MPT Operating Partnership, L.P.
Form 424B2
August 14, 2015
Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-190543
333-190543-65
333-190543-64

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price(1)	Amount of Registration Fee
4.00% Senior Notes due 2022	$558,000,000	$64,839.60(2)
Guarantee(3)		
Total	$558,000,000	$64,839.60(2)

(1) 500,000,000 aggregate principal amount of 4.00% Senior Notes due 2022 will be issued. The Maximum Aggregate Offering Price is based on the August 12, 2015 noon buying rate of the euro of $1.116 per 1.00, as reported by Bloomberg.

(2) Calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended (the Securities Act). This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrants Registration Statement on Form S-3 (File Nos. 333-190543, 333-190543-65 and 333-190543-64).

(3) In accordance with Rule 457(n), no separate fee is payable with respect to the guarantee.

Table of Contents

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 9, 2013)

500,000,000

MPT Operating Partnership, L.P.

MPT Finance Corporation

4.00% Senior Notes due 2022

Unconditionally Guaranteed by

Medical Properties Trust, Inc.

MPT Operating Partnership, L.P. and MPT Finance Corporation (which we refer to as the Issuers) are offering 500,000,000 aggregate principal amount 4.00% senior notes due 2022 (the Notes). The Notes will mature on August 19, 2022. The Issuers will pay interest on the Notes annually in arrears on August 19 of each year. Interest will accrue on the Notes offered hereby from August 19, 2015 and the first interest payment date will be August 19, 2016.

The Issuers may redeem some or all of the Notes at any time and from time to time at our option. The redemption prices are discussed under the heading Description of Notes Optional Redemption. In addition, the Issuers may redeem the Notes in whole but not in part in the event of certain developments affecting United States taxation as described under the heading Description of Notes Redemption for Changes in Taxes. The Issuers must offer to purchase the Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest up to, but excluding, the purchase date, if the Issuers experience a change of control under certain circumstances.

The Notes will be the Issuers senior unsecured obligations and will be fully and unconditionally guaranteed by the Issuers parent company, Medical Properties Trust, Inc. (Medical Properties). The Notes and the guarantee will rank equally in right of payment with all of the Issuers and Medical Properties existing and future senior indebtedness and will rank senior in right of payment to any future indebtedness that is subordinated to the Notes and the guarantee. The Notes and the guarantee will be effectively subordinated to all of the Issuers and Medical Properties existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The Notes and the guarantee will be structurally subordinated to all indebtedness and other liabilities of the Issuers subsidiaries.

Investing in the Notes involves risks that are described in the Risk Factors section beginning on page S-18 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	100.000%	500,000,000
Underwriting discount	0.625%	3,125,000
Proceeds, before expenses, to us(1)	99.375%	496,875,000

(1) Plus accrued interest from August 19, 2015, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Notes will be issued only in book-entry form only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Currently there is no market for the Notes. Application will be made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market. No certainty can be given that this application will be granted, and we cannot assure you that an active trading market for the Notes will develop.

The Notes will be ready for delivery to investors in book-entry form only through the facilities of Clearstream Banking, *société anonyme* and Euroclear Bank, S.A./N.V on or about August 19, 2015.

Joint Book-Running Managers

Goldman, Sachs & Co. **Crédit Agricole CIB** **Credit Suisse** **J.P. Morgan**

BofA Merrill Lynch **Barclays**

Co-Lead Managers

Banco Bilbao Vizcaya Argentaria, S.A.
KeyBanc Capital Markets
RBC Capital Markets
Stifel
SunTrust Robinson Humphrey
Wells Fargo Securities

The date of this prospectus supplement is August 12, 2015.

Table of Contents

Table of Contents

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read this entire document, including this prospectus supplement and the accompanying prospectus. In the event that the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission (SEC) using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell securities in one or more offerings.

This prospectus supplement and the accompanying prospectus contain, or incorporate by reference, forward-looking statements. Such forward-looking statements should be considered together with the cautionary statements and important factors included or referred to in this prospectus supplement, and the accompanying prospectus. Please see Forward-Looking Statements in this prospectus supplement.

You should rely only on the information contained in this prospectus supplement and contained or incorporated by reference in the accompanying prospectus. We have not authorized anyone to provide information different from that contained in this prospectus supplement, and contained or incorporated by reference in the accompanying prospectus. If anyone provides you with different or additional information, you should not rely on it. This prospectus supplement and the accompanying prospectus are not an offer to sell or the solicitation of an offer to buy any securities other than the Notes, nor is this prospectus supplement or the accompanying prospectus an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context requires or otherwise indicates, references in this prospectus to we, our, us or our company refer MPT Operating Partnership, L.P., a Delaware limited partnership, and its consolidated subsidiaries, including MPT Finance Corporation, a Delaware corporation, together with Medical Properties Trust, LLC, a Delaware limited liability company and MPT Operating Partnership, L.P. s sole general partner, and Medical Properties Trust, Inc., a Maryland corporation and the sole equity owner of Medical Properties Trust, LLC. References to Operating Partnership refer to MPT Operating Partnership, L.P. References to Issuers refer to the Operating Partnership and MPT Finance Corporation, the co-Issuers of the Notes. References to Medical Properties refer to Medical Properties Trust, Inc. As of August 7, 2015, Medical Properties had a 99.8% equity ownership interest in the Operating Partnership.

NOTICE TO CERTAIN EUROPEAN INVESTORS

IN CONNECTION WITH THIS ISSUE, GOLDMAN, SACHS & CO. (THE STABILIZING MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) TO UNDERTAKE SUCH ACTION. SUCH STABILIZING ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES TAKES PLACE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF

THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZING ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE UNDERWRITING.

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement, the accompanying prospectus and any documents we incorporate by reference in the accompanying prospectus constitute forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 set forth in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. Statements regarding the following subjects, among others, are forward-looking by their nature:

- our business strategy;
- our projected operating results;
- our ability to complete and finance the Recent Portfolio Transactions (as defined in Prospectus Supplement Summary Recent Developments) on the time schedule or terms described herein or at all;
- our ability to acquire or develop additional facilities in the United States or Europe;
- availability of suitable facilities to acquire or develop;
- our ability to enter into, and the terms of, our prospective leases and loans;
- our ability to raise additional funds through offerings of debt and equity securities and/or property disposals;
- our ability to obtain future financing arrangements;
- estimates relating to, and our ability to pay, future distributions;
- our ability to compete in the marketplace;
- lease rates and interest rates;

- market trends;
- projected capital expenditures; and
- the impact of technology on our facilities, operations and business.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to the Notes offered hereby, along with, among others, the following factors that could cause actual results to vary from our forward-looking statements:

- factors referenced in this prospectus supplement under the section captioned Risk Factors, including those set forth in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated herein by reference;

Table of Contents

the risk that a condition to closing under the agreements governing any or all of the remaining Recent Portfolio Transactions may not be satisfied;

the possibility that the anticipated benefits from any or all of the Recent Portfolio Transactions will take longer to realize than expected or will not be realized at all;

U.S. (both national and local) and European (in particular Germany, the U.K., Spain and Italy) economic, business, real estate, and other market conditions;

the competitive environment in which we operate;

the execution of our business plan;

financing risks;

acquisition and development risks;

potential environmental contingencies and other liabilities;

other factors affecting the real estate industry generally or the healthcare real estate industry in particular;

our ability to maintain our status as a real estate investment trust, or REIT, for U.S. federal and state income tax purposes;

our ability to attract and retain qualified personnel;

changes in foreign currency exchange rates;

U.S. (both federal and state) and European (in particular Germany, the U.K., Spain and Italy) healthcare and other regulatory requirements; and

U.S. national and local economic conditions, as well as conditions in Europe and any other foreign jurisdictions where we own or will own healthcare facilities, which may have a negative effect on the following, among other things:

- the financial condition of our tenants, our lenders, counterparties to our interest rate swaps and other hedged transactions and institutions that hold our cash balances, which may expose us to increased risks of default by these parties;

- our ability to obtain equity or debt financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities, refinance existing debt and our future interest expense; and

- the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis.

When we use the words believe, expect, may, potential, anticipate, estimate, plan, will, could, inte expressions, we are identifying forward-looking statements. You should not place undue reliance on these forward-looking statements. Except as required by law, we disclaim any obligation to update such statements or to publicly announce the result of any revisions to any of the forward-looking statements contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus we authorize to be delivered to you to reflect future events or developments.

Table of Contents

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this prospectus supplement:

$, dollars, $U.S. or U.S. dollar refer to the lawful currency of the United States; and

or euro refer to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

We present our consolidated financial statements in U.S. dollars. The following table shows for the periods indicated, the period end, average, high and low noon buying rates in the City of New York for cable transfers of euro as certified for customs purposes by the Federal Reserve Bank of New York expressed as U.S. dollars per 1.00.

	U.S. dollars per 1.00			
Period	**End**	**Average(1)**	**High**	**Low**
Year				
2012	1.3186	1.2859	1.3463	1.2062
2013	1.3779	1.3281	1.3816	1.2774
2014	1.2101	1.3297	1.3927	1.2101
Month				
January 2015	1.1290	1.1615	1.2015	1.1279
February 2015	1.1197	1.1350	1.1462	1.1197
March 2015	1.0741	1.0819	1.1212	1.0524
April 2015	1.1162	1.0822	1.1174	1.0582
May 2015	1.0994	1.1167	1.1428	1.0876
June 2015	1.1154	1.1226	1.1404	1.0913
July 2015	1.1028	1.0997	1.1150	1.0848
August 1 through August 7, 2015	1.0958	1.0933	1.0962	1.0868

(1) The average of the noon buying rates on the last business day of each financial year, month or period, as applicable.

The noon buying rate of the euro on August 7, 2015 was $1.0958 per 1.00.

The above rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this prospectus supplement. We have provided these exchange rates solely for the convenience of potential investors. Our inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into dollars at any particular rate, if at all.

Unless noted otherwise, all pro forma translations between euros and U.S. dollars (USD) in this prospectus supplement are based on an exchange rate of 1.33 USD per euro for pro forma operating data for the year ended December 31, 2014 and 1.12 USD per euro for operating data for the six months ended June 30, 2015. Pro forma balance sheet data as of June 30, 2015 is based on an exchange rate of 1.11 USD per euro. The applicable exchange rates in effect at the time additional euro-denominated transactions are completed in the future may be higher or lower.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all the information that you should consider before making an investment decision. You should read carefully this entire prospectus supplement and accompanying prospectus, including the documents incorporated by reference herein and the information included in Risk Factors.

Medical Properties is a self-advised REIT listed on the New York Stock Exchange, or NYSE, focused on investing in and owning net-leased healthcare facilities across the United States and selectively in foreign jurisdictions. Medical Properties conducts substantially all of its business through the Operating Partnership. We acquire and develop healthcare facilities and lease the facilities to healthcare operating companies under long-term net leases, which require the tenant to bear most of the costs associated with the property. We also make mortgage loans to healthcare operators collateralized by their real estate assets. In addition, we selectively make loans to certain of our operators through our taxable REIT subsidiaries, the proceeds of which are typically used for acquisition and working capital. From time to time, we acquire a profit or other equity interest in our tenants that gives us a right to share in such tenants profits and losses.

As of August 1, 2015, our portfolio consisted of 180 properties leased or loaned to 28 operators, of which 11 properties are under development and eight are in the form of mortgage loans. Sixteen of the properties we own are subject to long-term ground leases. Our properties, which are located in the United States and Europe, consist of the following:

- 80 general acute care hospitals;
- 23 long-term acute care hospitals;
- 68 impatient rehabilitation hospitals;
- 3 medical office buildings; and
- 6 wellness centers.

After giving pro forma effect to the Recent Portfolio Transactions (as described below under Recent Developments), for the year ended December 31, 2014 and the six months ended June 30, 2015, the Operating Partnership had pro forma net income of $183.1 million and $116.0 million, respectively. After giving pro forma effect to the Recent Portfolio Transactions, the Operating Partnership had pro forma Adjusted EBITDA for the six months ended June 30, 2015 of $240.9 million, which on an annualized basis (pro forma L2QA Adjusted EBITDA) equals $481.8 million. Please refer to Summary Consolidated Financial Data for the definitions of pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA and a reconciliation of pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA to pro forma net income.

Table of Contents

Recent Developments

Acquisition of Capella Healthcare Hospital Portfolio

In July 2015, we entered into definitive agreements pursuant to which we will acquire a portfolio of seven acute care hospitals currently owned and operated by Capella Healthcare, Inc. (Capella), a privately held company, as well as acquire an equity interest in the ongoing operator of the facilities. The table below sets forth pertinent details with respect to the hospitals in the portfolio:

Hospital	Location	Type	Licensed Beds
Capital Medical Center[1]	Olympia, WA	Acute care	110
EASTAR Health System	Muskogee, OK	Acute care	320
Carolina Pines Regional Medical Center[2]	Hartsville, SC	Acute care	116
St. Mary s Regional Medical Center	Russellville, AR	Acute care	170
National Park Medical Center[3]	Hot Springs, AR	Acute care	166
Southwestern Medical Center	Lawton, OK	Acute care	199
Willamette Valley Medical Center	McMinnville, OR	Acute care	88
Total Licensed Beds			1,169

(1) This hospital is owned and operated in a joint venture with physicians in which Capella owns 90.25% and physicians or physician entities own the remaining 9.75%.

(2) This hospital is owned and operated in a joint venture with physicians in which Capella owns 98.56% and physicians or physician entities own the remaining 1.44%.

(3) This hospital is owned and operated in a joint venture with physicians in which Capella owns 95.04% and physicians or physician entities own the remaining 4.96%.

As described in further detail below, our investment in the portfolio will include our acquisition of real estate assets, the making of mortgage and acquisition loans, and an equity contribution to the operator of the facilities, for a combined purchase price and investment of approximately $900 million. We expect to complete this transaction in the second half of 2015.

Merger, acquisition loan and equity contribution

In conjunction with the acquisition, MPT Camaro Opco, LLC, a wholly-owned subsidiary of MPT Development Services, Inc., our taxable REIT subsidiary, formed a joint venture limited liability company, Capella Health Holdings, LLC (Capella Health Holdings), with an entity affiliated with the current senior management of Capella (ManageCo). MPT Camaro Opco, LLC holds 49% of the equity interests in Capella Health Holdings and the ManageCo holds the remaining 51%. Pursuant to the terms of a merger agreement dated July 21, 2015, a merger subsidiary of Capella Health Holdings will be merged with and into Capella Holdings, Inc., the sole stockholder and parent company of Capella, with Capella Holdings, Inc. surviving the merger as a wholly-owned subsidiary of Capella Health Holdings, in exchange for cash merger consideration to the current owners of Capella in the amount of approximately $900 million. To help fund Capella Health Holding s payment of the merger consideration, MPT Camaro Opco, LLC will make an acquisition loan in the amount of approximately $900 million to Capella Health Holdings merger subsidiary (the Acquisition Loan). The Acquisition Loan will have a 15-year term and will bear interest at a rate similar to the initial rate we will receive under the sale-leaseback and mortgage loan transaction described below.

