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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): October 15, 2014**

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

(Exact Name of Registrant as Specified in Charter)

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**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.)

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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))
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**Item 1.01. Entry into a Material Definitive Agreement.***Acquisition of Median Kliniken Portfolio*

On October 15, 2014, affiliates of Medical Properties Trust, Inc. (the “Company”) and its operating partnership, MPT Operating Partnership, L.P. (the “Operating Partnership”), entered into definitive agreements pursuant to which subsidiaries of the Operating Partnership will acquire substantially all the real estate assets of Median Kliniken S.à r.l. (“Median”), a German provider of post-acute and acute rehabilitation services, for an aggregate purchase price that is expected to be approximately €705 million, or \$900 million based on current exchange rates. The portfolio includes 40 rehabilitation hospitals located across 12 states in the Federal Republic of Germany.

The table below sets forth pertinent details with respect to the facilities to be acquired:

<u>Property</u>	<u>Type of Property</u>	<u>Location</u>	<u>Number of Licensed Beds</u>	<u>Square Feet</u>
Heiligendamm	Rehab	Heiligendamm	255	162,643
Wismar	Rehab	Wismar	203	139,242
Bad Sulze	Rehab	Bad Sulze	230	180,489
Hoppegarten	Rehab	Hoppegarten	244	218,701
Grunheide	Rehab	Grunheide	240	215,030
Berlin-Kladow	Rehab	Berlin	220	180,489
NRZ Magdeburg	Rehab	Magdeburg	210	229,732
Kalbe	Rehab	Kalbe	220	178,865
Flechtingen I	Rehab	Flechtingen	195	131,976
Flechtingen II	Rehab	Flechtingen	225	180,489
Bad Tennstedt	Rehab	Bad Tennstedt	251	179,197
Ilmtal	Rehab	Bad Berka	217*	141,590
Quellbrunn	Rehab	Bad Berka	217*	86,564
Adelsberg Klinik	Rehab	Bad Berka	237	167,368
Bad Lobenstein	Rehab	Bad Lobenstein	228	168,815
Bad Lausick	Rehab	Bad Lausick	199	131,976
Berggiesshubel	Rehab	Berggiesshubel	195	131,976
Bad Gottleuba	Rehab	Bad Gottleuba	545	260,486
Weserklinik	Rehab	Bad Oeynhausen	210	137,286
Flachsheide	Rehab	Flachsheide	235	195,666
Klinik am Burggraben	Rehab	Bad Salzuflen	747	433,086
Reha-Zentrum Gyhum	Rehab	Gyhum	333	162,643
Braunfels	Acute	Braunfels	160	135,216
Schlangenbad	Rehab	Schlangenbad	115	227,538
Aukammthal	Rehab	Wiesbaden	236	177,464
Hohenfeld	Rehab	Bad Camberg	373	209,127
Klinik am Sudpark	Rehab	Bad Nauheim	265	96,875
Kaiserberg Klinik	Rehab	Bad Nauheim	245	124,861
Kinzigtal Klinik	Rehab	Bad Soden-Salmünster	189	108,005
Burg Landshut	Rehab	Bernkastel-Kues	250	181,673
Moselschleife	Rehab	Bernkastel-Kues	203	147,465
Bernkastel	Rehab	Bernkastel-Kues	215	85,110
Moselhohe	Rehab	Bernkastel-Kues	230	103,516
Gunzenbachhof	Rehab	Baden-Baden	68	66,736
Achertal Klinik	Rehab	Ottenhöfen im Schwarzwald	69	77,253
Franz-Alexander Klinik	Rehab	Nordrach	34	39,557
St. Georg Nordrach	Rehab	Nordrach	97	54,325
St. Georg Bad Krozingen	Rehab	Bad Krozingen	138	64,196
St. Georg Bad Durrheim	Rehab	Bad Durrheim	116	205,375
ATOS - Heidelberg	Acute	Heidelberg	73	117,327
<b>Total</b>			<b>8,715</b>	<b>6,235,928</b>

\* Licensed beds for Ilmtal and Quellbrunn shown together.

