Dividend Declaration and Trading update

GCP STUDENT LIVING PLC - Dividend Declaration and Trading update

PR Newswire

London, April 22

GCP Student Living plc (the "Company" or "Group")

Dividend Declaration, Net Asset Valuation and Possible Equity Raise

The Board of the Company is pleased to announce a third interim dividend of 1.35 pence per Ordinary Share, in respect of the financial period 1 January 2014 to 31 March 2014. This will bring the total dividends declared in respect of the financial period ending 30 June 2014 to 4.70 pence per Ordinary Share. The third interim dividend will be paid on 5 June 2014 to shareholders on the register as at 9 May 2014. The dividend will be paid as a REIT property income distribution in respect of the Group's tax exempt property rental business.

As at close of business on 31 March 2014, the un-audited economic net asset value per Ordinary Share of the Company was 102.61 pence. The economic net asset value includes income for the period (and does not include a provision for an accrued dividend for the quarter to 31 March 2014).

To manage adverse effects of interest rate movements on cash flow and dividends the Company has hedged its interest rate exposure into fixed rate exposure through an interest rate swap pursuant to which its lender has fixed the LIBOR element of the interest rate payable on the Group's debt facility at 2.745 per cent. Accordingly, taking into account the un-audited fair value mark-to-market valuation of this financial derivative instrument based on current gilt rates, the economic net asset value adjusted to reflect the cost of fixed rate debt is 101.51 pence per Ordinary Share.

The Board are currently reviewing potentially more favourable financing options for the Company including its current debt and swap arrangements. In the event that the swap was to be terminated as a result of this refinancing, any mark to market gain or loss on the swap arrangements would be crystallised in the Company's accounts as at the date it is terminated.

Further to the announcement made on 14 March 2014, the Company intends to proceed with a capital raise targeting c.£42m of gross proceeds for the acquisition of Scape Greenwich. Scape Greenwich is a new, purpose-built 280 studio accommodation block located on the Greenwich peninsula in London in close proximity to Ravensbourne College (c.1,600 students), a leading specialist digital media HEI, and the University of Greenwich (c.26,000 students). A further announcement will be made shortly.

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About GCP Student Living plc

The Company is the first student accommodation REIT in the UK. The Company invests in modern, purpose-built, private student residential accommodation and teaching facilities. Facilities will be located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation.

The Company's first asset, Scape East, is located directly opposite Queen Mary, University of London, one of London's leading universities with c.17,000 students and Russell Group status. International students will be a specific target as they are the growth engine of UK Higher Education sector, particularly in London.

The Company's second asset, The Pad, is a private student accommodation residence located adjacent to Royal Holloway, University of London, in Surrey. Royal Holloway is ranked in 5th place in the world (1st in the UK) in the Times

Higher Education World University Rankings category of 'International Outlook', recognising it as a global university. It is home to more than 9,000 students from over 100 countries.

The Company's assets are primarily occupied by international students and offer new high specification facilities and hotel-level concierge type services which are attractive to overseas students.

The Company will only acquire properties once they are completed and generating income.