Real estate acquisition and mortgage loan financing

On August 3, 2015, we also entered into a contribution, exchange and cooperation agreement with ManageCo (the Contribution Agreement). Pursuant to binding terms set forth in the Contribution Agreement, as soon as practicable after closing of the Capella merger described above, including receipt of required regulatory approvals, subsidiaries of our operating partnership will acquire from Capella its interests in five acute care hospitals (collectively, the Acquired Capella Facilities) for an aggregate purchase price of approximately $390 million. The purchase price for these assets will be offset and reduced against amounts outstanding under the Acquisition Loan. The Acquired Capella Facilities will be leased to subsidiaries of Capella.

In addition, pursuant to binding terms set forth in the Contribution Agreement, we will make mortgage loans to Capella in an aggregate amount of approximately $210 million, secured by a first mortgage in Capella s interests in its two remaining hospitals. The proceeds from the mortgage loans will be offset and reduced against the outstanding balance on the Acquisition Loan. As a result, following completion of our acquisition of the Acquired Capella Facilities and the mortgage loan financing, the outstanding principal balance of the Acquisition Loan is expected to be approximately $300 million.

The real estate leases and mortgage loans will have substantially similar 15-year terms with four 5-year extension options, plus consumer price-indexed increases, limited to a 2% floor and 4% ceiling annually. The initial GAAP yield under the lease and mortgage loans will be approximately 9.1%.

Management of Capella

Following the consummation of these transactions, Capella and its operating subsidiaries will be managed and operated by ManageCo, or one or more of ManageCo s affiliates, pursuant to the terms of a management agreement, which terms shall include a base management fee payable to ManageCo and incentive payments tied to mutually agreed benchmarks. ManageCo and MPT Camaro Opco, LLC will share profits and distributions from Capella Health Holdings according to a distribution waterfall under which, if certain benchmarks are met, such that after taking into account interest paid on the Acquisition Loan, ManageCo and MPT Camaro Opco, LLC will share in cash generated by Capella Health Holdings in a ratio of 35% to ManageCo and 65% to MPT Camaro Opco, LLC. Under the limited liability company agreement of Capella Health Holdings, ManageCo will manage Capella Health Holdings and MPT Camaro Opco, LLC will have no management authority or control except for certain protective rights consistent with a passive ownership interest, such as a limited right to approve annual budgets and the right to approve extraordinary transactions, other than in the case of certain extraordinary events.

In this prospectus supplement, we collectively refer to all the transactions described above with respect to Capella as the Capella Transactions. We intend to consummate the Capella Transactions during the second half of 2015. No assurance can be given that any portion of the Capella Transactions will occur as described herein or at all. This offering is not conditioned upon the successful completion of the Capella Transactions.

Financing transactions

On July 27, 2015, we received a commitment to provide a senior unsecured bridge loan facility in the original principal amount of $1.0 billion to fund the Capella Transactions, if necessary, pursuant to a commitment letter from JPMorgan Chase Bank, N.A. and Goldman, Sachs & Co. Borrowings under the bridge facility, if any, will bear interest at a rate equal to, at our option, LIBOR plus an applicable margin varying from 1.025% to 2.250% per annum or a Base Rate (as defined in the commitment letter) plus an applicable margin varying from 0.025% to 1.250% per annum, depending upon the ratings of our unsecured senior indebtedness and the total leverage ratio or unsecured leverage ratio. In each case, the applicable margin will increase by 25 basis points at the end of the 90-day period while the bridge loan remains outstanding, 180-day period while the bridge loan remains outstanding and 270-day period while the bridge loan remains outstanding. We will also be required to pay 50 basis points (or 75 basis points in the event of a ratings downgrade) on the date that is 90 days after the bridge loan is outstanding, 75 basis points (or

100 basis points in the event of a ratings downgrade) on the date that is 180 days after the bridge loan is outstanding and 100 basis points (or 125 basis points in the event

of a ratings downgrade) on the date that is 270 days after the bridge loan is outstanding, in each case on the then outstanding principal amount, if any bridge loan is outstanding. We will pay certain customary structuring and underwriting fees and, in the event we make any borrowings, funding and other fees in connection with the bridge facility. The bridge facility will mature 364 days after the closing date of the Capella Transactions. The funding of the bridge facility is contingent on the satisfaction of customary conditions, including but not limited to the execution and delivery of definitive documentation and the consummation of the Capella Transactions as described above. We cannot assure you that we will be able to successfully borrow under the bridge facility on the terms described herein or at all.

On August 4, 2015, we entered into an amendment to our revolving credit and term loan agreement to increase the current aggregate committed size to $1.25 billion and amend certain covenants in order to permit us to consummate and finance the Capella Transactions. The increase in the credit agreement availability reduced the availability of the bridge facility by $100 million.

On August 11, 2015, Medical Properties completed an underwritten public offering of 28.75 million shares of its common stock (including 3.75 million shares sold pursuant to the exercise in full of the underwriters option to purchase additional shares) resulting in net proceeds of approximately $337.1 million, after deducting estimated offering expenses. We intend to use the net proceeds from the offering of common stock to finance a portion of the Capella Transactions. The completion of the common stock offering has reduced the availability of the bridge facility by $337.1 million, to $0.6 billion. Availability under the bridge facility will be further reduced by the amount of net cash proceeds we receive in other capital markets transactions prior to the consummation of the Capella Transactions. Accordingly, if we issue 500.0 million of notes in this offering, our ability to draw under the bridge facility will be reduced to approximately $10.0 million.

We intend to finance the balance of Capella Transactions, including the related costs and expenses, with funds from additional financing arrangements, which may include borrowings under our revolving credit facility, borrowings from other senior debt facilities or net proceeds from issuances of debt securities, or a combination thereof. The sources of financing for the Capella Transactions will depend upon a variety of factors, including market conditions and we anticipate that the Capella Transactions will be funded in a manner consistent with our long-term leverage targets. See Use of Proceeds for more information regarding the financing of the Capella Transactions.

The completion of this offering is not subject to our borrowing under the bridge facility, our revolving credit facility or any other potential sources of financing or consummation of the Capella Transactions. No assurance can be given that any of these will occur as described herein or at all.

Acquisition of Median Kliniken Portfolio

On April 29, 2015, we entered into a series of definitive agreements with Median Kliniken S.à r.l., or MEDIAN, a German provider of post-acute and acute rehabilitation services, to acquire the real estate assets of 32 hospitals owned by MEDIAN for an aggregate purchase price of approximately 688 million. Upon acquisition, each property became subject to a master lease between us and MEDIAN providing for the leaseback of the property to MEDIAN. The master lease has an initial term of 27 years and provides for an initial GAAP lease rate of 9.3%, with annual escalators at the greater of one percent or 70% of the German consumer price index. We expect to acquire three additional facilities from MEDIAN in a substantially similar sale-leaseback transaction subject to the master lease, resulting in an aggregate purchase price for all acquired facilities of approximately 705 million.

Table of Contents

MEDIAN is owned by an affiliate of Waterland Private Equity Fund V C.V. (Waterland), which acquired 94.9% of the outstanding equity interests in MEDIAN, and by a subsidiary of our operating partnership, which acquired the remaining 5.1% of the outstanding equity interests in MEDIAN, each in December 2014. In December 2014, we provided interim acquisition loans to affiliates of Waterland and MEDIAN in connection with Waterland s acquisition of its stake in MEDIAN in an aggregate amount of approximately 425 million. In addition, we made further loans to MEDIAN during the first half of 2015 in an aggregate amount of approximately 240 million, which were used by MEDIAN to repay existing debt on properties we have acquired or expect to acquire. We may make additional loans to MEDIAN for the purpose of repaying existing property debt, up to a total aggregate amount of all loans to Waterland and MEDIAN in the amount of approximately 705 million.

Closing of the sale-leaseback transactions, which began in the second quarter of 2015, is subject to customary real estate, regulatory and other closing conditions, including waiver of any statutory pre-emption rights by local municipalities and antitrust clearance. At each closing, the purchase price for each facility will be reduced and offset against the interim loans made to affiliates of Waterland and MEDIAN as described above and against the amount of any debt assumed or repaid by us in connection with the closing. As of August 1, 2015, we have closed on 30 of the 35 properties (including the three additional facilities) for a cumulative purchase price to date of approximately 627 million.

In this prospectus supplement, we refer to our acquisition of the MEDIAN properties in the sale-leaseback transactions described above as the MEDIAN Transactions. This offering is not conditioned upon the successful closing of the MEDIAN Transactions, in whole or in part.

Acquisition of Italian Hospital Portfolio

On July 31, 2015, we entered into definitive agreements to acquire a portfolio of several acute care hospitals and a freestanding clinic in Northern Italy for an aggregate purchase price to us of approximately 90 million. The acquisition will be effected through a newly-formed joint venture between us and affiliates of AXA Real Estate, in which we will own a 50% interest. Upon closing, the facilities will be leased to an Italian acute care hospital operator pursuant to a long-term master lease. Closing of the transaction, which is expected during the second half of 2015, is subject to customary real estate, regulatory and other closing conditions.

Other Acquisitions

On June 16, 2015, we acquired the real estate of two facilities in Lubbock, Texas, a 60-bed inpatient rehabilitation hospital and a 37-bed long-term acute care hospital, for an aggregate purchase price of $31.5 million. We entered into a 20-year lease with Ernest Health, Inc. (Ernest) for the rehabilitation hospital, which provides for three five-year extension options, and separately entered into a lease with Ernest for the long-term acute care hospital that has a final term ending December 31, 2034. In connection with the transaction, we funded an acquisition loan to Ernest of approximately $12.0 million. Ernest will operate the rehabilitation hospital in a joint venture with Covenant Health System, while the long term acute care hospital will continue to be operated by Fundamental Health under a new sublease with Ernest.

On February 13, 2015, we acquired two general acute care hospitals in the Kansas City area for $110 million. The facilities are leased to affiliates of Prime Healthcare Services, Inc. (Prime) pursuant to a new master lease providing for a 10-year initial fixed term, with two extension options of five years each. The master lease provides for consumer-price-indexed annual rent increases, subject to a specified floor. In addition we funded a mortgage loan to Prime in the amount of $40 million, which has a 10-year term.

Table of Contents

On February 27, 2015, we acquired an inpatient rehabilitation hospital in Weslaco, Texas for $10.7 million that we leased to Ernest under our existing master lease with Ernest. In addition, we funded an acquisition loan to Ernest in the amount of $5 million.

During the first half of 2015, we completed construction and commenced collection of rent on seven acute care facilities for First Choice ER (a subsidiary of Adeptus Health (Adeptus)) located in Texas, Arizona and Colorado.

In this prospectus supplement, we collectively refer to the transactions described under the headings Acquisition of Italian Hospital Portfolio and Other Acquisitions above as the Additional Acquisitions.

Dispositions

On July 30, 2015, we sold a long-term acute care facility in Luling, Texas for approximately $9.7 million. In addition, in August 2015, we sold six other facilities located in the United States for total proceeds of approximately $9.5 million, of which $8.0 million was in cash and the remaining $1.5 million was in the form of a loan. In this prospectus supplement, we collectively refer to the dispositions described above as the Dispositions.

We collectively refer to the Capella Transactions, MEDIAN Transactions, Additional Acquisitions and Dispositions as the Recent Portfolio Transactions.

Development Activity

Spanish Development Property

On June 16, 2015, we entered into definitive agreements to acquire the real estate of a general acute care hospital under development located in Spain for an aggregate purchase and development price to us of approximately 21.4 million. The acquisition will be effected through a newly-formed joint venture between us and clients of AXA Real Estate, in which we will own a 50% interest. Upon completion, the facility will be leased to a Spanish operator of acute care hospitals pursuant to a long term lease. Closing of the transaction, which is expected during the second half of 2015, is subject to customary real estate, regulatory and other closing conditions.

Adeptus Health Development Agreement

In April 2015, we executed an agreement with Adeptus that provides for the acquisition and development of general acute care hospitals and free standing emergency facilities with an aggregate commitment of $250 million. These facilities will be leased to Adeptus pursuant to the terms of our existing 2014 master lease agreement with Adeptus that has a 15-year initial term with three extension options of five years each that provides for annual rent increases based on changes in the consumer price index with a 2% minimum.

In this prospectus supplement, we collectively refer to the Spain development transaction and our development agreement with Adeptus as the Development Activities.

Table of Contents

Benefits of Transactions

Enhances Size, Quality and Diversity of our Portfolio. As described in more detail below, we believe that the Recent Portfolio Transactions and Development Activities described above will enhance the size and quality of our healthcare portfolio and add diversity by property type, operator and geographic location:

* Percentages in all charts are based on our total gross assets, assuming the Development Activities are fully funded.

** An affiliate of Waterland controls RHM Klinik-und Altenheimbetriebe GmbH & Co. KG (RHM), the operator and lessee of 14 German facilities that we currently own. On December 18, 2014, Waterland Private Equity Investments, the parent company of Waterland, announced its intent to merge MEDIAN and RHM during the course of 2015. As of June 30, 2015, after giving effect to the MEDIAN-RHM merger, the combined MEDIAN-RHM portfolio will represent approximately 18% of our portfolio by investment amount.

*Expands Our Size and Scale***.** When fully consummated and development projects fully funded, the Recent Portfolio Transactions and Development Activities will significantly expand our total gross assets by approximately 31% to $5.8 billion, increase the total number of properties in our portfolio by approximately 17% to 195, and increase our total number of beds by approximately 42% to nearly 21,900.

Increases Our Total Revenues. For the year ended December 31, 2014 and for six months ended June 30, 2015, our total revenues were $312.5 million and $195.8 million, respectively, under GAAP. Assuming consummation on January 1, 2014 of the Recent Portfolio Transactions, our pro forma total revenues for the year ended December 31, 2014 and for six months ended June 30, 2015 would have been approximately $503.1 million and $257.6 million, respectively.

Increases Our Historical Adjusted EBITDA. For the six months ended June 30, 2015, our Adjusted EBITDA was $175.4 million. Assuming consummation on January 1, 2015 of the Recent Portfolio Transactions and giving pro forma effect thereto, our pro forma Adjusted EBITDA for the six months ended June 30, 2015 was $240.9 million. See footnote 2 to the tables included in Summary Historical and Pro Forma Consolidated Financial Data in this prospectus supplement for definitions of Adjusted EBITDA and pro forma Adjusted EBITDA and reconciliations to net income.

Extends Our Lease Maturity Schedule. The Recent Portfolio Transactions and Development Activities will have the effect of extending our overall weighted average lease expiration from 14.4 years to 16.1 years, pro forma as of June 30, 2015. Pro forma for the Recent Portfolio Transactions and Development Activities as of June 30, 2015, approximately 70.0% of the total annualized rent of our portfolio of healthcare properties will have lease expirations beyond 2025, with average annual lease maturities of less than 1.0% per annum through 2021.

Further Increases Our 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, we believe Western Europe, particularly Germany, remains a favorable market in which to invest. The public and private sectors are making considerable investments in the healthcare industry in Western Europe, and we expect to realize significant value and long-term stability through our increased investments in the region. After giving effect to the Recent Portfolio Transactions and Development Activities (on a fully funded basis), approximately 21% of our portfolio by investment amount, or a total of 59 facilities, will be located in Western Europe.

