GCP

STUDENT

GCP STUDENT LIVING PLC

Half-yearly report and consolidated financial statements for the six months ended 31 December 2017

Gravis

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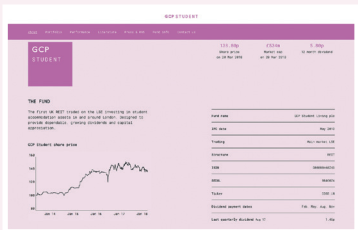
ABOUT US

GCP Student Living plc was the first real estate investment trust in the UK to focus on student residential assets.

The Company seeks to provide shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.

It invests in properties 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 and a growing number of international students.

The Company has a premium listing on the Official List of the UKLA and trades on the Premium Segment of the Main Market of the LSE.



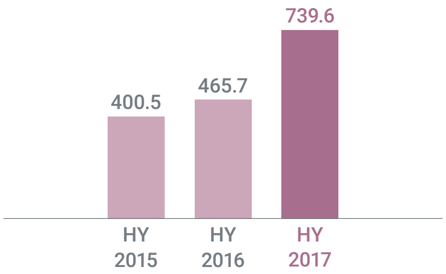
www.graviscapital.com/funds/gcp-student

aic Shareholder Communication Awards 2017 WINNER

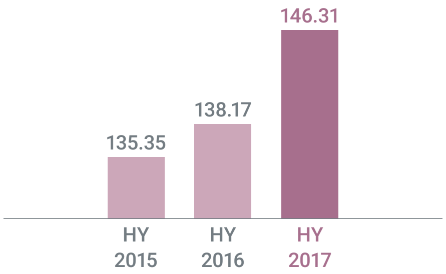
Best Report and Accounts (Specialist)

AT A GLANCE

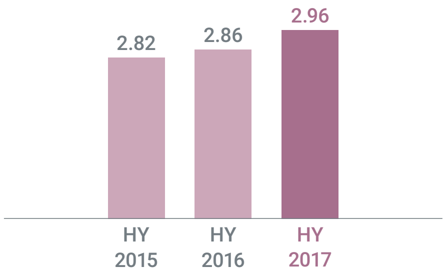
VALUE OF PROPERTY PORTFOLIO £m



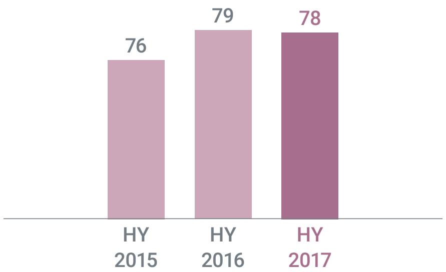
EPRA NAV[1] PER ORDINARY SHARE p



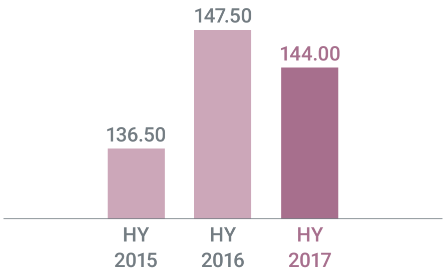
DIVIDENDS FOR THE PERIOD p



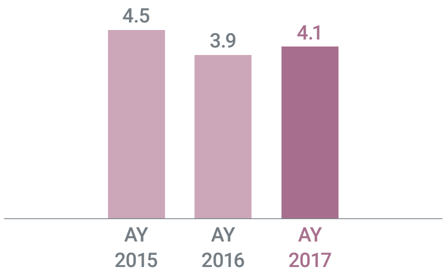
NET OPERATING MARGIN %



SHARE PRICE PER ORDINARY SHARE p



RENTAL GROWTH %



HIGHLIGHTS FOR THE PERIOD[2]

- Annualised shareholder return since IPO of 12%, in excess of the Company's target return of 8-10%.
- Dividends of 2.96 pence per share paid in respect of the period.
- The Company delivered a strong set of results, generating total rental income for the period of £17.3 million.
- The Company successfully raised £70 million through a substantially oversubscribed placing of ordinary shares.
- The Company's first forward-funded development at Scape Wembley, London completed on schedule for the 2017/18 academic year, providing a further c.580 modern beds.
- Construction of the Company's second forward-funded development asset, Circus Street, Brighton commenced, which is expected to provide c.450 beds on completion ahead of the 2019/20 academic year.
- The Company acquired Podium, which offers c.180 beds, in the same locality as the Company's The Pad asset, together providing c.400 beds adjacent to Royal Holloway, University of London.
- EPRA NAV (cum-income) per ordinary share of 146.31 pence and EPRA NAV (ex-income) per ordinary share of 144.83 pence at 31 December 2017.[1]
- High-quality portfolio of ten assets with c.3,600 beds located primarily in and around London, with a valuation of £739.6 million at 31 December 2017.
- The Company's properties continue to benefit from the supply/demand imbalances for high-quality, modern student facilities, with the portfolio fully occupied and rental growth of 4.1% for the 2017/18 academic year.

1. EPRA NAV is equivalent to the NAV calculated under IFRS for the period. See glossary for definitions.
2. The Company's financial statements are prepared in accordance with IFRS. The financial highlights above include performance measures based on EPRA best practice recommendations which are designed to enhance transparency and comparability across the European real estate sector. See glossary for definitions.

INVESTMENT OBJECTIVES

The Company invests in UK student accommodation to meet the following key objectives:

DIVIDEND INCOME

To provide shareholders with regular, sustainable, long-term dividends, with RPI inflation-linked characteristics.

The Company has paid a total of 2.96 pence per ordinary share in respect of the period, increasing the Company's dividend on an annualised basis in line with RPI.

2.96p

Dividends in respect of the period

3.5%

Year-on-year dividend growth

CAPITAL APPRECIATION

To provide modest capital appreciation over the long term.

The valuation of the Company's property portfolio has increased since IPO, driven by a combination of yield compression, full occupancy and increasing rental rates.

5.1%

Capital appreciation

£739.6m

Valuation of property portfolio

PORTFOLIO QUALITY

Focus on high-quality, modern, purpose-built, private student residential accommodation and teaching facilities for students studying at leading academic institutions.

At 31 December 2017, the Company's property portfolio comprised ten high-quality, modern student accommodation assets, eight operational, one development and one under refurbishment.

FULL

Occupancy for the 2017/18 academic year

4.1%

Rental growth

PORTFOLIO AT A GLANCE

At 31 December 2017, the Company's portfolio comprised ten assets with c.3,600 beds, providing high-quality, modern student accommodation.

IN AND AROUND LONDON

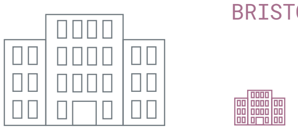
Location of assets by value

5.04%
Blended net initial yield

1 SCAPE EAST	2 SCAPE WEMBLEY	3 SCAPE SHOREDITCH	4 SCAPE BLOOMSBURY[1]	5 SCAPE GREENWICH	6 THE PAD	7 PODIUM	8 SCAPE SURREY
£136.6m	£89.3m	£188.0m	£143.1m	£54.7m	£35.0m	£29.9m	£24.6m
NIY 4.99%	NIY 5.25%	NIY 4.45%	NIY N/A	NIY 4.87%	NIY 5.75%	NIY 5.75%	NIY 5.50%
588	578	541	432	280	220	178	141

REST OF UK

9 CIRCUS STREET BRIGHTON	10 WATER LANE APARTMENTS BRISTOL
£19.5m	£18.9m
NIY N/A	NIY 5.75%
450	153



- OPERATIONAL ASSETS
- UNDER CONSTRUCTION
- UNDER REFURBISHMENT
- NUMBER OF BEDS
- £ VALUATION

1. Formerly Woburn Place.

CHAIRMAN'S STATEMENT

Since IPO in 2013, the Company has delivered annualised shareholder returns of 12%.

