

## **HCP Announces £394.5 Million (\$630 Million) Debt Investment In UK Care Home Portfolio**

IRVINE, Calif.--(BUSINESS WIRE)--Nov. 3, 2014-- HCP (NYSE:HCP) today announced that it is the lead investor in the financing for Formation Capital and Safanad's pending acquisition of NHP, a company that owns 273 nursing and residential care homes representing over 12,500 beds in the UK. HCP will provide a loan facility (the "Facility") totaling £394.5 million (approximately \$630 million), secured by substantially all of NHP's assets with a five-year term. The Facility includes £362.5 million funded at closing, representing a portion of the £477 million acquisition consideration; in addition, HCP will make available up to £32 million to fund future capital improvements in properties operated by HC-One described below. Including fees received at closing, the Facility is projected to achieve a blended 8.2% yield-to-maturity, representing an immediately accretive investment that increases HCP's annualized FFO and FAD run-rate by \$0.03 per share.

The NHP portfolio is anchored by 226 care homes, the majority of which are purpose-built, primarily located in England and Scotland. These facilities are operated by HC-One, an NHP subsidiary launched in November 2011 to assume the operations transitioned from Southern Cross Healthcare. HC-One is the UK's third largest nursing and residential care provider with an experienced management team led by Dr Chai Patel, and cares for over 10,000 residents by offering a wide range of services including dementia, nursing, residential and specialist care. The remaining NHP facilities are leased to third-party operators including Four Seasons Health Care and Care Management Group. Currently NHP's portfolio has an occupancy rate of over 88%.

"We are pleased to partner with Formation Capital and Safanad to finance its acquisition of NHP," said Lauralee Martin, President and CEO of HCP. "Formation has been a valuable partner to HCP, having collaborated on past transactions including our Genesis and Tandem debt investments, as well as several Senior Housing development projects. Further, this accretive transaction allows us to expand our UK investments to approximately \$1 billion and provides a new relationship with a premier national operator in the UK led by Dr Chai Patel and his talented management team."

The closing of the acquisition and funding of the Facility is expected to occur in November 2014, subject to customary closing conditions.

### About HC-ONE

Created by NHP and Court Cavendish in 2011, HC-One is the third largest care home operator in the UK, providing Dementia, Nursing, Residential and Specialist care for over 10,000 residents with over 14,000 members of staff. Founded on the principles of involvement, accountability and partnership, HC-One stands for 'Health' and 'Care' and symbolises the focus on the "one." HC-One is committed to continuing to build a new kind of relationship between the staff, residents, relatives and the wider communities within which it operates. For more information regarding HC-One, visit the company's website at <http://www.hc-one.co.uk/>.

### About HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests primarily in real estate serving the healthcare industry in the United States. HCP's portfolio of assets is diversified among five distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office and hospitals. A publicly traded company since 1985, HCP: (i) was the first healthcare REIT selected to the S&P 500 index; (ii) has increased its dividend per share for 29 consecutive years; (iii) is the only REIT included in the S&P 500 Dividend Aristocrats index; and (iv) is a global leader in sustainability as a member of the CDP, Dow Jones and FTSE4Good sustainability leadership indices, as well as the GRESB Global Healthcare Sector Leader. For more information regarding HCP, visit the Company's website at [www.hcpi.com](http://www.hcpi.com).

### Forward-Looking Statements

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements made by or on behalf of HCP in this release or relating hereto which are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, among other things, statements regarding anticipated outcomes relating to the proposed debt investment. These statements are made as of the

date hereof, are not guarantees of future performance and are subject to known and unknown risks, uncertainties, assumptions and other factors — many of which are out of HCP's control and difficult to forecast — that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. These risks and uncertainties include but are not limited to: HCP's ability to complete or achieve the benefit of the investment described above on the proposed terms or at all; risks relating to the acquisition of NHP by Formation Capital, including in respect of the timing and satisfaction of closing conditions, unanticipated difficulties relating to the acquisition, the risk that regulatory approvals required for the acquisition are not obtained or are obtained subject to unanticipated conditions, litigation relating to the acquisition, and the parties' inability to obtain, or delays in obtaining, cost savings and synergies from the acquisition; the ability of operators, tenants and borrowers, including Formation Capital, to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make payments to HCP, and HCP's ability to recover its investment; and other risks and uncertainties described from time to time in HCP's Securities and Exchange Commission filings, including its 2013 Annual Report on Form 10-K. HCP assumes no, and hereby disclaims any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

Source: HCP, Inc.

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