Corporate Information

Medical Properties (Registration No. D07550106) was incorporated as a corporation under Maryland law on August 27, 2003, and the Operating Partnership (Registration No. 3701429) was formed as a limited partnership under Delaware law on September 10, 2003. Medical Properties conducts substantially all of its business through the Operating Partnership and has operated as a REIT since 2004. The Operating Partnership will be considered the issuer of the Notes for purposes of the International Central Securities Depository.

The general partner of the Operating Partnership is Medical Properties Trust, LLC, a wholly owned subsidiary of Medical Properties. Medical Properties has a 99.8% ownership interest in the Operating Partnership, with remaining ownership interests held by two employees and one director via their ownership of certain incentive partnership units.

MPT Finance Corporation (Registration No. 4964092) was incorporated in Delaware under Delaware law on April 4, 2011. MPT Finance Corporation is a wholly owned subsidiary of the Operating Partnership. MPT Finance Corporation has no assets and does not and will not conduct any operations or have any employees. It was formed for the sole purpose of acting as an issuer or co-issuer of debt securities that the Operating Partnership may issue from time to time solely to allow certain institutional investors that might otherwise not be able to invest in our securities, either because the Operating Partnership is a limited partnership, or by reason of the legal investment laws of their states of organization or their charters, to invest in our debt securities. MPT Finance Corporation will be considered the co-issuer of the Notes for purposes of the International Central Securities Depository.

The relevant state laws governing the Operating Partnership, MPT Finance Corporation and Medical Properties, combined with our corporate structure, are together intended to prevent any abuse of control of the Operating Partnership, MPT Finance Corporation or Medical Properties.

Our principal executive offices are located at 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242. Our telephone number is (205) 969-3755. Our Internet address is www.medicalpropertiestrust.com. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus supplement or accompanying prospectus.

Table of Contents

THE OFFERING

The offering terms are summarized below solely for your convenience. This summary is not a complete description of the Notes. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying prospectus. For a more detailed description of the Notes, see Description of Notes in this prospectus supplement.

Issuers	MPT Operating Partnership, L.P. and MPT Finance Corporation, as co-Issuers.
Guarantor	Medical Properties Trust, Inc.
Securities Offered	500 million aggregate principal amount of 4.00% senior notes due 2022.
Issue Price	100%.
Maturity Date	The Notes will mature on August 19, 2022.
Interest	4.00% per year, payable in arrears on August 19 of each year, commencing August 19, 2016 until maturity or earlier redemption or repurchase.
Optional Redemption	The Notes will be redeemable in whole at any time or in part from time to time, at the Issuers option. If the Notes are redeemed prior to 90 days before maturity, the redemption price will be 100% of their principal amount, plus a make-whole premium described in this prospectus supplement, plus accrued and unpaid interest to, but excluding, the applicable redemption date.
	Within the period beginning on or after 90 days before maturity, the Notes may be redeemed, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the applicable redemption date.
	For more details, see Description of Notes Optional Redemption.
Tax Redemption	

	In the event of certain changes in the tax laws of the United States (or any taxing authority in the United States) which would obligate the Issuers to pay Additional Amounts, the Issuers may redeem the Notes, in whole but not in part, at a redemption price equal to 100% plus accrued and unpaid interest to, but excluding, the applicable redemption date. See Description of Notes Redemption for Changes in Taxes.
Change of Control; Certain Asset Sales	If a Change of Control (as defined in Description of Notes Certain Definitions) occurs, the Issuers will be required to make an offer to purchase the Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the purchase date under certain circumstances. See Description of Notes Repurchase of Notes upon a Change of Control. If the Operating Partnership or any of its restricted subsidiaries sell assets, under certain circumstances the Issuers will be required to make an offer to purchase the Notes at their face amount, plus accrued interest and unpaid interest, if any, to the purchase date. See Description of Notes Limitation on Asset Sales.

Table of Contents

Guarantee	The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by Medical Properties and any U.S. domestic restricted subsidiary of the Issuers that borrows under or guarantees borrowings under our revolving credit facility in the future. The Notes offered hereby will not be guaranteed by any of the Issuers subsidiaries on the date of issuance.
	In November 2014, Standard & Poor s Ratings Services, or S&P, upgraded the rating on the Issuers 5.750% Senior Notes due 2020, 6.875% Senior Notes due 2021, 6.375% Senior Notes due 2022 and 5.50% Senior Notes due 2024 (collectively, the Senior Notes) from BB to BBB-. As a result, pursuant to the terms of the credit agreement governing our revolving credit facility and term loan facility, the guarantees of borrowings thereunder by our subsidiaries fell away and pursuant to the terms of the indentures governing the Senior Notes, the guarantees of the Senior Notes by our subsidiaries fell away. See Description of Notes The Guarantee.
Ranking	The Notes and Medical Properties guarantee of the Notes will be the Issuers and Medical Properties general senior unsecured obligations, will rank equal in right of payment with such entities existing and future senior indebtedness, including borrowings under our revolving credit facility and our term loan facility and Senior Notes and will rank senior in right of payment to all of such entities future subordinated indebtedness; however, the Notes will be effectively subordinated to all of the Issuers and Medical Properties secured indebtedness to the extent of the value of the collateral securing such indebtedness. The Notes will also be structurally subordinated to the indebtedness and other liabilities of our subsidiaries with respect to the assets of such subsidiaries.
	As of June 30, 2015, after giving effect to the Recent Portfolio Transactions and the financing thereof described in Use of Proceeds (including $500.0 million of additional debt financing that we expect to obtain to finance the remainder of the Recent Portfolio Transactions), the Issuers and Medical Properties would have had $3.1 billion of indebtedness (none of which would have been secured indebtedness) and the Issuers subsidiaries, none of which will guarantee the Notes on the date of issuance, would have had $13.5 million of indebtedness, all of which would have been structurally senior to the Notes and Medical Properties guarantee of the Notes.
	In addition, as of August 4, 2015, we had approximately $0.4 billion of availability under our revolving credit facility.

Certain Covenants	The indenture governing the Notes will restrict the Issuers ability and the ability of our restricted subsidiaries to, among other things:

- incur debt;
- pay dividends and make distributions;
- create liens;

Table of Contents

	enter into transactions with affiliates; and merge, consolidate or transfer all or substantially all of our and their assets.
	The Issuers and their restricted subsidiaries are also required to maintain total unencumbered assets of at least 150% of our collective unsecured debt.
	These covenants are subject to important exceptions and qualifications. See Description of Notes Certain Covenants. In addition, the indenture governing the Notes will provide that if the Notes have both (1) a rating of Baa3 or higher from Moody s Investors Service, Inc., or Moody s, and (2) a rating of BBB- or higher from S&P, several material covenants included in the indenture will be suspended or become more lenient, as the case may be, if the Issuers provide notice of such ratings to the trustee, until such time as the Notes are no longer rated investment grade by both such rating agencies. See Description of Notes Certain Covenants.
Listing	Application will be made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market. No assurance can be given that this application will be granted.
No Public Market	The Notes will be new securities for which there is currently no established trading market. The underwriters have advised us that they intend to make a market in the Notes. The underwriters are not obligated, however, to make a market in the Notes, and any such market-making may be discontinued by the underwriters in their discretion at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes. See Underwriting.
Form and Denomination	The Notes will be ready for delivery to investors in book-entry form through the facilities of Clearstream Banking *société anonyme* (Clearstream) and Euroclear Bank, S.A./N.V (Euroclear) on or about August 19, 2015. The Notes will be issued in the form of one or more fully registered global securities in denominations of 100,000 in principal amount and integral multiples of 1,000 in excess thereof. Beneficial interests in the global certificates representing the Notes will be shown on, and transfers will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants and such interests may not be exchanged for certificated Notes, except in limited circumstances.

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the following ISIN and Common Code:

ISIN: XS1278084147

Common Code: 127808414

Table of Contents

Use of Proceeds	We expect that the net proceeds from this offering will be approximately 496.3 million after deducting underwriters discounts and our estimated expenses from this offering. We intend to use approximately 50.0 million of the net proceeds from this offering to finance the remaining aggregate purchase price payable by us in connection with the MEDIAN Transactions, approximately 56.8 million to pay related transfer taxes, capital gains taxes and transaction costs in connection with the MEDIAN Transactions, approximately 111.4 million to fund our investments in Italy and Spain, as described under Recent Developments above, and the remainder to repay a portion of the current euro-denominated borrowings under our revolving credit facility, a majority of which was previously used to finance portions of the MEDIAN Transactions. See Use of Proceeds.
Trustee	Wilmington Trust, National Association
Paying Agent	Deutsche Bank Trust Company Americas
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Irish Stock Exchange Listing Agent	McCann FitzGerald Listing Services Limited
Governing Law	New York
Risk Factors	Investing in the Notes involves risk. You should carefully consider the information under the section titled Risk Factors in this prospectus supplement and all other information included in this prospectus supplement and accompanying prospectus, including the information incorporated therein by reference, before investing in the Notes.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The summary historical consolidated financial data presented below as of December 31, 2014 and for the years ended December 31, 2014, 2013 and 2012, have been derived from the Operating Partnership s audited consolidated financial statements and accompanying notes appearing in the combined Annual Report of Medical Properties and the Operating Partnership on Form 10-K for the year ended December 31, 2014, incorporated by reference into this prospectus supplement. The summary historical consolidated financial data as of June 30, 2015 and for the six months ended June 30, 2015 and 2014 has been derived from the Operating Partnership s unaudited consolidated financial statements and accompanying notes appearing in the combined Quarterly Report of Medical Properties and the Operating Partnership on Form 10-Q for the three months ended June 30, 2015, incorporated by reference into this prospectus supplement. These unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, the unaudited summary historical consolidated financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the results for those periods. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Historical results are not necessarily indicative of the results to be expected in the future.

As of June 30, 2015, Medical Properties had a 99.8% equity ownership interest in the Operating Partnership. Medical Properties has no significant operations other than as the sole member of its wholly-owned subsidiary, Medical Properties Trust, LLC, which is the sole general partner of the Operating Partnership, and no material assets, other than its direct and indirect investment in the Operating Partnership. There is no significant difference between the Operating Partnership s net income and Medical Properties net income.

We derived the summary unaudited pro forma consolidated financial data from the Operating Partnership s unaudited pro forma condensed consolidated financial statements set forth in this prospectus supplement under the heading Unaudited Pro Forma Condensed Consolidated Financial Statements. The unaudited pro forma condensed consolidated financial data is based on the Operating Partnership s audited and unaudited historical consolidated financial statements, which are incorporated by reference herein, after giving effect to the Recent Portfolio Transactions and the financing thereof as described in Unaudited Pro Forma Condensed Consolidated Financial Statements. These unaudited pro forma condensed consolidated financial statements were prepared based upon the purchase method of accounting for the real estate acquired and assumes certain accounting for the Capella Transactions (such as using the equity method to account for our 49% interest in Capella Health Holdings), MEDIAN Transactions and Additional Acquisitions in accordance with GAAP and by applying the assumptions and adjustments described in the notes accompanying such financial statements. If such actual accounting treatment differs from how it is treated in the unaudited pro forma condensed consolidated financial statements, our financial results will differ. We do not expect to consolidate the financial statements of Capella Healthcare, Inc., which is how we have treated it for purposes of the unaudited pro forma condensed consolidated financial statements. The summary unaudited pro forma condensed consolidated financial statements presented below gives effect to the Recent Portfolio Transactions and the financing thereof as if they occurred on January 1, 2014 or January 1, 2015 for the pro forma operating data for the year ending December 31, 2014 and six months ending June 30, 2015, respectively, and as of June 30, 2015 for the pro forma balance sheet data.

The unaudited pro forma condensed consolidated financial data adjusts the historical financial information to give effect to pro forma events that are directly attributable to the Recent Portfolio Transactions, are factually supportable and, in the case of the pro forma statements of operations, have a recurring impact. The pro forma adjustments are preliminary, and the unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the financial position or results of operations that may have actually occurred had the Recent Portfolio Transactions taken place on the dates noted, or the future financial position or operating results of our company. The pro forma adjustments are based upon available information and assumptions that we believe are reasonable.

Table of Contents

You should read the following summary historical consolidated financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations included in the combined Annual Report of Medical Properties and the Operating Partnership on Form 10-K for the year ended December 31, 2014 and in the combined Quarterly Report of Medical Properties and the Operating Partnership on Form 10-Q for the three months ended June 30, 2015, and the audited and unaudited financial statements that are incorporated by reference herein. See Where You Can Find More Information in the accompanying prospectus and Incorporation by Reference in this prospectus supplement and the accompanying prospectus.

	Year ended December 31,			Six months ended June 30,		Pro forma	
In thousands	**2014[(1)]**	**2013[(1)]**	**2012[(1)]**	**2015[(1)]**	**2014[(1)]**	**Year ended December 31, 2014**	**Six months ended June 30, 2015**
Operating data							
Total revenue	$ 312,532	$ 242,523	$ 198,125	$ 195,762	$ 149,649	$ 503,129	$ 257,558
Depreciation and amortization (expense)	(53,938)	(36,978)	(32,815)	(29,712)	(26,131)	(78,969)	(39,356)
Property-related and general and administrative (expenses)	(39,125)	(32,513)	(30,039)	(22,428)	(17,865)	(41,043)	(22,926)
Acquisition expenses	(26,389)	(19,494)	(5,420)	(32,048)	(3,047)	(10,854)	(5,318)
Impairment (charge)	(50,128)				(50,128)	(50,128)	
Interest and other income (expense)	8,040	3,235	1,281	1,385	875	17,040	5,554
Unutilized financing fees/debt refinancing costs	(1,698)			(238)	(290)	(1,698)	(238)
Interest (expense)	(98,156)	(66,746)	(58,243)	(53,318)	(45,974)	(146,947)	(75,591)
Income tax (expense)	(340)	(726)	(19)	(938)	16	(7,152)	(3,513)
Income from continuing operations	50,798	89,301	72,870	58,465	7,105	183,378	116,170
Income (loss) from discontinued operations	(2)	7,914	17,207		(2)	(2)	
Net income	50,796	97,215	90,077	58,465	7,103	183,376	116,170
Net income attributable to non-controlling interests	(274)	(224)	(177)	(161)	(65)	(274)	(161)
Net income attributable to MPT Operating Partnership L.P. partners	**$ 50,522**	**$ 96,991**	**$ 89,900**	**$ 58,304**	**$ 7,038**	**$ 183,102**	**$ 116,009**

Table of Contents

In thousands	As of December 31, 2014[(1)]	As of June 30, 2015[(1)]	Pro forma as of June 30, 2015
Balance sheet data			
Real estate assets at cost	$ 2,612,291	$ 3,175,031	$ 4,008,836
Real estate accumulated depreciation / amortization	(202,627)	(231,909)	(231,780)
Mortgage and other loans	970,761	986,452	1,111,180
Cash and equivalents	144,541	45,904	45,904
Other assets	222,370	250,647	366,318
Total assets	**$ 3,747,336**	**$ 4,226,125**	**$ 5,300,458**
Debt, net	$ 2,201,654	$ 2,262,861	$ 3,050,544
Other liabilities	163,245	166,997	166,616
Total capital	1,382,437	1,796,267	2,083,298
Total liabilities and capital	**$ 3,747,336**	**$ 4,226,125**	**$ 5,300,458**

In thousands	2014[(1)]	Year ended December 31, 2013[(1)]	2012[(1)]	Six months ended June 30, 2015[(1)]	Pro Forma Six months ended June 30, 2015
Other data					
EBITDA[(2)]	$ 205,880	$ 203,360	$ 183,832	$ 143,391	$ 235,589
Adjusted EBITDA[(2)]	$ 282,358	$ 216,652	$ 179,339	$ 175,439	$ 240,907
Last Two Quarters Annualized (L2QA) Adjusted EBITDA[(2)]					$ 481,814
Adjusted net debt[(3)] to L2QA Adjusted EBITDA					6.2x

(1) Cash paid for acquisitions and other related investments totaled $767.7 million, $654.9 million and $621.5 million in 2014, 2013 and 2012, respectively, and $562.6 million during the six months ended June 30, 2015. The results of operations resulting from these investments are reflected in our consolidated financial statements from the dates invested. See Note 3 in Item 8 of the combined Annual Report of Medical Properties and the Operating Partnership on Form 10-K for the year ended December 31, 2014 and Note 3 in the combined Quarterly Report of

Medical Properties and the Operating Partnership on Form 10-Q for the three months ended June 30, 2015 for further information on acquisitions of real estate, new loans, and other investments. We funded these investments generally from issuing common stock, utilizing additional amounts of our revolving facility, incurring additional debt, or from the sale of facilities. See Notes 4, 9, and 11 in Item 8 of the combined Annual Report of Medical Properties and the Operating Partnership on Form 10-K for the year ended December 31, 2014 and Notes 4 and 5 in Item 1 of the combined Quarterly Report of Medical Properties and the Operating Partnership on Form 10-Q for the quarter ended June 30, 2015 for further information regarding our debt, common stock and discontinued operations, respectively.