Robert Peto
Chairman

Introduction

I am pleased to report a period of robust portfolio performance for the Company. The focus on assets in and around London has delivered the Company's strong NAV performance with the NAV per share rising by 5.2% over the six-month period to 31 December 2017.

This performance has been driven by a combination of year-on-year rental growth of 4.1% across the portfolio (substantially ahead of the national average of 2.9%)[1], full occupancy, valuation gains on Scape Wembley at completion and yield compression arising from competitive market activity for private student accommodation assets in and around London.

Further, I am pleased to note that the Company has been able to increase its dividend during the period, paying a total of 2.96 pence per share. Since IPO in 2013, the Company has delivered annualised shareholder returns of 12%.

Financing

In July 2017, the Company raised £70 million by way of an oversubscribed non pre-emptive placing of new shares, the net proceeds of which have been used to acquire Circus Street, Brighton and Podium, located adjacent to Royal Holloway University of London.

Portfolio

The Company's property portfolio has achieved full occupancy for the 2017/18 academic year, generating rental income of £17.3 million for the period to 31 December 2017 and average rental growth of 4.1% year-on-year.

The external market valuation of the Company's property portfolio was £739.6 million, which represents a valuation uplift of £32.4 million in the six-month period to 31 December 2017. The valuation uplift has been driven by rental growth, full occupancy and yield compression. The blended net initial yield of the operational portfolio at 31 December 2017 was 5.04%.

In September 2017, Scape Wembley opened its doors to students. It was the Company's first forward-funded development asset, acquired in September 2016. The property is a large-scale asset providing c.580 beds adjacent to Wembley Stadium.

The purchase of assets under development will typically reduce the level of the Company's dividend cover over the short term during the period of construction. Conversely, such investments enable the Company to secure properties located in areas which benefit from strong supply and demand characteristics, where appropriate operational assets may not be available, and which the Directors believe will provide regular, sustainable dividends with rental growth prospects over the longer term.

Acquisitions

During the period, the Company completed on the acquisitions of Circus Street and Podium.

Circus Street is the Company's second forward-funded development asset, which is expected to provide c.450 beds and c.30,000 square feet of commercial office space in a prime central Brighton location ahead of the 2019/20 academic year.

1. Source: Cushman & Wakefield, Student Accommodation Report 2017.

The student accommodation will be contracted on a 21-year lease, with upward only annual RPI plus 50 basis point uplifts to a subsidiary guaranteed by Kaplan UK Limited. The Directors believe that Brighton demonstrates many of the characteristics of the London market, including substantial supply constraints and high numbers of international students.

Podium, which offers c.180 beds, is in the same locality as the Company's "The Pad" asset, together providing c.400 beds adjacent to Royal Holloway, University of London. The aggregation of beds in the same locality providing scale in proximity to a leading HEI should benefit the Company through greater operational efficiencies over the longer term, particularly relative to smaller offerings.

Podium, which is operational, was acquired through a forward purchase agreement entered into in April 2016. As with forward-funded developments, the use of forward purchase agreements to acquire assets enables the Company to secure attractively located assets, in areas with few existing properties and scarce development opportunities.

In October 2017, the Company entered into a similar arrangement to acquire a c.400 bed asset located adjacent to Queen Mary University of London (in the same locality as its 590-bed Scape East asset) and which, if acquired, will provide c.400 beds for the 2019/20 academic year and offer the potential for the Company to benefit from operational efficiencies through scale of its offering in the locality over the longer term.

Financial results

The Company has generated a strong set of results with a rental income of £17.3 million generated from the Company's investment portfolio. The Company's NAV per share has increased from 139.08 pence at the year end to 146.31 pence at 31 December 2017.

Dividends

The Company has paid dividends in respect of the financial period ended 31 December 2017 of 2.96 pence per ordinary share.

The Board

We are delighted to welcome Gillian Day to the Board. Ms Day was appointed as a non-executive Director of the Company on 23 February 2018. Over the course of 20 years in finance, Ms Day has advised a broad range of private and public companies across a number of sectors, working extensively with institutional investors, multilateral agencies and governments. She is currently Head of Private and Institutional Capital Engagement at CDC Group.

Continuation vote

The Company's articles of association include provisions for a continuation vote to be held at its fifth annual general meeting in November 2018, and at each third annual general meeting thereafter.

The Directors will provide shareholders with their recommendation as to voting in relation to the continuation resolution at the time the notice for the 2018 annual general meeting is posted. Noting, in particular, the Company's performance since IPO, the quality of its investment portfolio and the ongoing support from shareholders as a whole, it is the Directors' current expectation that they will be recommending that shareholders vote for the Company to continue as presently constituted at the appropriate time.

Outlook

The Company provides shareholders with a property portfolio which continues to benefit from strong supply and demand characteristics, which support occupancy and rental growth. The location of those properties is fundamental to those characteristics, with valuation differentials increasing between 'core' and 'non-core' markets which separate those locations with substantial supply and demand imbalances from those which lack demand or suffer from oversupply.

The characteristics which the Investment Manager focuses on are not necessarily limited to London, with locations such as Brighton, Bath, Bristol, Cambridge and Oxford all displaying similar characteristics to the Company's core London market. However, the Company remains highly cautious about locations at risk of oversupply.

The attractions of London remain evident as illustrated by the rental growth and occupancy levels which the Company continues to achieve. These have been further highlighted by yield compression arising from competitive market activity for private student accommodation assets in and around London.

The future risks of Brexit remain broadly unknown and unquantifiable, although in the period since the UK referendum the number of international students in the UK has continued to rise, with numbers of EU students at levels consistent with those seen in the year prior to the referendum. Education remains one of the UK's most successful exports, with London being perceived globally as an international centre of academic excellence.

The Board remains confident that the Company's portfolio will continue to deliver stable performance and continues to be encouraged by the Investment Manager's ability to secure attractive assets in locations which will support the Company's long-term prospects.

Robert Peto
Chairman

21 March 2018

INVESTMENT MANAGER'S REPORT

The Investment Manager is responsible for the management of the Company's assets in accordance with investment policy, subject to the overall control and supervision of the Directors.

12%

Annualised shareholder return since IPO

2.96p

Dividends paid in respect of the period

The Company's portfolio has delivered a strong set of interim results, with the Company continuing to meet its long-term return targets.

Portfolio update

The Company's portfolio continues to perform in line with the Investment Manager's expectations. London continues to attract the attention of institutional and sovereign wealth fund investors, with competitive market activity for private student accommodation assets further driving yield compression, which has positively impacted the valuation of the Company's assets.