We expect to consummate the transaction in a series of steps in partnership with affiliates of Waterland Private Equity Fund V C.V. (“Waterland V”). In the first step, an affiliate of Waterland V will acquire 94.9% of the outstanding equity interests in Median pursuant to a stock purchase agreement with Median’s current owners. We will indirectly acquire the remaining 5.1% of the outstanding equity interests in Median and provide interim loans to Waterland and Median in aggregate amounts up to the expected purchase price of the real estate assets. The consummation of the Median acquisition is subject to customary closing conditions, including German antitrust clearance. The loans we make to Waterland V and Median will bear interest at a rate similar to the initial lease rate under the sale and leaseback transactions described below.

Concurrently with or as soon as practical following the closing of the Median acquisition, we will acquire substantially all of Median’s real estate assets under a sale and leaseback agreement. We will either assume or novate any third party debt attributable to the real estate assets or provide the cash required to repay the third party debt. The purchase price we are required to pay for the real estate assets will be offset, pro rata, against amounts of debt that we assume or have provided cash to repay, and/or against the amounts of loans previously made to Waterland V or Median. The sale and leaseback transactions are conditioned on the acquisition of Median described above and is also subject to customary real estate, regulatory and other closing conditions, including waiver of any statutory pre-emption rights by local municipalities. To the extent we are unable to acquire the entire Median portfolio as contemplated, we will have a right of first refusal with regard to any new real estate properties owned or acquired by Median.

Upon our acquisition of the real estate assets, we will lease them back to Median under a 27 year master lease, with annual escalators at the greater of one percent or 70% of the German consumer price index. We expect the transactions to be completed during the first quarter of 2015.

Waterland V is an affiliate of Waterland Private Equity Fund IV C.V., which controls RHM Klinik-und Altenheimbetriebe GmbH & Co. KG, the operator and lessee of 11 German facilities that we currently own.

#### *Financing; Amendment of Senior Credit Facility; Commitment Letter*

Subject to prevailing market conditions, we intend to finance and/or refinance our obligations relating to the Median transactions with the net proceeds of borrowings under our senior credit facility, new secured and unsecured debt issuances, equity issuances, or a combination thereof.

On October 17, 2014, we and the Operating Partnership entered into an amendment to our existing amended and restated revolving credit and term loan agreement, dated as of June 19, 2014, by and among us, JPMorgan Chase Bank, N.A. (“JPM”), as administrative agent, and the financial institutions specified therein. The amendment increases the current aggregate committed size of the facility to \$1.15 billion and increases the incremental term loan and/or revolving loan capacity by up to an additional \$400 million, for total aggregate capacity of \$1.55 billion. The amendment further increases the alternative currency sublimit under the facility to €500 million and amends certain covenants in order to permit us to consummate and finance the Median transactions. The foregoing description of the amendment is qualified in its entirety by the full terms and conditions of the amendment, a copy of which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

In addition, we have received a commitment letter from JPM, pursuant to which JPM and a syndicate of lenders have agreed to fund a new one-year senior unsecured term loan of up to \$225 million. The commitment letter is subject to customary conditions for this type of financing, including, but not limited to, consummation of the Median transactions. The commitment letter provides that, subject to certain exceptions, the commitment will be reduced by the amount of additional debt and equity capital that we raise (or if the term loan is then funded we will be obligated to repay the term loan in such amount).

#### **Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth above with respect to the amendment to our amended and restated revolving credit and term loan agreement under Item 1.01 of this Current Report on Form 8-K is hereby incorporated into this Item 2.03 by reference.

**Item 7.01. Regulation FD Disclosure.**

On October 20, 2014, the Company issued a press release announcing the Median acquisition, a copy of which is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished pursuant to this Item 7.01 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section or Sections 11 and 12(a)(2) of the Securities Act if 1933, as amended.