(2) We believe that earnings before interest expense, income taxes, depreciation and amortization, or EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA are useful supplemental performance measures because they allow investors to view the Operating Partnership s performance without the impact of non-cash depreciation and amortization or the cost of debt. EBITDA includes both continuing and discontinued operations. Adjusted EBITDA is EBITDA adjusted to eliminate the impact of gains and losses on asset sales, write-offs of straight line rent, impairment charges and acquisition costs. Pro forma Adjusted EBITDA is Adjusted EBITDA after giving pro forma effect to the Recent Portfolio Transactions as if they occurred on January 1, 2015. Pro forma L2QA Adjusted EBITDA is the Operating Partnership s pro forma Adjusted EBITDA for the six months ended June 30, 2015, annualized. We believe EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Because EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, excludes capitalized costs, such

Table of Contents

as leasing commissions, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as measures of the Operating Partnership s performance is limited. In evaluating EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA, you should be aware that in the future we may incur charges, costs and expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Accordingly, EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA should be considered only as supplements to net income (computed in accordance with U.S. GAAP) as a measure of the Operating Partnership s financial performance. Other REITs may calculate EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA differently than the Operating Partnership does; accordingly, the Operating Partnership s EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA may not be comparable to such other REITs EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA. EBITDA, Adjusted EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA as described above are not calculated on the same basis as Consolidated EBITDA will be calculated under the indenture governing the Notes. For a description of how Consolidated EBITDA will be calculated under the indenture governing the Notes, see Description of Notes Certain Definitions.

The following table shows the reconciliation of net income to EBITDA and Adjusted EBITDA and pro forma net income to pro forma EBITDA, pro forma Adjusted EBITDA and pro forma L2QA Adjusted EBITDA:

		Year ended December 31,		Six months ended June 30,	Pro forma Six months ended June 30,
In thousands, except for ratios	**2014**	**2013**	**2012**	**2015**	**2015**
Net income attributable to MPT Operating Partnership L.P. partners	$ 50,522	$ 96,991	$ 89,900	$ 58,304	$ 116,009
Interest expense (including unutilized financing fees/debt refinancing costs)	99,856	66,825	58,319	53,585	75,859
Taxes	340	726	19	938	3,513
Depreciation and amortization	55,162	38,818	35,594	30,564	40,208
EBITDA	$ 205,880	$ 203,360	$ 183,832	$ 143,391	$ 235,589
Gains (loss) on asset sales	(2,857)	(7,659)	(16,369)		
Write-off of straight-line rent	2,818	1,457	6,456		
Impairment charge	50,128				
Acquisition costs	26,389	19,494	5,420	32,048	5,318
Adjusted EBITDA	$ 282,358	$ 216,652	$ 179,339	$ 175,439	$ 240,907

L2QA Adjusted EBITDA	$	481,814

(3) We define adjusted net debt as debt less cash and cash equivalents, in each case, as of June 30, 2015, after giving effect to the Recent Portfolio Transactions and the financing thereof described in the sources and uses table in Use of Proceeds, including the offering of Notes hereby.

Table of Contents

RISK FACTORS

An investment in the Notes involves various risks, including those set forth below as well as the risk factors included in the combined Annual Report on Form 10-K of Medical Properties and the Operating Partnership for the year ended December 31, 2014, incorporated by reference into this prospectus supplement. You should carefully consider these risk factors, together with the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment in the Notes. These risks are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. These risks could materially adversely affect, among other things, our business, financial condition or results of operations, and could cause the trading price of the Notes to decline, resulting in the loss of all or part of your investment.

Risks Related to the Transactions

We may fail to consummate any or all of the remaining Recent Portfolio Transactions or may not consummate them on the terms described herein.

This offering is not conditioned on the completion of any of the remaining Recent Portfolio Transactions and there can be no assurance that they will close during 2015 or at all. The consummation of the Recent Portfolio Transactions is subject to certain customary regulatory and other closing conditions and there can be no assurance that such conditions will be satisfied on the anticipated schedule or at all. If the Recent Portfolio Transactions are not completed, we could be subject to a number of risks that may adversely affect our business, our cash flows and our ability to make payments on the Notes, including:

- our management s attention may be diverted from our day-to-day business and our employees and our relationships with customers may be disrupted as a result of efforts relating to attempting to consummate the Recent Portfolio Transactions;

- the trading price of the Notes may decline to the extent that the issue price reflects a market assumption that the Recent Portfolio Transactions will be completed;

- we must pay certain costs related to the Recent Portfolio Transactions, such as legal and accounting fees and expenses, regardless of whether the Recent Portfolio Transactions are consummated; and

- we would not realize the benefits we expect to realize from consummating the Recent Portfolio Transactions.

Our Adjusted EBITDA will be dependent upon our relationship with, and success of our largest tenants, Capella, MEDIAN-RHM, Prime, Ernest and Adeptus.

After giving effect to the Recent Portfolio Transactions and Development Transactions (on a fully diluted basis), as of June 30, 2015, affiliates of Capella, MEDIAN, Prime, Ernest and Adeptus would have leased or mortgaged facilities representing 15%, 14%, 15%, 10% and 9%, respectively, of our total gross assets. Assuming the completion of the MEDIAN-RHM merger described above under Prospectus Supplement Summary Recent Developments Acquisition of

Median Kliniken Portfolio, affiliates of the combined MEDIAN-RHM would have leased or mortgaged facilities representing approximately 18% of our total gross assets.

Our relationship with these operators and their financial performance and resulting ability to satisfy their lease and loan obligations to us are material to our financial results and our ability to service our debt, including the Notes. We are dependent upon the ability of these operators to make rent and loan payments to us, and any failure or delay to meet these obligations could have a material adverse effect on our financial condition and results of operations.

Table of Contents

If the Recent Portfolio Transactions are completed, we may be subject to additional risks.

In addition to the risks described in our Annual Report on Form 10-K for the year ended December 31, 2014, incorporated by reference into this prospectus supplement and the accompanying prospectus, relating to healthcare facilities that we may purchase from time to time, we would also be subject to additional risks if the Recent Portfolio Transactions are consummated, including without limitation the following:

- we have no previous business experience with the healthcare facilities to be acquired in the Recent Portfolio Transactions, and we may face difficulties in successfully integrating them with our current portfolio and operating structure;

- underperformance of these facilities due to various factors, including unfavorable terms and conditions of the existing financing arrangements that we may assume, the leases or master lease relating to the facilities, disruptions caused by the integration of new operators or changes in economic conditions;

- diversion of our management s attention away from other business concerns;

- exposure to any undisclosed or unknown potential liabilities relating to facilities we will acquire in the Recent Portfolio Transactions; and

- potential underinsured losses on these facilities.

We cannot assure you that we would be able to integrate the acquired facilities without encountering difficulties or that any such difficulties will not have a material adverse effect on us.

In addition, we expect to acquire one or more of the properties in the Recent Portfolio Transactions through the purchase of the ownership interests of the entities that own such properties. Such an acquisition at the entity level rather than the asset level may expose us to additional risks and liabilities associated with the acquired entities.

The Capella Transactions will result in us having a minority investment in Capella; the cash flows from this investment are subject to more volatility than our cash flow from properties with traditional triple-net leasing structures.

In connection with the Capella Transactions, we will make a minority investment Capella Health Holdings, the parent of Capella. Accordingly, the cash flows on this investment will be dependent upon Capella, as operator of the portfolio hospitals, and will vary from time to time depending on the success of the operator. As a result, the cash flows from this investment may be more volatile than cash flows from rent pursuant to the triple-net lease agreements with our tenants and interest income from loans to our tenants. Our business, results of operations and financial condition may be adversely affected if Capella fails to successfully operate the facilities efficiently, effectively or in a manner that is in our best interest.

Risks related to the Notes and the Offering

Our indebtedness may affect our ability to operate our business, and may have a material adverse effect on our financial condition and results of operations. We and our subsidiaries may incur additional indebtedness, including secured indebtedness.

As of June 30, 2015, after giving effect to the Recent Portfolio Transactions, together with the issuance of the Notes offered hereby and the financing thereof described in Use of Proceeds (including $500.0 million of additional debt financing that we expect to obtain to finance the remainder of the Recent Portfolio Transactions) and application of the proceeds from this offering and other sources of funds described in Use of Proceeds, Medical Properties and the Issuers would have had $3.1 billion of indebtedness (none of which would have been secured indebtedness). In addition, our subsidiaries, none of which will guarantee the Notes, would have had $13.5 million of indebtedness, all of which would have been structurally senior to the Notes. In addition, as of August 4, 2015, we had approximately $0.4 billion of availability under our revolving credit facility.

Our indebtedness could have significant adverse consequences to us and the holders of the Notes, such as:

- requiring us to use a substantial portion of our cash flow from operations to service our indebtedness, which would reduce the available cash flow to fund working capital, capital expenditures, development projects and other general corporate purposes;
- limiting our ability to obtain additional financing to fund our working capital needs, acquisitions, capital expenditures or other debt service requirements or for other purposes;
- limiting our ability to compete with other companies who are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions;
- restricting us from making strategic acquisitions, developing properties or exploiting business opportunities;
- restricting the way in which we conduct our business because of financial and operating covenants in the agreements governing our existing and future indebtedness, including, in the case of certain indebtedness of subsidiaries, certain covenants that restrict the ability of subsidiaries to pay dividends or make other distributions to us;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our debt instruments that could have a material adverse effect on our business, financial condition and operating results;
- increasing our vulnerability to a downturn in general economic conditions; and
- limiting our ability to react to changing market conditions in our industry and in our tenants and borrowers industries.

Furthermore, as of June 30, 2015, after giving effect to the Recent Portfolio Transactions and the financing thereof as described in Use of Proceeds, including the Notes offered hereby (assuming the $500.0 million of additional debt financing that we expect to obtain subsequent to the consummation of this offering bears a fixed rate of interest) and application of the proceeds from this offering and other sources of funds described in Use of Proceeds, we would have had $0.5 billion of indebtedness that bore interest at variable rates. In addition, our future borrowings may bear interest at variable rates. If interest rates increase significantly, our ability to borrow additional funds may be reduced and the risk related to our indebtedness would intensify.

In addition to our debt service obligations, our operations may require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets and properties, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors.

Subject to the restrictions that are contained in our revolving and term loan facilities, the indentures governing the Senior Notes and our other debt obligations, and that will be contained in the indenture governing the Notes offered hereby, we may also incur significant additional indebtedness, including additional secured indebtedness. Although the terms of these agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and additional indebtedness incurred in compliance with these restrictions could be significant. In addition, certain restrictions in the indentures governing the Senior Notes on our ability to incur indebtedness, including secured indebtedness, would be relaxed to the extent such securities are upgraded one notch to a rating of Baa3 or higher from Moody s at a time when such securities are rated BBB- or higher from S&P. See Description of Notes Certain Covenants.

Table of Contents

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability to satisfy our debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and

- our future ability to borrow under our revolving credit facility, the availability of which depends on, among other things, our complying with the covenants in the indenture that will govern the Notes.

We cannot assure you that our business will generate sufficient cash flow from operations, or that we will be able to draw under our revolving credit facility or otherwise, in an amount sufficient to fund our liquidity needs.

If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations, sell equity, and/or negotiate with our lenders to restructure the applicable debt, in order to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Our term loan facilities, revolving credit facility, the indentures governing the Senior Notes and the indenture governing the Notes offered hereby, may restrict, or market or business conditions may limit, our ability to avail ourselves to some or all of these options. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our revolving credit and term loan facilities and the indentures governing our outstanding Senior Notes contain and the indenture governing the Notes offered hereby will contain and any instruments governing future indebtedness of ours may contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- incur additional debt or issue certain preferred shares;

- pay dividends on or make distributions in respect of Medical Properties capital stock or make other restricted payments;

- make certain payments on debt that is subordinated to the Notes;

make certain investments;

sell or transfer assets;

create liens on certain assets;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

enter into certain transactions with our affiliates; and

designate our subsidiaries as unrestricted subsidiaries.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under our term loan facilities, revolving credit facility, the indentures governing the Senior Notes and the Indenture that will govern the Notes offered hereby. Upon a default, unless waived, the lenders under our term loan facilities and revolving credit facility could elect to terminate their commitments, cease making further loans and force us into bankruptcy or liquidation. Holders of the Notes offered hereby, our Senior Notes or senior notes due 2016 would also have the ability ultimately to force us into bankruptcy or liquidation. In addition, a default (or an event of default) under our term loan facilities, our revolving credit facility, the indenture governing the Notes offered hereby or any of the indentures governing our Senior Notes or senior notes due 2016 may trigger a cross default under our other agreements and could trigger a cross-default or cross-acceleration under the agreements governing our future indebtedness. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements. See Description of Notes.

Many of the restrictive covenants contained in the indenture governing the Notes will cease to apply if the Notes achieve an investment grade rating.