During the period under review, the Company's Woburn Place asset, which has been rebranded as Scape Bloomsbury, was closed in order for it to be reconfigured and refurbished, as set out at the time of its acquisition in April 2017. The refurbishment of Scape Bloomsbury will involve diversifying the mix of accommodation units, offering modern studios and single and double occupancy apartment-style accommodation, which is expected to optimise rental growth and occupancy levels. Scape Bloomsbury remains on track to reopen later this year.

Likewise, the forward-funded construction of Circus Street remains on track. The Company benefits from a licensing fee providing a 5.5% coupon on drawn funding through the construction phase and the asset is expected to open ahead of the 2019/20 academic year. The property will provide c.450 beds and c.30,000 square feet of commercial office space. The student accommodation will be contracted on a 21-year lease, with upward only annual uplifts of RPI plus 50 basis points capped at 5% and floored at 2%, to a subsidiary guaranteed by Kaplan, a global education provider.

Performance drivers

The key drivers of the Company's returns are based on the three fundamentals below which form the basis of how the Investment Manager seeks to add value.

These key drivers support occupancy levels and the Company's ability to grow its rental income, in addition to providing for the substantial valuation gains enjoyed on its portfolio since IPO.

WHERE THE ASSETS ARE LOCATED

- Primary focus in and around London
- Proximity to HEI and/or major transport hub
- High supply-side barriers

WHAT THE COMPANY BUYS

- Modern purpose-built accommodation
- Large-scale assets benefiting from operating efficiencies
- Intelligent design to optimise long-term returns

HOW THE COMPANY OPERATES

- High-specification facilities
- Hotel level service
- Competitive pricing

Over the period under review, the Company has achieved NAV per share growth of 7.23 pence, which illustrates the benefits to shareholders of owning a portfolio of assets located in a highly selective number of markets (primarily London) which meet the needs of discerning students and offer operational efficiencies through scale and design.

Within this increase, it is particularly pleasing to note the contribution to performance of Scape Wembley of 2.4 pence per share, with rental growth and yield compression, arising from the competitive market activity for private student accommodation assets in and around London, further contributing to performance.

INVESTMENT MANAGER'S REPORT CONTINUED

Dividend cover

The Investment Manager's core focus is on delivering a diversified portfolio of investments which will provide sustainable, long-term dividends through strong occupancy levels and rental growth. This long-term focus may result in short-term periods of reduced dividend cover as investments are made, which dilute dividend cover in the short term but which are expected to contribute positively in the future.

Whilst the Company is forward funding a construction (such as Circus Street) or refurbishing an entire asset (such as Scape Bloomsbury) its earnings relative to those generated by operational assets will be reduced, thereby reducing its dividend cover.

The Investment Manager does not believe it to be appropriate to focus on short-term dividend cover in such cases as these investments enhance the overall quality of the portfolio and provide the Company with access to stock where suitable operational properties may be unavailable. Notwithstanding, in both cases where the Company has invested in forward-funded developments, the Investment Manager has been successful in securing a coupon through the construction phase. By way of illustration, Circus Street provides a 5.5% coupon through its construction phase.

Further, Scape Bloomsbury and Circus Street are expected to add 2.8 pence to earnings per share once operational and will, therefore, be accretive to dividend cover, providing the Company with attractive income and rental growth prospects over the longer term.[1]

SCAPE WEMBLEY – A FORWARD FUNDING CASE STUDY

578
Number of beds

Scape Wembley, the Company's first forward-funded development, opened in September 2017 and is fully let for the 2017/18 academic year. The asset was acquired in 2016 by way of a forward-funding agreement pursuant to which the Company acquired the land and provided subsequent funding for the construction of the property.

Acquiring Scape Wembley through a forward funding agreement provided the Company with the ability to secure an asset at a book cost of £80 million, and which was valued at £89.3 million at 31 December 2017.

In addition to the attractive pricing, the Investment Manager secured through this initiative, early involvement by the Company in the construction process which allowed for greater control over the design and ensured the asset was delivered to the same high-quality specification as the rest of the Company's portfolio.

The Investment Manager considers forward-funding agreements to be a fundamental tool for securing assets in desirable locations where appropriate assets may be otherwise unavailable and which support the Company's rental growth prospects. The Company's investment restrictions limit its use of forward funding.

Scape Wembley has been both NAV and earnings per share accretive during the period under review and is expected to enhance the Company's dividend cover in future.

1. Information set out above is for illustrative purposes only and is not intended to be, and should not be, taken as a profit forecast or estimate.

Supply and demand imbalances supporting occupancy and growth

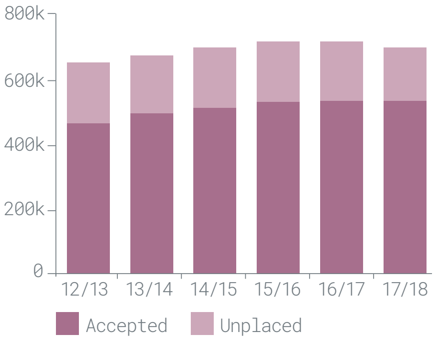
The Investment Manager maintains a positive outlook for the student accommodation sector in the UK and, more specifically, in a limited number of 'core' markets which it believes benefit from attractive demand characteristics, including London.

Student numbers supportive of occupancy and growth

Demand for higher education remains strong. Acceptances to full-time higher education courses in the UK for the 2017/18 academic year were broadly consistent with the prior year, which in turn saw the highest number of acceptances on record. Furthermore, application numbers continue to exceed the number of places available with one in four applicants unable to secure a place in higher education, equating to c.170,000 applicants.

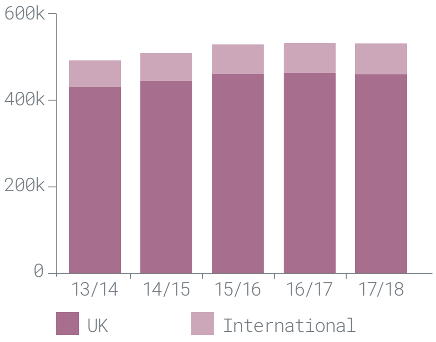
The attraction of the UK to international students is evidenced by the continued growth in the number of international students accepted to full-time courses, which has grown for the fifth consecutive year with 2017/18 being the highest level on record. Non-EU student acceptances have grown 5% year-on-year, with the number of EU students being accepted continuing to remain above the levels seen prior to the EU referendum.

STUDENT ACCEPTANCE RATES BY YEAR



Source: UCAS

STUDENT ACCEPTANCE RATES BY DOMICILE



Source: UCAS

Demand for full-time higher education courses in London remains strong relative to the rest of the UK. London is home to 22 universities, with more universities ranked in the top 40 by The Times Higher Education World University Rankings than any other city in the world. One third of the 2.3 million students in the UK study in London and the South East.

International students, in particular, favour London as a destination for higher education given its reputation as a global centre of academic excellence; a quarter of all international students in the UK choose to study in London.

With 95% of the Company's portfolio located in and around London and 74% of the tenants being international students, current market dynamics are strongly supportive of the Company's investment objective and underpin its ability to deliver fully occupied assets with long-term rental growth prospects.

