
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): September 29, 2017

**MEDICAL PROPERTIES TRUST, INC.
MPT OPERATING PARTNERSHIP, L.P.**

(Exact Name of Registrant as Specified in Charter)

**Maryland
Delaware**
(State or other jurisdiction of
incorporation or organization)

**001-32559
333-177186**
(Commission
File Number)

**20-0191742
20-0242069**
(I.R.S. Employer
Identification No.)

**1000 Urban Center Drive, Suite 501
Birmingham, AL**
(Address of principal executive offices)

35242
(Zip Code)

Registrant's telephone number, including area code: (205) 969-3755

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

The disclosures contained in “Item 2.01 Completion of Acquisition or Disposition of Assets” of this Current Report on Form 8-K are incorporated into this Item 1.01 by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On September 29, 2017, affiliates of Medical Properties Trust, Inc. (the “Company”) and MPT Operating Partnership, L.P. (the “Operating Partnership”, and together with the Company and its consolidated subsidiaries, “we” or “our”) completed the previously announced acquisition of the real estate interests of ten acute care hospitals and one behavioral health facility from IASIS Healthcare LLC (“IASIS”), along with ancillary land and buildings, for a combined purchase price and investment of approximately \$1.4 billion. The portfolio is now operated by Steward Health Care System LLC (“Steward”), which separately completed its merger transaction with IASIS on September 29, 2017.

Specifically, pursuant to the terms of an asset purchase agreement with IASIS and its affiliates, dated May 18, 2017, we acquired from IASIS and its affiliates all of their interests in the real estate of eight acute care hospitals and one behavioral health facility, along with ancillary land and buildings, for an aggregate purchase price of approximately \$700 million. At closing, these facilities were leased to Steward pursuant to the existing master lease agreement. In addition, pursuant to the terms of the agreement, we made mortgage loans in an aggregate amount of approximately \$700 million, secured by first mortgages in two acute care hospitals. The real estate master lease and mortgage loans have substantially similar terms, which have an initial fixed term expiration of October 31, 2031 and includes three 5-year extension options, plus annual inflation protected escalators. The initial GAAP yield for the properties under the master lease is approximately 10.2% per annum.

The table below sets forth pertinent details with respect to the hospitals in the acquired portfolio:

| <u>Hospital</u> | <u>Property Type</u> | <u>Location</u> | <u>Form of Investment</u> | <u>Licensed Beds</u> |
|----------------------------------------|----------------------|--------------------|---------------------------|----------------------|
| Davis Hospital and Medical Center | Acute care | Layton, UT | Mortgage | 220 |
| Jordan Valley Medical Center | Acute care | West Jordan, UT | Mortgage | 171 |
| Odessa Regional Medical Center | Acute care | Odessa, TX | Lease | 225 |
| Salt Lake Regional Medical Center | Acute care | Salt Lake City, UT | Lease | 158 |
| St. Luke’s Medical Center | Acute care | Phoenix, AZ | Lease | 219 |
| St. Luke’s Behavioral Health Center | Behavioral health | Phoenix, AZ | Lease | 124 |
| Southwest General Hospital | Acute care | San Antonio, TX | Lease | 327 |
| Wadley Regional Medical Center at Hope | Acute care | Hope, AR | Lease | 79 |
| Tempe St. Luke’s Hospital | Acute care | Tempe, AZ | Lease | 87 |
| St. Joseph Medical Center | Acute care | Houston, TX | Lease | 790 |
| Mountain Point Medical Center | Acute care | Lehi, UT | Lease | 40 |
| Total Licensed Beds | | | | <u>2,440</u> |

In addition, in conjunction with the real estate and mortgage loans transactions described above, we invested approximately \$100 million in minority preferred interests of Steward. We have no management authority or control of Steward except for certain protective rights consistent with a minority passive ownership interest, such as a limited right to approve certain extraordinary transactions.

We financed the transaction with all-debt financing, which included borrowings under our revolving credit facility and the issuance of unsecured debt securities, and cash on hand.