In November 2014, S&P upgraded the rating on our Senior Notes from BB to BBB-. As a result and pursuant to the terms of the credit agreement governing our revolving credit facility and term loan facility, our subsidiaries were released from their guarantee obligations thereunder and pursuant to the terms of the indentures governing the Senior Notes, our subsidiaries were released from their guarantee obligations under the terms governing the Senior Notes as well. Accordingly, the Notes offered hereby will not be guaranteed by any of our subsidiaries on the date of issuance. In addition, if Moody s were to similarly upgrade the credit rating on our Senior Notes to an investment grade rating (assuming the Senior Notes continue to be rated BBB- or higher by S&P), the indentures governing the Senior Notes provide that significant restricted covenants will be suspended and cease to be applicable during any period that such notes are rated investment grade by both S&P and Moody s and until such time that such notes are no longer rated investment grade by both such rating agencies. These covenants include limitations on restricted payments, including restricted investments, limitations on dividend and other payments, limitations on transactions with affiliates, limitations on asset sales and certain covenants applicable to consolidations, mergers and sales of assets. In addition, the covenant restricting our ability to incur more indebtedness would become materially more lenient. See Description of Notes Suspension of Covenants. If these restrictive covenants cease to apply or become more lenient, as the case may be, we may take actions, such as incurring additional debt and increasing dividends paid, that would otherwise be prohibited under the indentures governing the Senior Notes without the prior consent of holders of the Senior Notes. If the Notes offered hereby are rated investment grade by S&P and Moody s the analogous covenants contained in the indenture governing the Notes would also be suspended and cease to be applicable until such time that such notes are no longer rated investment grade by both such rating agencies.

The Notes, on the date of issuance, will not be guaranteed by any of our subsidiaries and we will depend on dividends and distributions from our direct and indirect subsidiaries to fulfill our obligations under the Notes. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to us.

Substantially all of our assets are held through our subsidiaries. We depend on these subsidiaries for substantially all of our cash flow. The creditors of each of our direct and indirect subsidiaries are entitled to payment of that subsidiary s obligations to them, when due and payable, before distributions may be made by that subsidiary to us. Thus, our ability to service our debt obligations, including our ability to pay the interest on and principal of the Notes when due, depends on our subsidiaries ability first to satisfy their obligations to their creditors and then to make distributions to us. Our subsidiaries are not guarantors of the Notes and are separate and distinct legal entities and have no obligations to make any funds available to us.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements governing our indebtedness, including a default under our term loan facilities, our revolving credit facility, and the indentures governing the Notes offered hereby, the Senior Notes and our senior notes due 2016, that is not waived by the required holders of such indebtedness, could leave us unable to pay principal, premium, if any, or interest on the Notes and could substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on such indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, including our term loan facilities, our revolving credit facility, the indenture governing the Notes offered hereby, or any of the indentures governing the Senior Notes or senior notes due 2016, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with any accrued and unpaid interest, the lenders under our term loan facilities and revolving credit facility could elect to terminate their commitments, cease making further loans and we could be forced into bankruptcy or liquidation, as applicable. If our operating performance declines, we may in the future need to seek waivers from the required lenders under our term loan facilities and revolving credit facility to avoid being in default. If we breach our covenants under our term loan facilities and revolving credit facility and seek waivers, we may not be able to obtain waivers from the required lenders thereunder.

An investment in the Notes by a purchaser whose home currency is not the euro entails significant risks.

An investment in securities which are denominated and payable in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser primarily conducts its business or activities (in each case, the home currency) entails significant risks not associated with securities denominated and payable in the home currency. Accordingly, an investment in the Notes by a purchaser whose home currency is not the euro entails significant risks. These risks include the possibility of significant changes in rates of exchange between the holder s home currency and the euro and the possibility of the imposition or subsequent modification of foreign exchange controls. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange between the euro and certain currencies have been highly volatile, and each holder should be aware that such volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the Notes. Depreciation of the euro against the holder s home currency would result in a decrease in the effective yield of the Notes below its coupon rate and, in certain circumstances, could result in a loss to the holder.

If, as permitted by the Notes, we make payments in U.S. dollars when we are unable to obtain euros, you will be exposed to significant risks if your home currency is not U.S. dollars.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euros will be converted into U.S. dollars on the basis of the then most recently available market exchange rate for euros. See Description of Notes Issuance in Euros. Any payment in respect of the Notes so made in U.S. dollars will not constitute an event of default under the indenture governing the Notes. If your home currency is not U.S. dollars, any such payment will expose you to the significant risks described above under An investment in the Notes by a purchaser whose home currency is not the euro entails significant risks.

Table of Contents

In a lawsuit for payment on the Notes, a noteholder may bear currency exchange risk.

The Notes will be governed by, and construed in accordance with, the laws of the State of New York, and a lawsuit for payment on the Notes may be heard in a state or federal court in New York state. A New York state statute presently in effect but subject to amendment would require a New York state court hearing such a lawsuit to render its decision or award in euros. The judgment entered on that award, however, will be denominated in dollars, and converted at the exchange rate prevailing on the date of the judgment s entry. Consequently, in a lawsuit for payment on the Notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a long time. We believe that a Federal court sitting in New York with diversity jurisdiction over a dispute arising in connection with the Notes would apply the foregoing New York law.

In courts outside of New York, noteholders may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the Notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euros into U.S. dollars would depend upon various factors, including which court renders the judgment.

Potential foreign currency gain on the Notes may cause REIT qualification issues; Repayment of the Notes may be accelerated to help ensure we maintain our qualification as a REIT.

Interest payments on the Notes and repayment of principal amount of the Notes may result in foreign currency exchange gain that is neither excluded from, nor treated as qualifying income for purposes of, the 75% gross income test that we must satisfy annually in order to qualify and maintain our status as a REIT. As a result, significant currency fluctuations could result in our failure to qualify as a REIT in the event we repay the Notes at a time when the amount of foreign currency gain would, when combined with our other sources of nonqualifying income, exceed 25% of our gross income. Furthermore, attempting to minimize the amount of foreign currency gain may require us to redeem all or a portion of the Notes at times and for prices which would not otherwise be attractive to us. This could have an adverse impact on noteholders whose holding of Notes are not redeemed in full.

Your right to receive payments on the Notes is effectively subordinated to the right of lenders who have a security interest in our assets to the extent of the value of those assets.

Our obligations under our term loan facilities and revolving credit facility, the Notes offered hereby, the Senior Notes and senior notes due 2016 are unsecured, but certain of our future debt obligations may be secured. If we are declared bankrupt or insolvent, or if we default under any of our future secured financing arrangements, the funds borrowed thereunder, together with accrued interest, could become immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the Notes, even if an event of default exists under the indenture governing the Notes at such time. In any such event, because the Notes are not secured by any of such assets, it is possible that there would not be sufficient assets from which your claims could be satisfied. Currently, none of Medical Properties or the Issuers indebtedness is secured indebtedness, but the indenture governing the Notes will permit such entities to incur secured indebtedness.

Claims of noteholders will be structurally subordinated to claims of creditors of our subsidiaries.

We conduct all of our operations through our subsidiaries, which are not guarantors under the Notes. The indenture governing the Notes will permit us to form or acquire subsidiaries and to contribute assets to such subsidiaries and permit such subsidiaries to acquire assets and incur indebtedness, and, as a result, noteholders would not have any claim as a creditor against any such subsidiaries. The claims of the creditors of our subsidiaries, including their trade creditors, banks and other lenders, would have priority over any of our claims. Consequently, in any insolvency, liquidation, reorganization, dissolution or other winding-up of any of our subsidiaries, creditors of those subsidiaries would be paid before any amounts would be distributed to us, and thus be available to satisfy our obligations under the Notes and guarantee of the Notes.

As of June 30, 2015, after giving effect to the consummation of the Recent Portfolio Transactions, our subsidiaries, none of which will guarantee the Notes on the date of issuance, would have had $13.5 million of indebtedness, all of which would be structurally senior to the Notes.

We may not be able to satisfy our obligations to holders of the Notes upon a change of control.

Upon the occurrence of a change of control, as defined in the indenture, with certain exceptions, each holder of the Notes will have the right to require us to purchase the Notes at a price equal to 101% of the principal amount thereof. Our failure to purchase, or to give notice of purchase of, the Notes would be a default under the indenture and any such default could result in a default under certain of our other indebtedness, including our term loan facilities, our revolving credit facility and the indentures governing our Senior Notes and senior note due 2016. In addition, a change of control may constitute an event of default under our term loan facilities and revolving credit facility.

There is no established trading market for the Notes. If an actual trading market does not develop for the Notes, you may not be able to resell them quickly, for the price that you paid or at all.

The Notes are new securities for which there is currently no existing market. Although we expect to apply to have the Notes admitted to the Official List of the Irish Stock Exchange and for them to be admitted to trading on its Global Exchange Market within a reasonable period after the issuance thereof, we cannot assure you that the Notes will become or will remain listed or admitted to trading. We may not obtain or maintain such listing on the Official List of the Irish Stock Exchange and may seek to obtain and maintain the listing of the Notes on another stock exchange, although there can be no assurance that we will be able to do so. Failure for the Notes to be admitted to listing on, or the delisting of the Notes from, the Official List of the Irish Stock Exchange or another listing exchange may have a material adverse effect on a holder s ability to sell the Notes. In addition, we cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which the holders of the Notes may be able to sell them. The liquidity of any market for the Notes will depend on the number of holders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. We cannot assure you that if a market for the Notes were to develop, such a market would not be subject to similar disruptions.

The underwriters have advised us that they intend to make a market in the Notes, but they are not obligated to do so. Each underwriter may discontinue any market making in the Notes at any time, in its sole discretion, without notice. As a result, we cannot assure you as to the liquidity of any trading market for the Notes.

We also cannot assure you that you will be able to sell your Notes at a particular time or at all, or that the prices that you receive when you sell them will be favorable. If no active trading market develops, you may not be able to resell your Notes at their fair market value, or at all.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of notes to return payments received from guarantor.

Medical Properties will guarantee the obligations under the Notes. The issuance of the guarantee may be subject to review under federal and state laws if a bankruptcy, liquidation or reorganization case or a lawsuit, including in circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, the unpaid creditors of the guarantor. Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer, insolvency, fictitious indebtedness and similar laws, a court may void or otherwise decline to enforce a guarantor s guarantee or may subordinate the Notes or such guarantee to the guarantor s existing and future indebtedness, if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

received less than reasonably equivalent value or fair consideration in exchange for its issuance of the guarantee;

Table of Contents

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction, or was about to engage in a business or transaction, for which its remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured.

under the fictitious indebtedness laws of some states, the presence of the above-listed factors is not required for a guarantee to be invalidated. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration in exchange for such guarantee if such guarantor did not substantially benefit directly or indirectly from the issuance of such guarantee. The measures of insolvency for purposes of these fraudulent transfer, insolvency and similar laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor, as applicable, would be considered insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent and unliquidated liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

A court might also void the guarantee, without regard to the above factors, if the court found that the guarantor entered into its guarantee with the actual or deemed intent to hinder, delay or defraud its creditors.

To the extent a court voids the guarantee as fraudulent transfers or holds the guarantee unenforceable or voidable for any other reason, holders of the notes would no longer have a claim against such guarantor or the benefit of the assets of such guarantor constituting collateral that purportedly secured such guarantee. In addition, the court might direct holders of the notes to repay any amounts already received from a guarantor. If the court were to void Medical Properties guarantee, we cannot assure you that funds would be available to pay the notes from any of our subsidiaries or from any other source.

MPT Finance Corporation has no material assets or operations and provides no credit support for the Notes.

MPT Finance Corporation is a wholly owned subsidiary of the Operating Partnership and was formed for the sole purpose of being a co-issuer of some of the Operating Partnership s indebtedness. It has no assets or operations. You should not rely upon MPT Finance Corporation to make payments on the Notes.

The Notes may be subject to withholding taxes in circumstances where the Issuers are not obliged to make gross up payments and this would result in holders receiving less interest than expected and could adversely affect their

return on the Notes.

The terms of the Notes contain exemptions from the requirement that the Issuers make gross up payments in the event an amount of, or in respect of, taxes were to be withheld from a payment, including as set out under Description of Notes Withholding under the EU Savings Tax Directive. Where such exemptions apply, neither the Issuers, nor any paying agent, nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

Table of Contents

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited pro forma condensed consolidated financial statements were based on and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed consolidated financial statements; and

- our consolidated financial statements for the year ended December 31, 2014 and for the six months ended June 30, 2015 and the notes relating thereto, incorporated herein by reference.

The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed consolidated financial statements to give effect to pro forma events that are (1) directly attributable to the Capella Transactions, MEDIAN Transactions, Additional Acquisitions and Dispositions, which we refer to collectively as the Recent Portfolio Transactions , (2) factually supportable and (3) with respect to the unaudited pro forma condensed consolidated statements of income (which we refer to as the pro forma statements of income), expected to have a continuing impact on our results. The pro forma statements of income for the year ended December 31, 2014 and for the six months ended June 30, 2015, give effect to the Recent Portfolio Transactions as if they occurred on January 1, 2014 and January 1, 2015, respectively. The unaudited pro forma condensed consolidated balance sheet (which we refer to as the pro forma balance sheet) as of June 30, 2015, gives effect to the Recent Portfolio Transactions as if they each occurred on June 30, 2015.

As described in the accompanying notes, the unaudited pro forma condensed consolidated financial statements have been prepared using the acquisition method of accounting for the real estate acquired and assumes certain accounting for the Capella Transactions (such as using the equity method to account for our 49% interest in Capella Health Holdings), MEDIAN Transactions and Additional Acquisitions, in each case, in accordance with GAAP and the regulations of the SEC. We have been treated as the acquirer of real estate in each of the transactions for accounting purposes. The acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma financial statements are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed consolidated financial statements. Differences between these preliminary estimates and the final accounting will occur and these differences could have a material impact on the pro forma financial statements and our future results of operations and financial position.

The pro forma financial statements have been presented for informational purposes only and are not necessarily indicative of what our results of operations and financial position would have been had the Recent Portfolio Transactions been completed on the dates indicated. In addition, the pro forma financial statements do not purport to project the future results of operations or financial position of our company.

MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES

Unaudited Pro Forma Condensed Consolidated Balance Sheet

(in thousands)	MPT Operating Partnership L.P. Historical June 30, 2015	Capella Pro Forma Adjustments (A)	MEDIAN Pro Forma Adjustments (A)	Additional Acquisitions and Dispositions Pro Forma Adjustments (A)	MPT Operating Partnership L.P. Pro Forma June 30, 2015
Assets					
Real estate assets					
Land, buildings and improvements, and intangible lease assets	$ 2,720,011	$	$ 460,260	$ (16,455)	$ 3,163,816
Mortgage loans	437,587	210,000		1,500	649,087
Net investment in direct financing leases	455,020	390,000(B)			845,020
Gross investment in real estate assets	3,612,618	600,000	460,260	(14,955)	4,657,923
Accumulated depreciation and amortization	(231,909)		(9,345)	9,474	(231,780)
Net investment in real estate assets	3,380,709	600,000	450,915	(5,481)	4,426,143
Cash and cash equivalents	45,904	(894,900)	(118,935)	1,013,835	45,904
Interest and rent receivables	56,792			(938)	55,854
Straight-line rent receivables	68,927			(923)	68,004
Other loans	548,865	290,000	(376,772)		462,093
Other assets	124,928	4,900(B)		112,632(C)	242,460
Total Assets	**$ 4,226,125**	**$**	**$ (44,792)**	**$ 1,119,125**	**$ 5,300,458**
Liabilities and Capital					
Liabilities					
Debt, net	$ 2,262,861	$	$	$ 787,683(D)	$ 3,050,544
Accounts payable and accrued expenses	84,550				84,550
Deferred revenue	27,541			(68)	27,473
	9,341			(313)	9,028

Lease deposits and other obligations to tenants					
Payable due to Medical Properties Trust, Inc.	45,565				45,565
Total liabilities	2,429,858			787,302	3,217,160
Total capital	1,796,267		(44,792)	331,823	2,083,298
Total Liabilities and Capital	**$ 4,226,125**	**$**	**$ (44,792)**	**$ 1,119,125**	**$ 5,300,458**

The accompanying notes are an integral part of these

unaudited pro forma condensed consolidated financial statements.