Strong supply-side barriers

The supply of purpose-built student accommodation varies substantially across the UK. The Company focuses on the London market as it presents not only strong demand characteristics supported by large international student numbers, but because London also suffers from a structural undersupply of private purpose-built student accommodation.

High land values and the difficult planning environment which prioritises social housing and residential schemes over student accommodation in London has seen the London market continue to be severely undersupplied, with only 3,000 new private student beds delivered in 2017/18, the lowest level in a decade. Planning for new private student accommodation developments remains tightly constrained, with a 77% decrease in the number of beds now under development as compared with five years ago.[1]

1. Source: JLL London Housing Report 2017.

INVESTMENT MANAGER'S REPORT CONTINUED

Strong supply-side barriers continued

The beneficial impact on the Company's portfolio of properties of these barriers, when coupled with high student numbers in London, is reflected by the NAV per share and rental growth achieved to date. Looking forward, the latest draft London Plan issued in December 2017 for consultation, has proposed policies which may end up creating additional barriers to the development of student schemes. These would include requirements for affordable student rooms which may negatively impact viability.

London and beyond

The Company invests in private purpose-built student accommodation assets primarily in and around London. Its investment policy does permit limited investment outside London, with the Investment Manager focusing on those markets where it believes the sector fundamentals mirror that of the London market.

This is illustrated by the Company's acquisition of the Circus Street forward-funded development. The property is located in the heart of Brighton city centre within a short walking distance of its iconic pier, shopping district and transport links. The University of Sussex (a UK top-20 university located in Brighton) and Brighton University have c.36,000 students including c.6,100 international students.

Brighton, like London, is severely undersupplied with c.6,800 beds available to students in Brighton, of which only 240 beds are in private purpose-built student accommodation. Further, planning for new private student accommodation development in Brighton remains highly constrained.

These supply and demand dynamics make Brighton a highly attractive market which the Investment Manager believes shows most, if not all of the attractions of the London market. Other markets of interest to the Investment Manager for similar reasons, include Bath, Bristol, Cambridge and Oxford.

Pipeline and outlook

Looking forward to the Company's investment pipeline, the Investment Manager continues to review a number of attractive investment opportunities. The Company will only seek to make investments where it and the Investment Manager believes investments are supportive of long-term returns to shareholders through strong rental growth prospects.

The Company has been highly successful in securing new, modern properties through future contractual arrangements with Scape which has enabled it to create its own pipeline of assets in attractive locations where existing properties may not have otherwise been available. The Investment Manager was successful in securing another such future arrangement in respect of a second property in the same locality as Scape East, adjacent to Queen Mary University of London.

Further opportunities remain under review, which include operational assets in London and those markets identified above and a second forward funding opportunity in Brighton.

Financial results

The Company has delivered robust results for the six-month period to 31 December 2017, with average rental growth of 4.1% across the portfolio for the 2017/18 academic year and total rental income for the period of £17.3 million.

Property expenditure

The Company's net operating margin has remained broadly stable at c.78% with the ongoing efficient management of costs by the Company's Asset and Facilities Managers. Property expenditure of £3.9 million was incurred during the period, which is in line with expectations.

Source: JLL, London Student Housing 2017 Report.

Administration expenditure

Total administration expenses of £3.6 million comprise fund running costs, including the Investment Manager's fee and other third party service provider costs in the period in line with the Company's service provider contracts.

Finance costs

Ongoing net finance costs of £3.4 million in the period includes loan interest associated with the Company's financing arrangements. The increase year-on-year is in respect of the increase in the facility from £130 million at 31 December 2016 to two facilities totalling £235 million at the period end.

Dividends and earnings

The Company increased its dividend for the current financial year in line with RPI, paying a dividend of 2.96 pence per share. The dividend was 65% covered by adjusted EPS[1] of 1.92 pence for the period. Whilst the Company targets a fully-covered dividend over the longer term, where assets in its portfolio are being refurbished or are under development (as is the case with Scape Bloomsbury (formerly Woburn Place) and Circus Street), cover may be adversely affected over the short term.

The dividends were paid 2.16 pence per ordinary share as PIDs in respect of the Group's tax exempt property rental business and 0.80 pence per ordinary share as non-PIDs.

Profitability

Profit before tax and fair value gains on investment properties of £6.5 million was generated in the period. The increase in profitability year-on-year is due to scale, with two further assets added to the portfolio increasing gross profit in absolute terms, with administration expenses remaining broadly consistent year-on-year.

Total profit after tax of £38.8 million includes unrealised valuation gains of £32.4 million recognised as a result of yield compression, full occupancy and rental growth in the portfolio. Further information on property valuations is given in note 11 to the financial statements.

Ongoing charges percentage

The Company's ongoing charges ratio for the twelve months to 31 December 2017, based on the AIC's methodology, excluding direct property costs, was 1.17%.

Financial performance

Income statement

	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Rental income	**17,317**	13,035
Operating expenses	**(3,860)**	(2,742)
Gross profit (net operating income)	**13,457**	10,293
Net operating margin	**78%**	79%
Administration expenses	**(3,614)**	(3,576)
Ongoing net finance costs	**(3,354)**	(2,137)
Profit before tax and fair value gains on investment properties	**6,489**	4,580
Fair value gains on investment properties	**32,357**	6,306
Profit before tax for the period	**38,846**	10,886

1. Refer to note 7.

INVESTMENT MANAGER'S REPORT CONTINUED

Valuation

The valuation of the Company's property portfolio has increased to £739.6 million in the period. Total gains on investment properties through revaluation of the Company's investment portfolio were £32.4 million for the period 31 December 2017. The portfolio is fully occupied for the 2017/18 academic year.

Debt financing

The Company has continued to utilise its debt facilities during the period. The two facilities advanced in three tranches, amount to £235 million. The facilities are fixed-rate loans at a blended rate of 2.96%, with a weighted average remaining term of nine years.

At 31 December 2017, total borrowings of the Group were £235 million following the drawdown of £15 million in September 2017 to part-finance the acquisition of Podium. At the period end, the Company's total Gearing, calculated as borrowings as a percentage of gross assets was 29%. Its Loan-to-value was 23%.

EPRA NAV[1]

Net assets attributable to equity holders at 31 December 2017 were £563.4 million, up from £467 million at 30 June 2017. The EPRA NAV has increased from 139.08 pence as at 30 June 2017 to 146.31 pence per ordinary share, a 5.2% increase for the six-month period to 31 December 2017, primarily driven by increases in portfolio valuations due to strong rental growth, gains at acquisition and yield compression.

Cash flow generation

The Company held cash and cash equivalents of £61.9 million at the end of the financial period under review. Operating cash flows of £10 million were generated by the Company's student accommodation portfolio. The Company invested £72.2 million in the acquisition and development of assets, financed by way of a share issue in the period. Total dividends paid in the period were £11.3 million, with remaining cash outflows utilised in servicing the Company's debt facility.

