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# HCA sells its two hospitals in Switzerland

By GETAHN WARD

*Staff Writer*

HCA Inc. is pulling out of Switzerland and selling both of its hospitals there to an affiliate of a Los Angeles-based real estate firm.

The sale of Clinique de Carouge and Hospital de la Tour to the affiliate of Colony Capital LLC was completed Friday. Terms of the deal weren't disclosed.

HCA's exit from Switzerland comes eight months after the Nashville-based hospital chain was acquired and taken private by a group that included three private equity firms, co-founder Dr. Thomas F. Frist Jr. and senior company managers.

At the time, HCA's chief executive, Jack O. Bovender Jr., said the deal didn't call for HCA to sell any of its hospitals, although he said the company would continue to prune its portfolio where it made sense.

"As a private equity-owned company, you want to rationalize your management and your costs, and running a couple of hospitals in one country doesn't make a lot of sense," said Sheryl Skolnick, an analyst with CRT Capital in Stamford, Conn. Hospital de la Tour in Meyrin has 165 beds. Clinique de Carouge in Carouge has 40 beds.

HCA, the United States' largest private hospital chain, operates 170 hospitals, including six in London.

Bovender has said the company plans to keep its London facilities. "They may elect to keep them just because they're good operations," said Jeff Villwock, managing partner with Genesis Capital LLC, an investment banking firm in Atlanta.

## **More assets may be sold**

Analysts expect HCA to continue to sell assets, including hospitals or real estate, but generally don't expect a large-scale divestiture. "They've always been an opportunistic company and now will be more so," Skolnick said.

Villwock believes the Switzerland hospitals were sold because they're not strategic to HCA's operations going forward — not because of debt added by the leveraged buyout. HCA was taken private in a deal valued at \$33 billion, including \$11.7 billion of existing debt and \$16 billion of new debt.

HCA and Colony entered a definitive agreement for sale of the Geneva hospitals on May 29.

"During the last couple of months, we have had the opportunity to get to know Colony Capital's leadership team, and we are confident they share our commitment to maintaining a patients-first culture," said Michael T. Neeb, president of HCA's international division.

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**Caption:**