Table of Contents

MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES

Unaudited Pro Forma Condensed Consolidated Statement of Income

ting L.P. l	Capella Pro Forma Adjustments	MEDIAN Pro Forma Adjustments
4	$	$ 33,113(G
0)		4,686(H
3	18,826(E)	
5	20,000(F)	(20,177)(I)
2	38,826	17,622
2		9,362
1		
7		500
3		
3		9,862
4	38,826	7,760
)		
6	2,438(M)	

)		
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)	(2,418)	178
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5	38,846	7,938
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Executive	**Incentive Compensation Earned Under Quantitative Component**	**Incentive Compensation Earned Under Qualitative Component**	**Total Incentive Compensation Earned in 2014**	**% of Incentive Compensation Paid in Cash**	**% of Incentive Compensation Paid in Restricted Stock**
Steven R. Mumma	$ 1,369,908	$ 420,000	$ 1,789,908	32%	68%
Nathan R. Reese	$ 206,709	$ 138,750	$ 345,459	72%	28%
Kristine R. Nario	$ 54,739	$ 213,750	$ 268,489	78%	22%

Long-Term Equity Incentive Compensation. As noted above, NEOs were eligible to earn incentive compensation under the Incentive Plan that is payable in cash, or depending on the size of the award earned, a combination of cash and shares of restricted stock. Shares of restricted stock issued as part of the compensation earned under the Incentive Plan are issued from our 2010 Stock Plan and vest ratably on an annual basis over a three-year period. The following table sets forth the form of incentive compensation award payment at various payout levels under the Incentive Plan:

Incentive Compensation Payout Amounts	**% Payable in Cash**	**% Payable in Long-Term Equity Incentive Awards**
Less than $150,000	100 %	0 %
Between $150,000 and $1,000,000	50 %	50 %
In excess of $1,000,000	0 %	100 %

For 2014, the Compensation Committee awarded a total of 155,957 shares of restricted stock to Mr. Mumma (having a grant date fair value of approximately $1,214,908, which is based on the closing sale price of our common stock on the date the stock award was approved by our Compensation Committee), 12,546 shares of restricted stock to Mr. Reese (having a grant date fair value of approximately $97,729, which is based on the closing sale price of our common stock on the date the stock award was approved by our Board) and 7,605 shares of restricted stock to Ms. Nario (having a grant date fair value of approximately $59,245, which is based on the closing sale price of our common stock on the date the stock award was approved by our Board) in February 2015 in accordance with the terms of the Incentive Plan (as described above). The formulaic approach of having long-term equity incentive awards tied directly to incentive compensation earned under the Incentive Plan was influenced by (i) our desire to increase the executive's ownership stake in our Company and better align the executive's interests with those of our stockholders, (ii) our desire to tie total incentive compensation (including long-term equity incentive awards) to a single incentive performance plan weighted, in the case of two of our NEOs, more heavily upon quantitative performance measures, (iii) our desire to increase the amount of non-cash, long-term equity incentive compensation earned by our Chief Executive Officer and President as a percentage of his total compensation, (iv) our desire to provide our NEOs with a competitive balance of current cash compensation and longer-term equity compensation that rewards performance and increases the executive's incentive to remain with our Company over the longer-term, and (v) our desire to create an incentive compensation plan that spreads the expense of a portion of the incentive compensation program over a three-year period.

The Compensation Committee expects to continue to issue long-term equity incentive awards to our NEOs during the first quarter of each fiscal year in the future, pursuant to an incentive compensation plan that is similar to the Incentive Plan or otherwise. Restricted stock is the preferred long-term equity incentive award of the Compensation Committee due, in part, to the distribution policies and requirements of REITs and the effect that those distribution requirements tend to have on our common stock price, which tends to make stock options a less desirable form of long-term equity incentive award.

Benefits. Benefits are also established based upon a determination of what is needed to aid in attracting and retaining executive talent, as well as providing long-term financial security to our employees and their families. The NEOs are eligible to participate in our health, dental and vision plans, and various insurance plans, including disability and life insurance, and in our 401(k) plan. The primary benefits for the NEOs are as follows:

- receipt of dividends on all unvested restricted stock awards; and

- with respect to Mr. Mumma only, life insurance policies and supplemental long-term disability insurance policies purchased by Mr. Mumma in his name and reimbursed by our Company.

Severance Benefits Payable Upon Termination of Employment or a Change in Control. In order to achieve our compensation objective of attracting, retaining and motivating qualified senior executives, we believe that we need to provide our Chief Executive Officer and President with severance protections that are consistent with the severance protections offered by companies similar to us. Consistent with this philosophy, we believe that severance should be payable to Mr. Mumma in the event his employment is terminated under certain circumstances. In November 2014, the Company entered into a Second Amended and Restated Employment Agreement with Mr. Mumma which amends, restates and supersedes the Amended and Restated Employment Agreement between the Company and Mr. Mumma dated November 22, 2011. For more information regarding the terms of this agreement, see "—Other Compensation Arrangements—Employment Agreements." Mr. Mumma's employment agreement is reviewed annually by the Compensation Committee. We have not entered into employment agreements with our other NEOs.

NEO Compensation Determinations for 2015

In February 2015, our Board of Directors approved a 2015 base salary of $325,000 for Mr. Reese and a base salary of $275,000 for Ms. Nario. Mr. Mumma's 2015 base salary will remain at $700,000 in accordance with his employment agreement. The Compensation Committee has approved using the Incentive Plan for purposes of determining the compensation of our NEOs for performance in 2015 or as such plan may be amended from time to time in the future.

Share Ownership Guidelines

The NEOs are not formally required to achieve or maintain any particular level of stock ownership in us. For more information on the share ownership of our executive officers, see "Share Ownership of Certain Beneficial Owners and Our Directors and Executive Officers" on page 20.

Tax Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code places a limit on the amount of compensation that may be deducted annually by our Company on our tax return with respect to each of our Chief Executive Officer, Chief Financial Officer and the two other most highly compensated executives. In general, compensation paid for achieving pre-established and objective performance goals pursuant to a plan that has been approved by our stockholders is not subject to this limit. Our 2010 Stock Plan is designed so that performance-based restricted stock awards granted to our NEOs under the plan can be exempt from the compensation deduction limitation described above. Time-based awards are subject to the compensation deduction limitation. Although the Compensation Committee generally seeks to preserve the federal income tax deductibility of compensation paid, in order to maintain flexibility in compensating executives, including our NEOs, in a manner designed to promote our corporate goals, including retaining and incentivizing the NEOs, the Compensation Committee has not adopted a policy that all compensation must be deductible.

Adjustment or Recovery of Awards

Under Section 304 of the Sarbanes-Oxley Act, if we are required to restate our financial results due to material noncompliance with any financial reporting requirement as a result of misconduct, our Chief Executive Officer and Chief Financial Officer must reimburse us for (i) any bonus or other incentive-based or equity-based compensation received during the twelve months following the public issuance of the non-compliant document and (ii) any profits realized from the sale of our securities during those twelve months. Following the SEC's adoption of final rules regarding executive compensation recoupment policies pursuant to the Dodd-Frank Act, we will consider and adopt a separate executive compensation recoupment policy in accordance with the final rules.

Relationship of Compensation Practices to Risk Management

When structuring our overall compensation practices for our employees generally, consideration is given as to whether the structure creates incentives for risk-taking behavior and therefore impacts our risk management practices. Attention is given to the elements and the mix of pay as well as ensuring that employees' awards align with stockholders' value.

The Compensation Committee has assessed the compensation policies and practices for our employees, including our NEOs, and concluded that they do not create risks that are reasonably likely to have a material adverse effect on our Company. The Compensation Committee generally considers whether our compensation programs encourage excessive risk taking during its annual review of such programs, which typically occurs during the first quarter of each year.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management and, based on such review and discussion, the Committee recommends that it be included in this proxy statement.

Compensation Committee

Steven G. Norcutt (Chairman)

David R. Bock

Alan L. Hainey

March 31, 2015

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

Executive Compensation Information

Summary Compensation Table

The following tables should be read in conjunction with the related footnotes set forth below, the information under the caption "Compensation Discussion and Analysis" beginning on page 21 and the information under the caption "—Other Compensation Arrangements." We summarize below the compensation information for the fiscal years ended December 31, 2014, 2013 and 2012 for each of Messrs. Mumma and Reese, and December 31, 2014 for Ms. Nario, the year in which she first became an NEO:

Name and Principal Position	**Year**	**Salary**	**Cash Bonus**	**Non-Equity Incentive Plan Compensation**(1)	**Stock Awards**(2)	**All Other Compensation**(3)	**Total**
Steven R. Mumma	2014	$533,333 (4)	—	$ 575,000	$1,214,908	$ 152,531	$2,475,772
President, and Chief	2013	$425,000	$—	$ 426,750	$676,750	$ 90,914	$1,619,414
Executive Officer	2012	$300,000	$600,000	—	$500,000	$ 39,706	$1,439,706
Nathan R. Reese	2014	$260,000	—	$ 247,730	$97,729	$ 9,208	$614,667
Vice President and	2013	$240,000	—	$ 189,446	$39,446	$ 5,384	$474,276
Secretary	2012	$200,000	$162,500	—	$37,500	$ 1,096	$401,096
Kristine R. Nario Chief Financial Officer	2014	$225,000	—	$ 209,244	$59,245	$ 3,418	$496,907

(1) Amounts in fiscal 2014 represent annual cash incentive compensation earned under the Incentive Plan. See "—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan." In accordance with the Incentive Plan, Mr. Mumma received total incentive compensation of $1,789,908, $575,000 of which was paid in cash and $1,214,908 of which was paid in shares of restricted stock (and thus reported in the "Stock Awards" column in the table above). Similarly, in accordance with the Incentive Plan, Mr. Reese received total incentive compensation of $345,459, $247,730 of which was paid in cash and $97,729 of which was paid in shares of restricted stock (and thus reported in the "Stock Awards" column in the table above) and Ms. Nario received total incentive compensation of $268,489, $209,244 of which was paid in cash and $59,245 of which was paid in shares of restricted stock (and thus reported in the "Stock Awards" column in the table above).

(2) The amounts in this column reflect the grant date fair value of the awards computed in accordance with FASB ASC Topic 718. On February 18, 2015, Mr. Mumma, Mr. Reese and Ms. Nario received 155,957, 12,546 and 7,605 shares of restricted stock, respectively, in accordance with the awards payable to each officer under the Incentive Plan for their individual performance and our performance in 2014. Similarly, on February 13, 2014, Mr. Mumma, Mr. Reese and Ms. Nario received 91,576, 5,338 and 4,220 shares of restricted stock, respectively, in accordance with the awards payable to each officer under the Incentive Plan for their individual performance and our performance in 2013. For a description of the formula used to calculate the amounts payable under the Incentive Plan in cash and restricted stock, see "—Compensation Discussion and Analysis — Executive Compensation Program Components — Incentive Plan." On March 7, 2013, Mr. Mumma and Mr. Reese received 70,126 and 5,259 shares of restricted stock, respectively, as part of their 2012 compensation packages. Because, in each case, the size of the awards were determined by the Compensation Committee as part of the NEOs compensation for each person's individual performance and our performance in the respective years set forth in the table above, we have included these restricted stock awards in our NEOs compensation for such year. Consistent with this approach, a restricted stock grant of 4,220 shares to Ms. Nario on February 13, 2014 has been excluded from Ms. Nario's 2014 compensation because it was awarded by the Compensation Committee as part of Ms. Nario's 2013 compensation package. Pursuant to the terms of a restricted stock award agreement covering the February 2015, February 2014 and March 2013 awards, one-third of the shares awarded as part of these grants will vest and become non-forfeitable on each of the first three anniversaries of the date of grant. All shares issued to the NEOs have been issued under the 2010 Stock Plan.

(3) Dividends paid on unvested restricted common stock, which are included in “All Other Compensation,” are based on the same dividend rate per share as the dividends on our common stock. For the 2014, 2013 and 2012 fiscal years, we have not included the health care benefits received by NEOs because such benefits are available generally to all employees on similar terms. We do not intend to include health care benefits as part of “All Other Compensation” in the future to the extent such benefits are available generally to all employees on similar terms. All other compensation includes:

2014 for Mr. Mumma: Includes $141,607 in dividends on outstanding and unvested restricted stock, $2,415 in premiums paid for life insurance policies in the amount of $3.0 million and $8,509 in premiums paid for supplemental disability insurance policies.

2013 for Mr. Mumma: Includes $79,990 in dividends on outstanding and unvested restricted stock, $2,415 in premiums paid for life insurance policies in the amount of $3.0 million and $8,509 in premiums paid for supplemental disability insurance policies.

2012 for Mr. Mumma: Includes $28,782 in dividends on outstanding and unvested restricted stock, $2,415 in premiums paid for life insurance policies in the amount of $3.0 million and $8,509 in premiums paid for supplemental disability insurance policies.

2014 for Mr. Reese: Includes $9,208 in dividends on outstanding and unvested restricted stock.

2013 for Mr. Reese: Includes $5,384 in dividends on outstanding and unvested restricted stock.

2012 for Mr. Reese: Includes $1,096 in dividends on outstanding and unvested restricted stock.

2014 for Ms. Nario: Includes $3,418 in dividends on outstanding and unvested restricted stock.

(4) Effective November 1, 2014, Mr. Mumma’s annual base salary increased from $500,000 to $700,000.

Discussion of Summary Compensation Table

Cash Bonus. Due to their discretionary nature, amounts granted under the cash incentive component of our NEO compensation program for the year ended December 31, 2012 was deemed to be “bonuses” and not grants of “non-equity incentive compensation.” However, in connection with the adoption of the Incentive Plan, cash incentive amounts granted under the Incentive Plan in 2014 and 2013 are deemed to be grants of non-equity incentive compensation. See “—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan.”

Stock Awards. As discussed in footnote 1 to the “Summary Compensation Table” above, we include restricted stock awards granted each year as compensation in the prior year because the size of the annual restricted stock awards are determined and awarded by the Compensation Committee in consideration of (i) in the case of 2014 and 2013, the amount earned under our Incentive Plan during those respective years and each person’s individual performance and our performance during those years, and (ii) in the case of

2012, each person's individual performance and our performance in such prior year. Each restricted stock award granted to the NEOs vests ratably on each of the first, second and third anniversaries of the date of grant.

Grants of Plan-Based Awards

The following table presents information regarding plan-based awards to the NEOs during the fiscal year ended December 31, 2014. See the information under the caption "—Other Compensation Arrangements" for information regarding the acceleration of vesting and payment of these awards in certain circumstances.