Financial performance

Net assets

	As at 31 December 2017 £'000	As at 30 June 2017 £'000
Investment property	**739,585**	634,640
Trade and other receivables	**16,731**	7,825
Cash and cash equivalents	**61,943**	55,110
Total assets	**818,259**	697,575
Liabilities		
Trade and other payables	**(8,212)**	(4,840)
Deferred income	**(14,057)**	(8,272)
Interest bearing loans and borrowings	**(232,594)**	(217,469)
Total liabilities	**(254,863)**	(230,581)
Net assets	**563,396**	466,994
Number of shares	**385,064,556**	335,768,782
EPRA NAV per share (cum-income) (pps)	**146.31**	139.08
EPRA NAV per share (ex-income) (pps)	**144.83**	137.62

1. EPRA NAV is equivalent to the NAV calculated under IFRS for the period. See glossary for definitions.

COMPANY PERFORMANCE

The Company continues to deliver robust performance.

12%
Annualised shareholder return since IPO
HY 2016 – 16.3%

10.1p
Basic earnings per ordinary share
HY 2016 – 4.1p

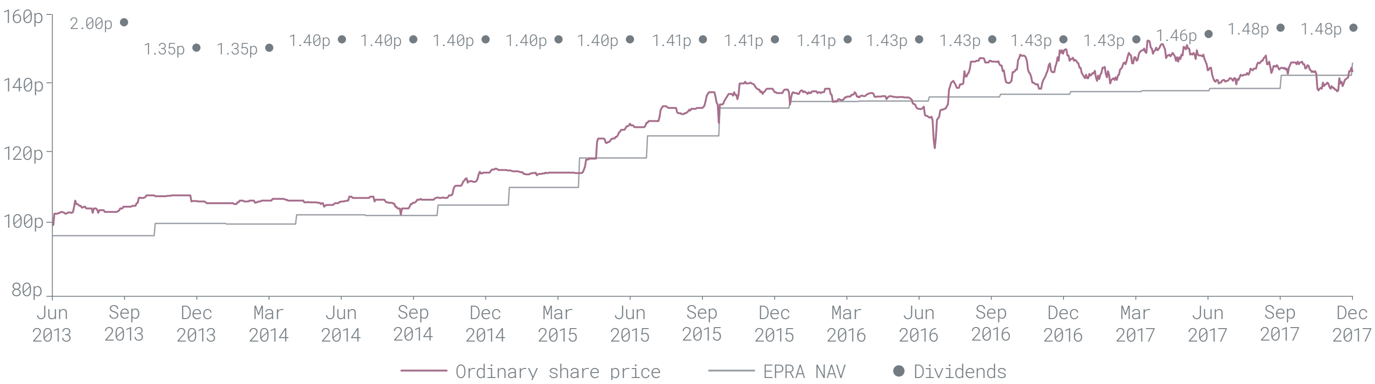
2.96p
Dividends per ordinary share for the period
HY 2016 – 2.86p

146.31p
EPRA NAV per ordinary share
HY 2016 – 138.17p

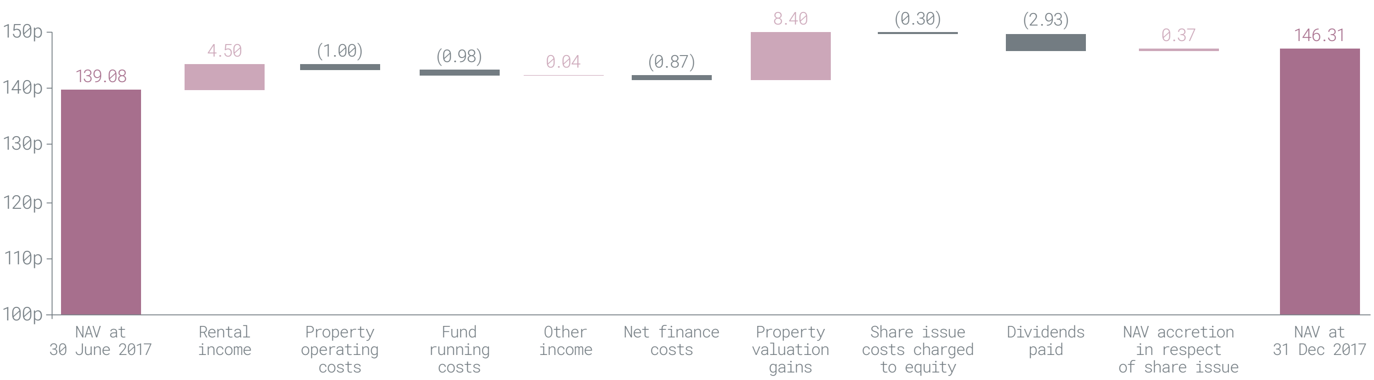
23%
Loan-to-value
HY 2016 – 16%

4.1%
Rental growth
HY 2016 – 3.9%

SHARE PRICE PERFORMANCE



NAV MOVEMENT FOR THE PERIOD



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Interim management report

The important events that have occurred during the period under review, the key factors influencing the consolidated financial statements and the principal factors that could impact the remaining six months of the financial year are set out in the Chairman's statement and the Investment Manager's report on pages 4 to 13.

The Directors consider that the principal risks facing the Company are substantially unchanged since the date of the annual report for the year ended 30 June 2017 and continue to be as set out in that report.

Risks faced by the Group include, but are not limited to:

Execution

— Reliance on the Investment Manager and third party service providers

— Due diligence

Portfolio

— UK property market conditions

— Concentration risk

— Development risk

— Net income and capital values

— Property valuation and liquidity

Financial

— Breach of financial covenants

Regulatory

— Compliance with laws and regulations

— Government policy and Brexit

Responsibility statement

The Directors confirm that to the best of their knowledge:

— the half-yearly report and consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the IASB;

— the half-yearly report and consolidated financial statements give a true and fair view of the assets, liabilities, financial position and return of the Group; and

— the half-yearly report and consolidated financial statements include a fair review of the information required by:

a) 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The half-yearly report and consolidated financial statements were approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Robert Peto
Chairman

21 March 2018

INDEPENDENT REVIEW REPORT
To GCP Student Living plc

Introduction
We have been engaged by GCP Student Living plc (the "Company") to review the consolidated financial statements in the half-yearly report for the six months ended 31 December 2017, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, basis of preparation and accounting policies and all related notes (together the "consolidated financial statements"). We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in the basis of preparation and accounting policies, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the consolidated financial statements in the half-yearly report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements in the half-yearly report for the six months ended 31 December 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London, United Kingdom

21 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2017

Continuing operations	Notes	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Rental income		**17,317**	13,035
Property operating expenses		**(3,860)**	(2,742)
Gross profit		**13,457**	10,293
Administration expenses		**(3,614)**	(3,576)
Operating profit before gains on investment properties		**9,843**	6,717
Fair value gains on investment properties	3	**32,357**	6,306
Operating profit		**42,200**	13,023
Finance income		**255**	18
Finance expenses	4	**(3,609)**	(2,155)
Profit before tax		**38,846**	10,886
Tax charge on residual income	5	**—**	(41)
Total comprehensive income for the period		**38,846**	10,845
EPS (basic and diluted) (pps)	7	**10.13**	4.12

