



Formation Capital

**GENESIS HEALTHCARE SHAREHOLDERS APPROVE MERGER AGREEMENT WITH
FORMATION CAPITAL AND JER PARTNERS**

KENNETT SQUARE, Pa.-- May 30, 2007-- Genesis HealthCare Corporation ("GHC" or "Genesis") (NASDAQ: GHCI) today announced that, at the Company's reconvened annual meeting, Genesis shareholders approved the amended merger agreement between Genesis and a venture between affiliates of Formation Capital, LLC ("Formation") and JER Partners ("JER").

On May 19, 2007, Genesis announced that it had amended its merger agreement with a venture between affiliates of Formation and JER to increase the consideration payable to Genesis shareholders to \$69.35 per share in cash. Under the amended agreement, if the transaction is not completed prior to July 31, 2007, the purchase price will increase by approximately 9% per annum, or \$0.01710 per day, from July 31, 2007 through August 31, 2007, and by approximately 10% per annum, or \$0.01900 per day, from September 1, 2007 until the transaction closes.

The transaction remains subject to receipt of certain regulatory approvals and other customary closing conditions. Genesis currently expects the transaction to be completed during July.

ABOUT GENESIS HEALTHCARE CORPORATION

Genesis HealthCare Corporation (NASDAQ: GHCI) is one of the nation's largest long-term care providers with over 200 skilled nursing centers and assisted living residences in 13 eastern states. Genesis also supplies contract rehabilitation therapy to over 600 healthcare providers in 20 states and the District of Columbia.

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SOURCE: Genesis HealthCare Corporation

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