

HCP Completes £220 Million Unsecured Term Loan Fixed at 1.79%

IRVINE, Calif.--(BUSINESS WIRE)--Jan. 12, 2015-- HCP (NYSE:HCP) announced the closing of a £220 million unsecured term loan. The term loan has a four-year term with a one-year committed extension option and bears interest at GBP LIBOR plus 97.5 basis points, subject to adjustments based on HCP's credit ratings. HCP concurrently entered into a three-year interest rate swap agreement that effectively fixes the rate of the term loan at 1.79%.

Proceeds from the term loan were used to repay £220 million outstanding on HCP's revolving credit facility that was initially used to fund a portion of the Company's £394.5 million UK debt investment in November 2014. The UK debt investment represented the financing for Formation Capital and Safanad's acquisition of NHP, which owns a portfolio of 273 nursing and residential care homes in the UK primarily operated by HC-One. The UK debt investment is projected to achieve a blended 8.2% yield-to-maturity.

"The pound sterling denominated term loan provides a natural hedge with respect to our accretive debt investment with NHP and HC-One," said Tim Schoen, HCP's Executive Vice President and Chief Financial Officer. "We appreciate the strong support from our banking syndicate as we continue to grow our UK investment platform."

Bank of America, N.A., serves as administrative agent with Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., as syndication agent, Citibank, N.A., The Bank of New York Mellon, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Wells Fargo Bank, National Association, as co-documentation agents, and a syndicate of banks, as lenders.

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 theGRESB Global Healthcare Sector Leader. For more information regarding HCP, visit the Company's website at www.hcpi.com.

Forward-Looking Statements

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements made by 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 the effective interest rate of the term loan and anticipated outcomes relating to the UK debt investment described above and the Company's UK investment platform. 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 maintain its credit ratings and manage its indebtedness level, changes in the terms of such indebtedness; HCP's ability to achieve the anticipated benefit of the UK debt investment described above and to continue to grow its UK investment platform; 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.

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