The accompanying notes 1 to 13 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Notes	31 December 2017 £'000	30 June 2017 £'000
Assets			
Non-current assets			
Investment property	3	**739,585**	634,640
Retention account		**308**	308
		739,893	634,948
Current assets			
Cash and cash equivalents		**61,943**	55,110
Trade and other receivables		**16,423**	7,517
		78,366	62,627
Total assets		**818,259**	697,575
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	8	**(232,594)**	(217,469)
Retention account		**(308)**	(308)
		(232,902)	(217,777)
Current liabilities			
Trade and other payables		**(8,212)**	(4,840)
Deferred income		**(13,749)**	(7,964)
		(21,961)	(12,804)
Total liabilities		**(254,863)**	(230,581)
Net assets		**563,396**	466,994
Equity			
Share capital	9	**3,851**	3,358
Share premium		**408,617**	340,233
Special reserve		**48,891**	53,576
Retained earnings		**102,037**	69,827
Total equity		**563,396**	466,994
Number of shares in issue		**385,064,556**	335,768,782
IFRS and EPRA NAV per share (pps)	10	**146.31**	139.08

The accompanying notes 1 to 13 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2017

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2017	**3,358**	**340,233**	**53,576**	**69,827**	**466,994**
Total comprehensive income	**—**	**—**	**—**	**38,846**	**38,846**
Ordinary shares issued	**493**	**69,507**	**—**	**—**	**70,000**
Share issue costs	**—**	**(1,123)**	**—**	**—**	**(1,123)**
Dividends paid in respect of the previous period	**—**	**—**	**(3,076)**	**(2,546)**	**(5,622)**
Dividends paid in respect of the current period	**—**	**—**	**(1,609)**	**(4,090)**	**(5,699)**
Balance at 31 December 2017	**3,851**	**408,617**	**48,891**	**102,037**	**563,396**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2016

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2016	2,618	239,653	58,371	57,826	358,468
Total comprehensive income	—	—	—	10,845	10,845
Ordinary shares issued	164	22,836	—	—	23,000
Share issue costs	—	(401)	—	—	(401)
Dividends paid in respect of the previous period	—	—	(1,299)	(2,445)	(3,744)
Dividends paid in respect of the current period	—	—	(1,650)	(2,094)	(3,744)
Balance at 31 December 2016	2,782	262,088	55,422	64,132	384,424

The accompanying notes 1 to 13 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 December 2017

	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Cash flows from operating activities		
Operating profit	**42,200**	13,023
Adjustments to reconcile profit for the period to net operating cash flows:		
Gains from changes in fair value of investment properties	**(32,357)**	(6,306)
Corporation tax payments	**—**	(39)
Decrease/(increase) in other receivables and prepayments	**6,201**	(4,851)
(Decrease)/increase in other payables and accrued expenses	**(6,052)**	5,030
Net cash flow generated from operating activities	**9,992**	6,857
Cash flows from investing activities		
Acquisitions of investment properties	**(29,532)**	(30,702)
Capital expenditure on investment properties	**(42,646)**	(939)
Net cash used in investing activities	**(72,178)**	(31,641)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**70,000**	23,000
Share issue costs	**(1,123)**	(401)
Proceeds from borrowings	**15,000**	—
Finance income	**20**	18
Finance expenses	**(3,587)**	(2,019)
Dividends paid in the period	**(11,291)**	(7,441)
Net cash flow generated from financing activities	**69,019**	13,157
Net increase/(decrease) in cash and cash equivalents	**6,833**	(11,627)
Cash and cash equivalents at start of the period	**55,110**	66,337
Cash and cash equivalents at end of the period	**61,943**	54,710

The accompanying notes 1 to 13 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 31 December 2017

1. General information
GCP Student Living plc is a real estate investment trust incorporated in the UK on 26 February 2013. The registered office of the Company is located at 51 New North Road, Exeter EX4 4EP. The Company has a premium listing on the Official List of the UKLA and trades on the Premium Segment of the Main Market of the LSE.

2. Basis of preparation
The consolidated financial statements for the six months ended 31 December 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all financial information required for full annual financial statements and have been prepared using the accounting policies adopted in the audited financial statements for the year ended 30 June 2017. The audited financial statements were prepared in accordance with IFRS issued by the IASB as adopted by the EU.

The financial information contained within this half-yearly report does not constitute full statutory accounts as defined in the Companies Act 2006. The financial information for the six months ended 31 December 2017 has been reviewed by the Company's Auditor, Ernst & Young LLP, in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity and was approved for issue on 21 March 2018. The latest published audited financial statements for the year ended 30 June 2017 have been delivered to the Registrar of Companies; the report of the independent Auditor thereon was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The financial information for the year ended 30 June 2017 is an extract from those financial statements.

The consolidated financial statements have been prepared under the historical cost convention, except for investment property, which has been measured at fair value. The financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

The Group has chosen to adopt the EPRA best practice guidelines for calculating key metrics such as net asset value and earnings, which are presented alongside the IFRS measures.

The consolidated interim financial information includes the financial statements of the Company and its wholly-owned subsidiaries for the six months ended 31 December 2017.

2.1 Significant accounting policies
Accounting policies are consistent with those of the annual report for the year ended 30 June 2017.

2.2 Segmental reporting
The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment and provision of student accommodation facilities (including ancillary retail, teaching and commercial facilities) in the UK.

2.3 Significant accounting judgements and estimates
The preparation of these financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Valuation of property
The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation, Global Standards 2017 and in accordance with IFRS 13. Refer to note 11 for further details of the judgements and estimates made in determining the valuation property.

Operating lease commitments – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and recognises the contracts as operating leases.

Going concern
The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future, for a period of not less than twelve months from the date of this report. The Company's articles of association include provisions for a continuation vote to be held at its fifth annual general meeting in November 2018 and at each third annual general meeting thereafter. The Directors will provide shareholders with their recommendation as to voting in relation to the continuation resolution at the time the notice for the 2018 annual general meeting is posted. It is the Directors' current expectation that they will be recommending shareholders vote for the Company to continue as presently constituted at that time. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3. UK investment property

	Properties under development £'000	Leasehold £'000	Freehold £'000	Total £'000
As at 1 July 2017	**59,100**	**177,710**	**397,830**	**634,640**
Acquisition of investment property	**–**	**–**	**29,532**	**29,532**
Expenditure on properties	**–**	**–**	**4,362**	**4,362**
Land and development costs	**38,694**	**–**	**–**	**38,694**
Movement between properties under development and freehold properties	**(79,030)**	**–**	**79,030**	**–**
Fair value gains on revaluation of investment property	**746**	**10,330**	**21,281**	**32,357**
As at 31 December 2017	**19,510**	**188,040**	**532,035**	**739,585**
As at 1 July 2016	–	173,070	251,717	424,787
Expenditure on properties	–	–	939	939
Land and development costs	33,665	–	–	33,665
Fair value gains on revaluation of investment property	965	3,220	2,121	6,306
As at 31 December 2016	34,630	176,290	254,777	465,697
As at 1 July 2016	–	173,070	251,717	424,787
Acquisition of investment property	–	–	138,952	138,952
Expenditure on properties	–	614	235	849
Land and development costs	58,197	–	–	58,197
Fair value gains on revaluation of investment property	903	4,026	6,926	11,855
As at 30 June 2017	59,100	177,710	397,830	634,640

During the period, the Group commenced construction of Circus Street, Brighton. The Company also completed on the acquisition of Podium via a wholly-owned subsidiary, GCP RHUL 2 Limited and commenced refurbishment of Scape Bloomsbury (formerly Woburn Place) acquired in April 2017.

