



More than real estate: Acquisition of Median Group

Marcol concluded the largest private equity deal in Germany in 2009 with its acquisition of Median Kliniken, the country's leading rehabilitation care provider, together with partners Advent International.

This substantial acquisition demonstrates Marcol's ability to focus not purely on real estate, but also on property backed operational companies that generate strong cash flow and offer opportunities to enhance capital values and profits.

It follows previous successes within the hotel sector and at the Design Centre Chelsea Harbour.

Median Kliniken owns and operates 27 clinics at 19 locations throughout Germany, including over 6million sq ft of real estate, 6,300 beds, around 4,300 employees and an annual turnover of circa €300million. It specialises in post-acute rehabilitation, including oncology, neurology, geriatrics, orthopaedics, cardiology and psychotherapy.

The deal was negotiated by **Marcol** and Median's founders for many months before its conclusion. During this time a strong relationship was established and the necessary confidence was given regarding the high level of services and integrity of the operation being maintained.

Marcol appointed leading experts in the field, including Rothschild, McKinsey, Lovells, CB Richard Ellis and Ernst & Young to carry out thorough due diligence and market research and then selected partners Advent International, one of the leading private equity houses, for their in-depth experience of the German healthcare sector.

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The attraction of Median was its leading position in the German post-acute rehabilitation sector, benefitting not only from a strong sustainable cash flow, but also from non-discretionary spend, an ageing population and strong management, a fairly unique combination in a major recession. Opportunities exist to grow organically as well as through expansion and further acquisitions.

Marcol aims to create a €1 billion plus company within the next five years and substantial funds have been committed to support growth plans. These will be developed and implemented by a management team led by new CEO Martin Siebert. A PhD graduate in both law and medicine, Dr Siebert was previously Principal Director and Deputy Chairman of Asklepios Kliniken and he brings significant experience to MEDIAN.