Item 7.01. Regulation FD Disclosure.

On September 29, 2017, we issued a press release announcing closing of the transactions described above in Item 2.01 of this Current Report on Form 8-K. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

The information contained in this Item 7.01 is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act or into any filing or other document pursuant to the Securities Exchange Act of 1934, as amended, except as otherwise expressly stated in any such filing.

Item 9.01. Financial Statements and Exhibits.

(b) *Pro Forma Financial Information.*

The unaudited pro forma condensed consolidated financial statements of Medical Properties Trust, Inc. and Subsidiaries, and of MPT Operating Partnership, L.P. and Subsidiaries that are required by this Item will be filed by amendment to this Current Report on Form 8-K no later than 71 days following the date that this Current Report is required to be filed.

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|----------------------------------------|
| 99.1 | Press release dated September 29, 2017 |

INDEX TO EXHIBITS

Exhibit
No.

Description

99.1

[Press release dated September 29, 2017](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunder duly authorized.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President and Chief Financial Officer

Date: October 5, 2017

MPT OPERATING PARTNERSHIP, L.P.

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President and Chief Financial Officer
of the sole member of the general partner
of MPT Operating Partnership, L.P.

Date: October 5, 2017



Medical Properties Trust

Contact: Tim Berryman
Director – Investor Relations
Medical Properties Trust, Inc.
(205) 969-3755
tberryman@medicalpropertystrust.com

MEDICAL PROPERTIES TRUST, INC. COMPLETES \$1.4 BILLION INVESTMENT IN ELEVEN IASIS HOSPITALS NOW OPERATED BY STEWARD HEALTH CARE

Birmingham, AL – September 29, 2017 – Medical Properties Trust, Inc. (the “Company” or “MPT”) (NYSE: MPW) today announced that it has completed the previously announced acquisition of the real estate interests from IASIS Healthcare Corporation of ten acute care hospitals and one behavioral health facility with Steward Health Care System LLC (“Steward”) becoming the facilities’ new operator. Additionally, MPT invested \$100 million in minority preferred interests of Steward.

About Medical Properties Trust, Inc.

Medical Properties Trust, Inc. is a Birmingham, Alabama based self-advised real estate investment trust formed to capitalize on the changing trends in healthcare delivery by acquiring and developing net-leased healthcare facilities. MPT’s financing model allows hospitals and other healthcare facilities to unlock the value of their underlying real estate in order to fund facility improvements, technology upgrades, staff additions and new construction. Facilities include acute care hospitals, inpatient rehabilitation hospitals, long-term acute care hospitals, and other medical and surgical facilities. For more information, please visit the Company’s website at www.medicalpropertystrust.com.

The statements in this press release that are forward looking are based on current expectations and actual results or future events may differ materially. Words such as “expects,” “believes,” “anticipates,” “intends,” “will,” “should” and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company or future events to differ materially from those expressed in or underlying such forward-looking statements, including without limitation: the satisfaction of all conditions to, and the timely closing (if at all) of pending transactions; net income per share for 2017 and 2018; Normalized FFO per share for 2017 and 2018; the amount of acquisitions of healthcare real estate, if any; results from the potential sales, if any, of assets; capital markets conditions; estimated leverage metrics; the repayment of debt arrangements; statements concerning the additional income to the Company as a result of ownership interests in certain hospital operations and the timing of such income; the payment of future dividends, if any; completion of additional debt arrangements, and additional investments; national and international economic,

business, real estate and other market conditions; the competitive environment in which the Company operates; the execution of the Company's business plan; financing risks; the Company's ability to maintain its status as a REIT for income tax purposes; acquisition and development risks; potential environmental and other liabilities; and other factors affecting the real estate industry generally or healthcare real estate in particular. For further discussion of the factors that could affect outcomes, please refer to the "Risk factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and as updated by the Company's subsequently filed Quarterly Reports on Form 10-Q and other SEC filings. Except as otherwise required by the federal securities laws, the Company undertakes no obligation to update the information in this press release.

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