4. Finance expenses

	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Bank charges	**4**	2
Loan interest	**3,413**	2,029
Loan arrangement fees amortised	**177**	124
Other	**15**	–
Total	**3,609**	2,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the six months ended 31 December 2017

5. Taxation

As a REIT, the Group is exempt from corporation tax on the profits and gains from its property rental business, provided it continues to meet certain conditions as per the REIT regulations. Non-qualifying profits and gains of the Group (residual income) continue to be subject to corporation tax.

Corporation tax has arisen as follows:

	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Corporation tax on residual income	**—**	41
Total	**—**	41

6. Dividends

	Six months ended 31 December 2017		Six months ended 31 December 2016	
Current period dividends	**Pence per share**	**£'000**	Pence per share	£'000
First interim dividend paid on 5 December 2017	**1.48**	**5,699**	1.43	3,744
Second interim dividend paid on 12 March 2018	**1.48**	**5,699**	1.43	3,978
Total	**2.96**	**11,398**	2.86	7,722
Prior year dividends				
Fourth interim dividend paid on 5 September 2017	**1.46**	**5,622**	1.43	3,744
Current period dividends paid as				
PIDs	**2.16**	**8,317**	2.86	7,722
Ordinary dividends	**0.80**	**3,081**	—	—
Total	**2.96**	**11,398**	2.86	7,722

The second interim dividend was declared and paid after the period end and therefore is not accrued in the financial statements.

As a REIT, the Company is required to pay PIDs equal to at least 90% of the property rental business profits of the Group.

7. Earnings per share

Basic EPS is calculated by dividing the total comprehensive income for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. As there are no dilutive instruments in issue, basic and diluted EPS are identical. The following reflects the earnings and share data used in the basic and diluted share computations:

	Six months ended 31 December 2017 £'000	Six months ended 31 December 2016 £'000
Group earnings for EPS	**38,846**	10,845
Fair value gains on investment properties	**(32,357)**	(6,306)
Group earnings for EPRA EPS	**6,489**	4,539
Group specific adjustments:		
Non-recurring items	**—**	867
Licence fees on forward-funded developments	**876**	—
Group specific adjusted earnings	**7,365**	5,406

	Six months ended 31 December 2017 Pence per share	Six months ended 31 December 2016 Pence per share
Basic Group EPS	**10.13**	4.12
Basic Group EPRA EPS	**1.69**	1.72
Diluted Group EPS	**10.13**	4.12
Diluted Group EPRA EPS	**1.69**	1.72
Group specific adjusted EPS	**1.92**	2.05

	31 December 2017 Number of shares	31 December 2016 Number of shares
Weighted average number of shares in issue	**383,457,085**	263,295,015

A third Group specific adjusted EPS calculation has been calculated to show EPRA earnings excluding the non-recurring transactions arising in the period and adding licence fees on forward-funded agreements, which are treated as capital in the financial statements. The transactions have arisen from the following:

1. For the period ended 31 December 2017:
   i. licence fees from the developer of Circus Street in respect of a forward-funding agreement of £46,000; and
   ii. licence fees from the developer of Scape Wembley in respect of a forward-funding agreement of £830,000.
2. For the period ended 31 December 2016:
   i. share issue costs relating to committed costs of the issue of new ordinary shares through the 2017 placing programme of £473,000; and
   ii. costs relating to the migration from the SFS to the Premium Segment of the Main Market of the London Stock Exchange, of £394,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the six months ended 31 December 2017

8. Interest-bearing loans and borrowings

	31 December 2017 £'000	30 June 2017 £'000
Borrowings at the start of the period	**220,000**	130,000
Proceeds from borrowings	**15,000**	90,000
Total loan drawn down	**235,000**	220,000
Unamortised loan arrangement fees brought forward	**(2,531)**	(1,826)
Loan arrangement fees incurred in the period	**(52)**	(953)
Loan arrangement fees amortised	**177**	248
Unamortised loan arrangement fees at the end of the period	**(2,406)**	(2,531)
Borrowings less unamortised loan arrangement fees	**232,594**	217,469

The Group has secured fixed rate facilities totalling £235 million with PGIM which are comprised as follows:

Amount	Facility	Interest rate %	Maturity
£130,000,000	1	3.07	September 2024
£40,000,000	2	2.83	April 2029
£65,000,000	2	2.82	April 2029

The Group uses gearing to enhance returns over the long term. The level of gearing is governed by careful consideration of the cost of borrowing.

The debt facilities include gearing and interest cover covenants that are measured in accordance with the facility agreement at a Group level. The Group has maintained significant headroom against all measures throughout the financial period and is in full compliance with all loan covenants at 31 December 2017.

9. Share capital

	Number of shares	Issued share price	31 December 2017 £'000	30 June 2017 £'000
Issued and fully paid:				
At the start of the period			**3,358**	2,618
Shares issued on 20 December 2016	16,428,572	140.00p	**–**	164
Shares issued on 24 February 2017	57,545,195	140.00p	**–**	576
Shares issued on 7 July 2017	49,295,774	142.00p	**493**	–
Balance at the end of the period			**3,851**	3,358

10. Net asset value per ordinary share

Basic NAV per share amounts are calculated by dividing net assets attributable to ordinary equity holders of the Company in the statement of financial position by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments in issue, basic and diluted NAV per share are identical. The following reflects the net asset and share data used in the basic and diluted NAV per share computations:

	31 December 2017 Pence per share	30 June 2017 Pence per share
EPRA NAV (pps)	**146.31**	139.08

The EPRA NAV may be calculated as:

	31 December 2017 £'000	30 June 2017 £'000
Net assets attributable to ordinary shareholders	**563,396**	466,994
Net assets for calculation of EPRA NAV	**563,396**	466,994
Number of ordinary shares in issue	**385,064,556**	335,768,782

11. Fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying value of the loans and borrowings approximate their fair value due to the contractual terms and conditions of the loan.

Quarterly valuations of investment property are performed by Knight Frank LLP, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued, however, the valuations are the ultimate responsibility of the Directors, who appraise these quarterly.

The valuation of the Company's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation, Global Standards 2017.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams) capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property and discount rates applicable to those assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the six months ended 31 December 2017

11. Fair value continued

The following tables show an analysis of the fair values of investment properties recognised in the consolidated statement of financial position by level of the fair value hierarchy[1]:

	31 December 2017			
Assets and liabilities measured at fair value	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment properties	**—**	**—**	**739,585**	**739,585**
	—	**—**	**739,585**	**739,585**

	30 June 2017			
Assets and liabilities measured at fair value	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	—	—	634,640	634,640
	—	—	634,640	634,640

1. Explanation of the fair value hierarchy:
   - Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
   - Level 2 – use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
   - Level 3 – use of a model with inputs that are not based on observable market data.

Valuation techniques and significant inputs within the valuation of investment properties

The following table analyses:

- the fair value measurements at the end of the reporting period;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- for Level 3 fair value measurements, quantitative information about significant unobservable inputs used in the fair value measurement.