Name	**Grant Date**	**Estimated Future Payouts Under Non-Equity Incentive Plan Awards**			**Estimated Future Payouts Under Equity Incentive Plan Awards**			**All Other Stock Awards: Number of Shares of Stock or Units (1)**	**Grant Date Fair Value of Stock and Option Awards (2)**
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($)
Steven R. Mumma	2/13/2014	—	—	—	—	—	—	91,576	$676,750
Steven R. Mumma	3/28/2014(3)	—	—	$2,100,000(4)	—	—	—	—	—
Nathan R. Reese	2/13/2014	—	—	—	—	—	—	5,338	$39,446
Nathan R. Reese	3/28/2014(3)	—	—	$390,000(5)	—	—	—	—	—
Kristine R. Nario	2/13/2014	—	—	—	—	—	—	4,220	$31,183
Kristine R. Nario	3/28/2014(3)	—	—	$281,250(6)				—	—

(1) Represents restricted share awards issued as part of the NEOs' 2013 compensation package under the 2010 Stock Plan, which vest as follows: one third vested on February 13, 2015, one third will vest on February 13, 2016 and the final one-third will vest on February 13, 2017. The grant date fair value of these awards are included in 2013 compensation in the "Summary Compensation Table."

(2) Amounts represent the value of restricted share awards based on the closing sale price for shares of our common stock on the date of grant.

(3)

Represents the non-equity incentive plan awards granted under the Incentive Plan. See "—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan" above. The Incentive Plan is comprised of two parts: a quantitative component and a qualitative component. The Incentive Plan provides for no minimum award or guaranteed payment, nor does the Incentive Plan provide one specific "target" rate, but rather, rewards participants if (i) AROE exceeds various hurdles between 8% and 18% and (ii) the participants qualitative component exceeds zero. The Compensation Committee has the discretion to award non-equity incentive compensation in the event the participant fails to exceed the minimum performance thresholds under the Incentive Plan and similarly, has the discretion to award more or less than the participant's minimum, target and maximum incentive compensation opportunities in light of the Company's and the participant's performance. Incentive compensation under the Incentive Plan may be paid in cash, or depending on the size of the award earned, a combination of cash and shares of restricted stock. The following table sets forth the form of incentive compensation award payment at various payout levels under the Incentive Plan:

Incentive Compensation Payout Amounts	**% Payable in Cash**	**% Payable in Long-Term Equity Incentive Awards**
Less than $150,000	100 %	0 %
Between $150,000 and $1,000,000	50 %	50 %
In excess of $1,000,000	0 %	100 %

We have included 100% of the maximum award payable under the Incentive Plan in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column above. In the event the maximum award had been earned in 2014, Mr. Mumma would have received $1,525,000 of his non-equity incentive compensation plan award in the form of shares of restricted common stock, Mr. Reese would have received $120,000 of his non-equity incentive compensation plan award in the form of shares of restricted common stock, and Ms. Nario would have received $65,625 of her non-equity incentive compensation plan award in the form of shares of restricted common stock. The restricted stock vests ratably over three years from the date of grant under the Incentive Plan.

(4) Mr. Mumma's incentive compensation under the Incentive Plan was weighted 80% based on performance under the quantitative component and 20% under the qualitative component. See "—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan" above for a description of the hurdles and payout amounts applicable to Mr. Mumma under the Incentive Plan. For 2014, the Compensation Committee determined to award Mr. Mumma total incentive compensation of $1,789,908 under the Incentive Plan, $1,214,908 of which was paid on February 18, 2015 in the form of 155,957 shares of restricted common stock.

(5) Mr. Reese's incentive compensation under the Incentive Plan was weighted 65% based on performance under the quantitative component and 35% under the qualitative component. See "—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan" above for a description of the hurdles and payout amounts applicable to Mr. Reese under the Incentive Plan. For 2014, the Compensation Committee determined to award Mr. Reese total incentive compensation of $345,459 under the Incentive Plan, $97,729 of which was paid on February 18, 2015 in the form of 12,546 shares of restricted common stock.

(6) Ms. Nario's incentive compensation under the Incentive Plan was weighted such that 25% was based on performance under the quantitative component and 75% was based on performance under the qualitative component. See "—Compensation Discussion and Analysis—Executive Compensation Program Components—Incentive Plan" above for a description of the hurdles and payout amounts applicable to Mr. Reese under the Incentive Plan. For 2014, the Compensation Committee determined to award Ms. Nario total incentive compensation of $268,489 under the Incentive Plan, $59,245 of which was paid on February 18, 2015 in the form of 7,605 shares of restricted common stock.

Outstanding Equity Awards at Fiscal Year End

The following table lists the shares of restricted common stock awarded to our NEOs that are unvested and outstanding as of December 31, 2014. No discount has been taken to reflect risk of forfeiture or restrictions on transferability.

Name	Stock Awards Number of Shares or Units or Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested [(1)]
Steven R. Mumma [(2)]	145,261	$1,119,962
Nathan R. Reese [(3)]	9,307	$71,757
Kristine R. Nario [(4)]	4,220	$32,536

(1) Value is determined by multiplying the number of unvested restricted shares by $7.71, the closing sale price for our common stock on December 31, 2014.

(2) Mr. Mumma received a restricted stock grant of 20,804 shares in March 2012 as part of his 2011 compensation package. Of this amount, 6,934 shares were unvested as of December 31, 2014 (although such unvested shares subsequently vested on March 12, 2015). Mr. Mumma received a restricted stock grant of 70,126 shares on March 7, 2013 as part of his 2012 compensation package. Of this amount, 46,751 shares were unvested as of December 31, 2014 (with 23,375 shares having vested on March 7, 2015 and 23,376 shares vesting on March 7, 2016, provided the NEO remains employed with the Company as of such date). Mr. Mumma received a restricted stock grant of 91,576 shares on February 13, 2014 as part of his 2013 compensation package, all of which were unvested and outstanding as of December 31, 2014 (with 30,525 shares having vested on February 13, 2015, while an additional 30,525 shares will vest on February 13, 2016 and an additional 30,526 shares will vest on February 13, 2017, provided the NEO remains employed with the Company as of such date). The shares issued as part of the February 2015 grant are not included in the table above because they were not outstanding at December 31, 2014. Vesting of all of these shares may be accelerated in the event of the NEO's death, disability, termination without cause or resignation for good reason. See "—Other Compensation Arrangements—Restricted Stock Award Agreements" and "Other Compensation Arrangements—Employment and Other Agreements."

(3) Mr. Reese received a restricted stock grant of 1,387 shares in March 2012 as part of his 2011 compensation package. Of this amount, 463 shares were unvested as of December 31, 2014 (although such unvested shares subsequently vested on March 12, 2015). Mr. Reese received a restricted stock grant of 5,259 shares on March 7, 2013 as part of his 2012 compensation package. Of this amount, 3,506 shares were unvested as of December 31, 2014 (with 1,753 shares having vested on March 7, 2015 and 1,753 shares vesting on March 7, 2016, provided the NEO remains employed with the Company as of such date). Mr. Reese received a restricted stock grant of 5,338 shares on February 13, 2014 as part of his 2013 compensation package, all of which were unvested and outstanding as of December 31, 2014 (with 1,779 shares having vested on February 13, 2015, while an additional 1,779 shares will vest on February 13, 2016 and an additional 1,780 shares will vest on February 13, 2017, provided the NEO remains employed with the Company as of such date). The shares issued as part of the February 2015 grant are not included in the table above because they were not outstanding at December 31, 2014. See the information under the caption "—Other Compensation Arrangements" for information regarding the acceleration of vesting and payment of these shares in certain circumstances.

(4) Ms. Nario received a restricted stock grant of 4,220 shares on February 13, 2014 as part of her 2013 compensation package, all of which were unvested and outstanding as of December 31, 2014 (with 1,407 shares having vested on February 13, 2015, while an additional 1,407 shares will vest on February 13, 2016 and an additional 1,406 shares will vest on February 13, 2017, provided the NEO remains employed with the Company as of such date). The shares issued as part of the February 2015 grant are not included in the table above because they were not outstanding at December 31, 2014. See the information under the caption "—Other Compensation Arrangements" for information regarding the acceleration of vesting and payment of these shares in certain circumstances.

Stock Vested

The following table presents information concerning the vesting of restricted stock for the NEOs during the fiscal year ended December 31, 2014.

Name	**Stock Awards Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting[(1)]**
Steven R. Mumma	35,004	$267,465
Nathan R. Reese	2,215	$16,883
Kristine R. Nario	—	—

(1)

Value is determined by multiplying the number of shares the closing sale price on the Nasdaq Global Select Market on the date on which such shares vested.

Other Compensation Arrangements

Restricted Stock Award Agreements

The restricted stock award agreements we entered into with our NEOs beginning in July 2009 contain certain vesting and acceleration provisions with respect to a termination of employment as a result of death or disability or in the event of a change in control. Under the restricted stock award agreements, if the NEO's employment with us is terminated due to death, the restricted shares issued under the agreement will become fully vested and non-forfeitable upon the date of death. If the NEO's employment with us is terminated due to disability, the restricted shares issued under the agreement will become fully vested and non-forfeitable upon the date of the termination of the NEO's employment. If we experience a change in control, the restricted shares issued under the agreement will become fully vested and non-forfeitable immediately upon the occurrence of the event causing the change in control. In each of February 2015, February 2014, and March 2013, we entered into a restricted stock award agreement with the NEOs at those respective times providing for the grant of shares of restricted common stock, one-third of which will vest and become non-forfeitable on each of the first, second and third anniversaries of the date of grant subject to certain conditions. Except for the vesting terms described in the immediately preceding sentence, the terms of the February 2015, February 2014 and March 2013 restricted stock award agreements are the same as the terms of the 2009 restricted stock award agreement. The holders of these restricted shares of common stock issued in 2015, 2014 and 2013 are entitled to (i) the payment of dividends on their unvested shares based on the same dividend rate per share as the dividends on our unrestricted common stock and (ii) vote their unvested shares.

Employment Agreement

On November 3, 2014, we entered into a Second Amended and Restated Employment Agreement with Steven R. Mumma (the "Executive"), the Company's Chief Executive Officer and President (the "Employment Agreement"). The Employment Agreement amends, restates and supersedes the Amended and Restated Employment Agreement between the Company and the Executive dated November 22, 2011 (the "Prior Employment Agreement"). The Employment Agreement will expire on December 31, 2015, unless further extended or sooner terminated. Pursuant to the Employment Agreement, in the event we fail to provide Mr. Mumma with written notice of our determination to not extend the term of the Employment Agreement at least 90 days prior to the expiration date of the agreement, the Employment Agreement will be automatically extended for an additional one-year period following the expiration date.

Pursuant to the Employment Agreement, Mr. Mumma is entitled to an initial base salary of $700,000 effective as of November 1, 2014, subject to future increases at the discretion of the Compensation Committee. Under the terms of the Employment Agreement, Mr. Mumma is also eligible to participate in our annual cash incentive bonus plan (the “Bonus Plan”) to be established by the Compensation Committee. The Employment Agreement requires the Compensation Committee to adopt a Bonus Plan by not later than March 31 of each fiscal year and provides that the Bonus Plan will contain both individual and corporate performance goals. In the event we or Mr. Mumma, as the case may be, satisfies the performance criteria to be established by the Compensation Committee, Mr. Mumma will be entitled to receive the bonus amount provided for in the Bonus Plan and shall be paid no later than March 14 of the year immediately following the year for which the applicable Bonus Plan was adopted. Under the terms of the Employment Agreement, in the event the performance criteria under the Bonus Plan is not satisfied, the Compensation Committee may grant a discretionary bonus.

In addition, under the terms of the Employment Agreement, any restricted stock grants to Mr. Mumma under the 2010 Stock Plan will be subject to forfeiture restrictions that will lapse one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant and the final one-third on the third anniversary of the date of grant. Notwithstanding the foregoing, these forfeiture restrictions will lapse upon (i) a Change in Control (as defined in the Employment Agreement), (ii) a termination by the Company without Cause (as defined below), (iii) a termination by Mr. Mumma for Good Reason (as defined below), (iv) Mr. Mumma’s death, or (v) Mr. Mumma’s disability, and Mr. Mumma will forfeit all unvested shares if he is terminated for Cause or he terminates his employment with the Company for other than Good Reason. Any common stock issued to Mr. Mumma as restricted stock will have voting and dividend rights prior to and following vesting.

The Employment Agreement permits us to terminate Mr. Mumma's employment with appropriate notice for or without Cause, and permits Mr. Mumma to resign for Good Reason or other than for Good Reason. If Mr. Mumma's employment is terminated for Cause or he resigns other than for Good Reason, we will pay his full base salary through to the date of termination and reimburse him for all reasonable and customary expenses incurred by him through the date of termination in the performance of his duties. If however, we terminate Mr. Mumma without Cause (other than for death or disability) or Mr. Mumma terminates his employment for Good Reason, we have agreed to pay Mr. Mumma (i) any earned and accrued but unpaid installment of base salary through the date of termination and all other unpaid and pro rata amounts to which he was entitled as of the date of termination under any compensation plan or program of our Company; (ii) liquidated damages in an amount equal to the greater of (A) $1,000,000 or (B) one and one-half (1 ½) multiplied by the sum of Mr. Mumma's base salary in effect at the date of termination and the average annual cash incentive bonus earned by Mr. Mumma during the two most recently completed fiscal years prior to the year in which a Change in Control or termination event occurs; (iii) the payment of premiums for group health coverage for 18 months following the date of termination; and (iv) other benefits as provided for in the Employment Agreement.

Under the Employment Agreement, we will have Cause to terminate Mr. Mumma's employment upon a determination by at least a majority of the Board (excluding Mr. Mumma) that Mr. Mumma has:

committed fraud or misappropriated, stolen or embezzled funds or property from us or our affiliates, or secured or attempted to secure personally any profit in connection with any transaction entered into on our behalf or on behalf of our affiliates;

been convicted of, or entered a plea of guilty or "nolo contendere" to, a felony which in the reasonable opinion of the Board brings the executive into disrepute or is likely to cause material harm to our business, financial condition or prospects;

failed to perform his material duties under the Employment Agreement, which failure continues for a period of at least 30 days after written notice to Mr. Mumma;

violated or breached any material law or regulation to the material detriment of our Company or our affiliates; or

breached any of his duties or obligations under the Employment Agreement that causes or is reasonably likely to cause material harm to our Company.

Pursuant to the Employment Agreement, Good Reason means (i) a failure by us or our successors or assigns to comply with any material provision of the Employment Agreement which is not cured within 30 days after written notice of such non-compliance; (ii) the assignment to Mr. Mumma of any material duties inconsistent with his position with our Company or a substantial adverse alteration in the nature or status of his responsibilities without his consent, except that (A) a determination by our Nominating and Corporate Governance Committee not to nominate Mr. Mumma for re-election as a director of our Company or (B) a failure by our stockholders to elect Mr. Mumma as a director of our Company shall not be deemed to be Good Reason; (iii) without Mr. Mumma's consent, a material reduction in employee benefits other than a reduction generally applicable to our other similarly situated executives; (iv) without Mr. Mumma's consent, relocation of our principal place of business outside of the Borough of Manhattan in the City of New York; (v) any failure by us to pay Mr. Mumma's base salary or any cash incentive bonus to which he is entitled under a Bonus Plan, which failure has not been cured within ten (10) days after notice of such noncompliance, or any failure of the Compensation Committee to approve a Bonus Plan for any fiscal year commencing with the 2015 fiscal year; or (vi) delivery to Mr. Mumma from us of a notice of non-renewal in accordance with the notice requirement described above; *provided, however*, that Mr. Mumma shall only have the right to resign for Good Reason in the case of clause (vi) above if he provides us with notice of termination prior to the expiration date of the Employment Agreement.