In addition, this information shall not be deemed incorporated by reference in any filing of the Company or the Operating Partnership with the Securities and Exchange Commission, except as expressly set forth by specific references in any such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated October 20, 2014

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## 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 21, 2014

### **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 21, 2014



Medical Properties Trust

**Medical Properties Trust, Inc. Announces More Than \$1 Billion in New Real Estate Investments**

*MPT to Acquire 40 Rehabilitation Hospitals in Germany for \$900 Million*

*Approximately \$155 Million in Additional Transactions, including \$74 Million in U.S. Investments*

*Expected to be Accretive to Normalized FFO by \$0.09 – \$0.12 Per Share*

BIRMINGHAM, Ala.—(BUSINESS WIRE)—Oct. 20, 2014—Medical Properties Trust, Inc. (the “Company” or “MPT”) (NYSE: MPW) today announced that it has entered into definitive agreements pursuant to which it will acquire and lease back substantially all of the real estate assets of privately-held MEDIAN Kliniken Group (“MEDIAN”), the largest private provider of post-acute and acute rehabilitation services in Germany. The aggregate purchase price for the real estate assets is expected to be approximately €705 million, or \$900 million based on current exchange rates.

“This transaction further demonstrates MPT’s success in leveraging its deep understanding of the healthcare markets and continues its track record of completing highly accretive investments across diverse geographies,” said Edward K. Aldag, Jr., Chairman, President and CEO of Medical Properties Trust. “This is an important transaction because it significantly increases our asset base to approximately \$4.5 billion, and builds on our recent entry into the attractive Western European market. The acquisition of the MEDIAN real estate is a very compelling and unique opportunity for MPT and is fully aligned with our strategy to diversify our market-leading hospital portfolio across geography, operator and facility type.”

Under the terms of the sale/leaseback agreement, MPT will acquire from and leaseback to MEDIAN the real estate assets of 38 rehabilitation and 2 acute care hospitals throughout Germany pursuant to a 27 year master lease that provides an initial lease rate well within MPT’s 8.0% to 11.0% target range, with annual escalators at the greater of one percent or 70% of German CPI. Aggregate earnings before interest, taxes, depreciation, amortization and rent for the 40 hospitals are also expected to approximate MPT’s historical underwriting targets for post-acute hospitals.

In addition to the MEDIAN acquisitions, MPT also announced today approximately \$155 million in recent, previously undisclosed commitments and investments. These hospital assets include three acute facilities in the United States (located in Alabama, Texas and West Virginia) with an aggregate value of approximately \$74 million and three additional German rehabilitation hospitals with an aggregate value of approximately \$81 million (based on agreed pricing of €64 million) to be leased to RHM Kliniken, a current tenant of the Company’s assets in Germany, and owned by affiliates of Waterland Private Equity, the expected future majority owner of MEDIAN. With these transactions, MPT has committed to investments totaling approximately \$1.4 billion year-to-date, the highest amount of investments the Company has made in a single year in its history.

Consistent with MPT’s standard agreements, the new U.S. hospital facilities, as well as those included in the new commitment with RHM Kliniken, will be leased back to the operators under long-term net leases with a weighted average initial cash lease rate of approximately 9.3% and consumer price index-based escalators.

MPT expects to consummate the MEDIAN transaction through a two-step process. In the first step, an affiliate of Netherlands-based Waterland Private Equity will acquire a 94.9% equity interest in MEDIAN. MPT will acquire the remaining 5.1% stake and will provide loans to Waterland and MEDIAN for up to the €705 million purchase price of the sale/leaseback real estate. In step two the loans will be offset against the purchase prices

of each real estate acquisition. Closing of the sale/leaseback transactions is conditioned on the acquisition of MEDIAN's equity in step one, which is subject to approval by the German merger control authorities. The closing of each hospital sale/leaseback transaction is also subject to, among other things, the rights of local governments to pre-emptively acquire the real estate instead of MPT. The transactions are expected to be completed during the first quarter of 2015.