Asset class	Fair value	Valuation technique	Key unobservable inputs	Range
Operational student property 31 December 2017	**£576,995,000**	**Income capitalisation**	**ERV – 2017/18** **Rental growth** **Tenancy period** **Sundry income** **Facilities management cost** **Initial yield**	**£160 – £465 per bed per week** **2% – 3%** **51 weeks** **£50 – £100 per bed per annum** **£2,050 – £2,250 per bed per annum** **4.62% – 5.75% blended (4.45% – 7.50%)**
Development student property 31 December 2017	**£162,590,000**	**Income capitalisation/ RLV (plus cost spend to date)**	**RLV** **Build cost spend to date** **ERV – 2017/18** **ERV (summer lets) – 2017/18**	**£147,600,000** **£14,993,000** **£165 – £632 per bed per week** **£75 – £200 per bed per night**
Student property 30 June 2017	£575,540,000[1]	Income capitalisation	ERV – 2016/17 Rental growth Tenancy period Sundry income Facilities management cost Initial yield	£164 – £610 per week 2% – 3% 51 weeks £50 – £100 per bed per annum £2,050 – £2,500 per bed per annum 4.76% – 5.75% blended (4.75% – 7.50%)

1. The fair value of student property as at 30 June 2017 (£575,540,000) above excludes Scape Wembley, which has been valued at the sum of RLV plus build cost spend to date (£59,100,000) which is assessed to be equivalent to the fair value at the year end.

11. Fair value continued

Sensitivity analysis to significant changes in unobservable inputs within the valuation of investment properties

Significant increases/decreases in the ERV (per sq ft p.a.) and rental growth p.a. in isolation would result in a significantly higher/lower fair value measurement. Significant increases/decreases in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly higher/lower fair value measurement.

Generally, a change in the assumption made for the ERV (per sq ft p.a.) is accompanied by:

— a similar change in the rent growth p.a. and discount rate (and exit yield); and

— an opposite change in the long-term vacancy rate.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to £32,357,000 (31 December 2016: £6,306,000) and are presented in the consolidated statement of comprehensive income in line item 'fair value gains on investment properties'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

The carrying amount of the Company's assets and liabilities is considered to be the same as their fair value.

12. Related party transactions

Directors

The Directors (all non-executive) of the Company and its subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the six months totalled £87,500 (31 December 2016: £85,000) and at 31 December 2017, a balance of £nil (30 June 2017: £nil) was outstanding.

Investment Manager

The Company is party to an investment management agreement with the Investment Manager, pursuant to which the Company has appointed the Investment Manager to provide investment management services relating to the Group's assets on a day-to-day basis in accordance with the Company's objective and policy, subject to the overall supervision and direction of the Board of Directors. The Investment Manager is entitled to receive from the Company a management fee which is calculated and paid quarterly in arrears at an annual rate of 1% of the prevailing NAV. The management fee is reduced to offset fees payable to the Asset and Facilities Managers. In respect of the six-month period ended 31 December 2017, the net annualised investment management fee paid to the Investment Manager was 0.85%.

The Investment Manager has committed additional resource in providing its client funds, including the Company, a more comprehensive service which strengthens the level of transaction and marketing support for the Company, in a cost efficient manner. The Investment Manager receives a fee of 0.3% of the aggregate gross proceeds from any issue of new shares in consideration for the provision of marketing and investor introduction services, from which it pays Highland Capital Partners Limited in connection with the provision of such services.

The Investment Manager receives an annual fee of £22,500 in relation to its role as the Company's AIFM, subject to an annual RPI increase.

During the six months, the Group incurred £2,588,000 (31 December 2016: £1,946,000), in respect of investment management fees, AIFM fee and transaction management and documentation services. A total of £2,378,000 is included within administration expenses in the consolidated statement of comprehensive income and £210,000 is included within share issue costs charged to equity during the period. At 31 December 2017, £1,196,000 was outstanding (31 December 2016: £896,000).

13. Events after the reporting period

On 23 February 2018, the Company appointed a new non-executive Director of the Company, Ms Gillian Day.

GLOSSARY OF KEY TERMS

AIC
Association of Investment Companies

AIFM
Alternative Investment Fund Manager

AY
Academic year

Company
GCP Student Living plc

Cost of borrowing
Cost of borrowing expressed as a percentage weighted according to period

EPRA
European Public Real Estate Association

EPRA EPS
Recurring earnings from core operational activities excluding movements relating to revaluation of investment properties and interest rate swaps and the related tax effects, divided by the number of shares in issue

EPRA NAV
Includes all property at market value but excludes the mark to market of interest rate swaps

EPRA NAV per share (cum-income)
Net asset value before deduction of proposed dividend

EPRA NAV per share (ex-income)
Net asset value after deduction of proposed dividend

EPS
Earnings per share

ERV
Estimated rental value

EU
European Union

Gearing
Debt expressed as a percentage of gross assets

Gross assets
The aggregate value of the total assets of the Company

Group
GCP Student Living plc and its subsidiaries

HEI
Higher education institution

HY
Half year

IAS
International Accounting Standard

IASB
International Accounting Standards Board

IFRS
International Financial Reporting Standards

IPO
Initial public offering

Loan-to-value
A measure of borrowings used by property investment companies calculated as borrowings, net of cash, as a proportion of property value

LSE
London Stock Exchange

NAV
Net asset value

Net operating margin
Gross profit divided by rental income expressed as a percentage

NIY
Net initial yield

Non-PID
Ordinary UK dividend

Ongoing charges ratio
Annual percentage reduction in shareholder returns as a result of recurring operational expenses

PGIM
PGIM Real Estate Finance

PID
Property income distribution

PPS
Pence per share

REIT
Real Estate Investment Trust

Rental growth
Annual rental growth measured on a like-for-like basis across the portfolio

RICS
Royal Institution of Chartered Surveyors

RLV
Residual land value

RNS
Regulatory News Service

RPI
Retail price index

Scape
Scape Student Living Limited – Asset and Facilities Manager for Scape Shoreditch, Scape East, Scape Greenwich, Scape Surrey, Scape Wembley, The Pad and Podium

SFS
Specialist Fund Segment of the Main Market of the LSE

UCAS
Universities and Colleges Admissions Service

UKLA
United Kingdom Listing Authority

SHAREHOLDER INFORMATION

Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's annual report, half-yearly report and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, visit www.signalshares.com. To register, you will need your investor code, which can be found on your share certificate or your dividend tax voucher.

Alternatively, you can contact Link's Customer Support Centre which is available to answer any queries you have in relation to your shareholding:

By phone: from the UK, call 0871 664 0300, from overseas call +44 (0) 371 664 0300 (calls cost 12 pence per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Link is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).

By email: enquiries@linkgroup.co.uk

By post: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Frequency of NAV publication

The Company's NAV is released to the LSE via RNS on a quarterly basis and is published on the Company's website.

Sources of further information

Copies of the Company's annual and half-yearly reports, stock exchange announcements, investor reports and further information on the Company can be obtained from the Company's website.

Key dates

March	Half-yearly results announced Payment of second interim dividend
June	Company's year end Payment of third interim dividend
September	Annual results announced Payment of fourth interim dividend
November	Annual general meeting
December	Company's half-year end Payment of first interim dividend

CORPORATE INFORMATION

Directors
Robert Peto (Chairman)
Peter Dunscombe (Senior Independent Director)
Malcolm Naish
Marlene Wood
Gillian Day (appointed on 23 February 2018)

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