The Employment Agreement also provides that if any amount payable to, or other benefit receivable by Mr. Mumma pursuant to the Employment Agreement or under other agreements or plans is deemed to constitute a "parachute payment" as defined in Section 280G of the Internal Revenue Code, then such payments or benefits shall be reduced in accordance with, and to the extent required by, the provisions of the 2010 Stock Plan. In addition, the Employment Agreement contains certain covenants against competition, with Mr. Mumma not to engage or participate in a "Competing Business" (as defined in the Employment Agreement) for a period of one year following his date of termination, except that the non-compete period shall be for 180 days following the date of termination in the event of Mr. Mumma's termination for Cause.

As of the date of this proxy statement, Mr. Reese and Ms. Nario were not party to an employment, severance or change in control agreement with us.

Potential Payments Upon Change in Control, Death or Disability, Termination Without Cause or Resignation for Good Reason

The following tables represent the payments due to (i) Mr. Mumma in the event of termination due to death or disability, his termination without Cause or resignation for Good Reason, or a change in control, assuming such event occurred on December 31, 2014, that would have been triggered under the 2010 Stock Plan, the restricted stock award agreements for Mr. Mumma and Mr. Mumma's Employment Agreement, (ii) Mr. Reese in the event of termination due to death or disability or in connection with a change in control under the 2010 Stock Plan and the restricted stock award agreements for Mr. Reese and (iii) Ms. Nario in the event of termination due to death or disability or in connection with a change in control under the 2010 Stock Plan and the restricted stock award agreement for Ms. Nario. Because neither Mr. Reese nor Ms. Nario is a party to an employment or severance agreement with us, neither of these NEOs were eligible to receive any payments upon the occurrence of a termination without Cause or for resignation for Good Reason and as such, we have not included these NEOs in such table below.

Payments Due Upon Termination Without Cause or Resignation With Good Reason(1)

Name	Salary	Bonus	Stock Awards(2)	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation(3)	Benefits(4)	Total
	($)	($)	($)	($)	($)	($)	($)	($)
Steven R. Mumma	—	—	2,334,870	—	—	1,801,313	41,097	4,177,280

(1) See "—Other Compensation Arrangements—Employment Agreement" above for definitions of Cause and Good Reason.

(2) Represents the value, based on the closing sale price of our common stock on December 31, 2014, of the sum of (i) 145,261 shares of unvested outstanding restricted stock held by Mr. Mumma that would have vested in full at December 31, 2014 pursuant to such event and (ii) 157,576 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 157,576 shares is based on $1,214,908 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014.

(3) Equals the product of (a) 1.5 and (b) the sum of Mr. Mumma's base salary and the average annual cash incentive bonus earned by Mr. Mumma during 2014 and 2013.

(4) Represents the value of the health care benefits that are payable by the Company on Mr. Mumma's behalf.

Payments Due Upon Termination Due to Disability

Name	Salary(1)	Bonus	Stock Awards(2)	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Benefits(3)	Total
	($)	($)	($)	($)	($)	($)	($)	($)
Steven R. Mumma	700,000	—	2,334,870	—	—	—	41,097	3,075,967
Nathan R. Reese	—	—	144,487	—	—	—	—	144,487
Kristine R. Nario	—	—	46,780	—	—	—	—	46,780

(1) Assumes that Mr. Mumma is paid his base salary then in effect. Pursuant to the Employment Agreement, the Company is obligated to maintain a long-term disability plan that provides for payment of not less than $240,000.

(2) Represents the value, based on the closing sale price of our common stock on December 31, 2014, of:
in the case of Mr. Mumma, the sum of (i) 145,261 shares of unvested outstanding restricted stock held by Mr. Mumma that would have vested in full at December 31, 2014 pursuant to such event and (ii) 157,576 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 157,576 shares is based on $1,214,908 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014.
in the case of Mr. Reese, the sum of (i) 9,307 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 9,433 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 9,433 shares is based on $72,730 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Mr. Reese under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.
in the case of Ms. Nario, the sum of (i) 4,220 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 1,847 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 1,847 shares is based on $14,244 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Ms. Nario under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.

(3) Represents the value of the health care benefits that are payable by the Company on Mr. Mumma's behalf.

Payments Due Upon Termination Due to Death

Name	Salary	Bonus	Stock Awards[1]	Option Awards	Non-Equity Incentive Plan Compensation		All Other Compensation	Benefits[2]	Total
	($)	($)	($)	($)	($)		($)	($)	($)
Steven R. Mumma	700,000	—	2,334,870	—	575,000	(3)	—	41,097	3,650,967
Nathan R. Reese	—	—	144,487	—	247,730	(3)	—	—	392,217
Kristine R. Nario	—	—	46,780	—	209,244	(3)	—	—	256,024

(1) Represents the value, based on the closing sale price of our common stock on December 31, 2014, of:
in the case of Mr. Mumma, the sum of (i) 145,261 shares of unvested outstanding restricted stock held by Mr. Mumma that would have vested in full at December 31, 2014 pursuant to such event and (ii) 157,576 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 157,576 shares is based on $1,214,908 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014.
in the case of Mr. Reese, the sum of (i) 9,307 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 9,433 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 9,433 shares is based on $72,730 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Mr. Reese under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.

in the case of Ms. Nario, the sum of (i) 4,220 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 1,847 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 1,847 shares is based on $14,244 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Ms. Nario under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.

(2) Represents the value of the health care benefits that are payable by the Company on Mr. Mumma's behalf.

(3) Represents annual cash incentive compensation earned for performance by each of Mr. Mumma, Mr. Reese and Ms. Nario in 2014 under the Incentive Plan. Pursuant to the Incentive Plan, the NEO must be actively employed on the date the cash incentive compensation is paid. However, the Compensation Committee has the discretion to award non-equity incentive compensation in the event that the NEO is terminated due to death in light of the Company's and the participant's performance in 2014.

Payments Due Upon Change In Control

Name	**Salary**	**Bonus**	**Stock Awards[(1)]**	**Option Awards**	**Non-Equity Incentive Plan Compensation**	**All Other Compensation**	**Benefits**	**Total**
	($)	($)	($)	($)	($)	($)	($)	($)
Steven R. Mumma	—	—	2,334,870	—	—	—	—	2,334,870
Nathan R. Reese	—	—	144,487	—	—	—	—	144,487
Kristine R. Nario	—	—	46,780	—	—	—	—	46,780

(1) Represents the value, based on the closing sale price of our common stock on December 31, 2014, of:
in the case of Mr. Mumma, the sum of (i) 145,261 shares of unvested outstanding restricted stock held by Mr. Mumma that would have vested in full at December 31, 2014 pursuant to such event and (ii) 157,576 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 157,576 shares is based on $1,214,908 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014.
in the case of Mr. Reese, the sum of (i) 9,307 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 9,433 shares of restricted stock earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 9,433 shares is based on $72,730 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Mr. Reese under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.
in the case of Ms. Nario, the sum of (i) 4,220 shares of unvested outstanding restricted stock that would have vested in full at December 31, 2014 pursuant to such event and (ii) 1,847 shares of restricted stock

earned under the Incentive Plan for performance in 2014 but not yet issued as of December 31, 2014. The 1,847 shares is based on $14,244 of aggregate value in common stock payable under the Incentive Plan divided by the closing sale price of $7.71 for our common stock on December 31, 2014. These amounts do not include any compensation paid to Ms. Nario under the Incentive Plan relating to the Compensation Committee's exercise of positive discretion, which occurred after December 31, 2014.

Limitation on Liability and Indemnification

Maryland law permits a corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or

- a final judgment based upon a finding of active and deliberate dishonesty by the director or officer that was material to the cause of action adjudicated.

Our charter contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

Our charter authorizes us to obligate ourselves, and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a final proceeding to, any of our present or former directors or officers or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee. The indemnification covers any claim or liability arising from such status against the person.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he is made a party by reason of his service in that capacity.

Maryland law permits us to indemnify our present and former directors and officers against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty;

- the director or officer actually received an improper personal benefit of money, property or services; or

- in the case of a criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, Maryland law prohibits us from indemnifying our present and former directors and officers for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received unless in either case a court orders indemnification and then only for expenses. Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification; and

- a written undertaking by him or her, or on his or her behalf, to repay the amount paid or reimbursed by us if it is ultimately determined that the standard of conduct is not met.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any capacity described above and to any of our or our predecessors' employees or agents.

In addition, indemnification could reduce the legal remedies available to us and our stockholders against our officers and directors. The SEC takes the position that indemnification against liabilities arising under the Securities Act of 1933 is against public policy and unenforceable. Indemnification of our directors and officers may not be allowed for liabilities arising from or out of a violation of state or federal securities laws, unless one or more of the following conditions are met:

there has been a adjudication on the merits in favor of the director or officer on each count involving alleged securities law violations;

all claims against the director or officer have been dismissed with prejudice on the merits by a court of competent jurisdiction; or

a court of competent jurisdiction approves a settlement of the claims against the director or officer and finds that indemnification with respect to the settlement and the related costs should be allowed after being advised of the position of the SEC and of the published position of any state securities regulatory authority in which the securities were offered as to indemnification for violations of securities laws.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Each of Alan L. Hainey, Steven G. Norcutt and David R. Bock served as a member of the Compensation Committee during 2014. No member of the Compensation Committee was an employee of our Company during the 2014 fiscal year or an officer of our Company during any prior period. During 2014, no interlocking relationship existed between any member of our Board of Directors and any member of the compensation committee of any other company.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is composed of David R. Bock (Chairman), Alan L. Hainey and Steven G. Norcutt, and operates under a written charter.

The Audit Committee oversees New York Mortgage Trust, Inc.'s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In this context, the Audit Committee has reviewed and discussed with management the audited financial statements for the year ended December 31, 2014 included in our Annual Report on Form 10-K for the year ended December 31, 2014.

The Audit Committee has discussed with Grant Thornton LLP, the Company's independent registered public accounting firm, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA Professional Standards, Vol. 1 AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the overall scope and plan for their audit, the auditor's judgment as to the quality, not just the acceptability, of the accounting principles, the consistency of their application and the clarity and completeness of the audited financial statements.

The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm its independence from the Company.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors agreed) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC. The Audit Committee also recommended that Grant Thornton LLP be retained as the Company's independent registered public accounting firm for the 2015 fiscal year.

Audit Committee

David R. Bock (Chairman)

Alan L. Hainey

Steven G. Norcutt

March 31, 2015

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Principal Accountant Fees and Services

Aggregate fees for professional services rendered for our Company for the years ended December 31, 2014 and December 31, 2013 by Grant Thornton LLP were as follows:

Fee Type	**2014**	**2013**
Audit Fees(1)	$895,580	$1,030,010
Tax Fees(2)	9,690	130,752
All Other Fees	—	—
Total Fees	$905,270	$1,160,762

(1) Audit Fees represent the aggregate fees billed for professional services rendered to us and our subsidiaries with respect to the audit of our consolidated financial statements included in our annual reports and the reviews of the financial statements included in our quarterly reports. Additionally, Audit Fees also represent the aggregate fees billed for professional services for the issuance of comfort letters, consents and related services in connection with public offerings of common stock and registration statements filed on Form S-3 and on Form S-8 under the Securities Act of 1933.

(2) Tax Fees represent the aggregate fees billed for professional services rendered in the preparation of our tax returns and consulting services related to income and sales tax audit. The reduction in tax fees paid to Grant Thornton in 2014 was primarily a function of our Company's determination to obtain those services from another service provider in 2014.

Policies and Procedures

The Audit Committee has adopted procedures for pre-approving audit and non-audit services provided by the independent auditor. These procedures include reviewing a budget for audit and permitted non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. Audit Committee approval is required to exceed the budget amount for a particular category of non-audit services and to engage the independent registered public accounting firm for any non-audit services not included in the budget. For both types of pre-approval, the Audit Committee considers whether such services are consistent with the SEC's rules on auditor independence. The Audit Committee also considers whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with our business, employees, culture, accounting systems, risk profile, and whether the services enhance our ability to manage or control risks and improve audit quality. The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee. The Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that such services are within the parameters approved by the Audit Committee.

The Audit Committee has determined that the provision of non-audit services performed by Grant Thornton LLP during 2014 is compatible with maintaining its independence from the Company as an independent registered public accounting firm. For the year ended December 31, 2014, the Audit Committee pre-approved all services rendered by Grant Thornton LLP.

OTHER MATTERS

As of the date of this proxy statement, the Board of Directors does not know of any matters to be presented at the Annual Meeting other than those specifically set forth in the Notice of Annual Meeting of Stockholders. If other proper matters, however, should come before the Annual Meeting or any adjournment thereof, the persons named in the proxy being made available to stockholders intend to vote the shares represented by them in accordance with their best judgment in respect to any such matters.

ANNUAL REPORT

A copy of our 2014 Annual Report, including the financial statements and financial statement schedules, is being furnished to stockholders along with this proxy statement. These materials are available at *http://www.proxyvote.com*. Paper copies may be requested in accordance with the instructions included in the Notice that was sent to stockholders of record beginning on or about March 31, 2015. A copy of the 2014 Annual Report is also available online at *http://www.nymtrust.com*.

"HOUSEHOLDING" OF PROXY STATEMENT AND ANNUAL REPORTS

The SEC rules allow for the delivery of a single copy of the Notice or set of proxy materials to any household at which two or more stockholders reside, if it is believed the stockholders are members of the same family. This delivery method, known as "householding," will save us printing and mailing costs. Duplicate account mailings will be eliminated by allowing stockholders to consent to such elimination, or through implied consent, if a stockholder does not request continuation of duplicate mailings. Brokers, dealers, banks or other nominees or fiduciaries that hold shares of our common stock in "street" name for beneficial owners of our common stock and that distribute proxy materials and the Notice they receive to beneficial owners may be householding. Depending upon the practices of your broker, bank or other nominee or fiduciary, you may need to contact them directly to discontinue duplicate mailings to your household. If you wish to revoke your consent to householding, you must contact your broker, bank or other nominee or fiduciary.

If you hold shares of our common stock in your own name as a holder of record, householding will not apply to your shares. Also, if you own shares of our common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one set of our proxy statements and annual reports to stockholders. To assist us in saving money and to provide you with better stockholder services, we encourage registered holders of our stock to have all of your accounts registered in the same name and address. You may do this by contacting the Company's transfer agent, American Stock Transfer & Trust Company, LLC, by telephone at (800) 937-5449 or in writing at American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, New York 11219.

If you wish to request extra copies free of charge of any annual report to stockholders or proxy statement, please send your request to New York Mortgage Trust, Inc., 275 Madison Avenue, New York, New York, 10016, Attention: Investor Relations, or contact our Investor Relations via telephone at (646) 216-2363. You can also refer to our website at www.nymtrust.com. Information at, or connected to, our website is not and should not be considered part of this proxy statement.

By order of the Board of Directors,

Nathan R. Reese
Vice President and Secretary
March 31, 2015

New York, New York

45