MPT has amended its credit facility to increase the aggregate commitment to \$1.15 billion (and provide a new additional \$400 million accordion feature), and amend certain other provisions to ensure that MPT's purchase obligations may be fully funded under the credit facility; the Company also has commitments for a new \$225 million one-year senior unsecured term loan. MPT intends to refinance the MEDIAN transaction as market conditions warrant with a combination of new secured or unsecured debt and equity.

### **Benefits of the Transactions**

- **Accretive to normalized FFO.** Based on MPT's recent share price, estimated interest costs of 3.5% and 5.0% for secured and unsecured long-term debt, respectively, and maintenance of MPT's target leverage of approximately 45% of total assets, the transactions are expected to be accretive to normalized FFO by between \$0.09 and \$0.12 per share, or by between 8.0% and 11.0% for the 12 months following the completion of permanent financing, taking MPT's normalized FFO run rate to \$1.19 to \$1.26 per share. MPT's previous run rate estimate was \$1.10 to \$1.14 per share.
- **Expands MPT's global scale.** The transactions will significantly expand MPT's asset base by approximately 30 percent to \$4.5 billion, grow the total number of properties in its portfolio by approximately 39 percent to 165 and increase its number of beds by approximately 98 percent to nearly 20,000.
- **Impact on long term cost of capital.** MPT believes that its enhanced scale has the potential to lower its cost of capital and further enhance shareholder value. Compared to similar measures taken in March 2012 when the Company's credit ratings were last adjusted, assets will have increased by \$2.3 billion (150 percent) and market capitalization has increased by approximately \$1 billion (84 percent). In addition, the dividend payout ratio has continued to improve from more than 100% to between approximately 66% and 71%, substantially better than the Company's target range of 75% to 80%.
- **Builds on MPT's strategy to increase diversification, scale and presence in international markets.** MPT remains committed to executing its stated strategy to leverage its U.S. hospital expertise to diversify its portfolio and enhance its scale and presence in Western Europe. On a pro forma basis, MEDIAN will represent approximately 20 percent of the pro forma portfolio. Following the close of the transactions, MPT's largest facility will represent just 2.6% of the Company's pro forma portfolio.
- **Further increases MPT's exposure to favorable market trends in Western Europe.** As one of the strongest global economies, with low unemployment rates and universal healthcare coverage and payment policies, MPT believes Germany remains a dynamic market in which to invest. The public and private sectors are making considerable investments in the healthcare industry in Germany, and MPT expects to realize significant value and long-term stability through its increased exposure in the region. On a pro forma basis, approximately 28 percent of MPT's portfolio, or a total of 55 facilities, will be located in Western Europe.
- **German transactions allow MPT to further leverage its operating infrastructure and access a built-in acquisition pipeline.** As a well-capitalized operator with extensive expertise in healthcare markets and German hospitals, MPT will be able to leverage its corporate infrastructure to seamlessly integrate and manage new investment opportunities. The transactions also expand MPT's platform in the attractive German market which provides a competitive advantage in pursuing highly selective European acquisition opportunities.

Mr. Aldag concluded, “As we increase our exposure to the positive European market dynamics, we will also maintain our core investment focus on the United States. With our pioneering and industry-leading investment track record, we believe MPT is uniquely well-positioned to take advantage of abundant opportunities both in the U.S. and abroad. We will continue to extend our leadership in the U.S. market and build upon our new track record in Western Europe by selectively pursuing the most attractive opportunities with the goal of leveraging our strong investment capabilities for the benefit of our shareholders.”

MPT will host a conference call to discuss its third quarter financial results and the aforementioned transactions in further detail on Thursday, October 30, 2014.

#### **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.medicalpropertytrust.com](http://www.medicalpropertytrust.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, the Median acquisition and sale-leaseback transactions described herein; the Company’s financing of the transactions described herein; the capacity of the Company’s tenants to meet the terms of their agreements; Normalized FFO per share; expected payout ratio, the amount of acquisitions of healthcare real estate, if any; capital markets conditions, 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; 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; the Company’s ability to maintain its status as a REIT for federal 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, 2013, 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.*

#### **Contacts**

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