once again, the results for UPP Bond 1 Holdings Limited for the financial year ended 31 August 2018 underline the attractiveness of UK higher education (HE) as a sector offering opportunities for investors seeking stable, long-term returns based on accretive, asset-backed and RPI-linked revenues. The unique models of partnership developed by UPP over the last two decades are testament to the mutual benefits available to all parties where the interests of each are genuinely aligned over the long term.

The year saw an increase in turnover of 2.6% to £64.3m and as a result EBITDA was up by 3.5% to £42.4m. Occupancy for the financial year 2017/18 stood at 100.0% reflecting the strength of our partnerships and the resilience of a sector which continues to evolve and compete successfully in what is a truly global HE market place.

Evidence from UCAS continues to suggest that, despite the uncertainties of Brexit, demand from EU and international students remains robust and levels of participation of young people from the UK remain at a record high.

Whilst the sector has witnessed regulatory change over the course of the financial year, with the establishment of the Office for Students as sector regulator and the Department for Education currently reviewing all elements of HE's value for money under the auspices of the Augar Review, it is highly unlikely that this will deter students from realising the lifetime benefits of studying at university.

It is also equally unlikely that universities can choose to ignore the benefits of providing students with the best facilities developed alongside expert partners."

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