



Formation Capital and JER Partners Acquire Genesis HealthCare

ALPHARETTA, GA., July 13, 2007 -- Formation Capital and JER Partners announced today they have completed the acquisition of Genesis HealthCare Corporation. The total enterprise value of the transaction was approximately \$2.0 billion. Pursuant to the terms of amended merger agreement entered into on May 19, 2007, Genesis' shareholders received \$69.35 in cash for each share of Genesis' common stock that they held.

"The Genesis portfolio represents a tremendous opportunity for JER and Formation to acquire a quality portfolio of skilled nursing facilities and assisted living residences and to serve the growing demand of elderly Americans for medical and long term care," stated Cia Buckley, President of JER's US Fund Business. "We look forward to working with Genesis' management team, which has done an excellent job of repositioning the business in recent years, to continue executing the strategic initiatives in place."

Arnold Whitman, Chief Executive Officer of Formation further commented, "Combining a superior management team with a capital partnership that is focused on modernization and enhancement of care and services to the elderly provides an excellent opportunity for growth in this dynamic industry."

George Hager, Chief Executive Officer of Genesis, added, "We are pleased to be partnering with two firms which understand our business from both a financial and operating standpoint. We have great confidence their strategic and financial support will enable us to grow and to better serve our patients and residents."

Genesis is the fifth-largest provider of skilled nursing services in the United States with a portfolio of 220 skilled nursing and assisted living facilities totaling over 26,000 beds located primarily in the Mid-Atlantic and Northeast. Genesis generates more than 90% of its revenue from its skilled nursing and assisted-living services. The remainder arises primarily from a range of rehabilitation therapy services, including speech pathology, physical therapy, and occupational therapy. In addition, Genesis offers an array of other specialty medical services, including respiratory health services and physician services.

Genesis offers the largest regional concentration of skilled nursing facilities located in the Northeast, an area with high occupancy rates and limited new construction due to land scarcity, zoning restrictions and state licensing requirements. In 2006, the Genesis portfolio generated 48% of its revenues from Medicare and non-public payers and had occupancy of 91%, both figures above industry averages.

JER Partners is the private equity investment arm of J.E. Robert Companies, a real estate investment management company with more than 26 years of experience in sourcing, underwriting and managing a broad spectrum of real estate equity investments and debt products in North America, Europe and recently the emerging markets. Most of JER's investments are in office, hospitality, retail, multi-family and industrial properties. Other areas of investment include Commercial Mortgage-Backed Securities ("CMBS"), healthcare related real estate and mezzanine financing. For more information on JER, please visit <http://www.jer.com>.

Formation Capital is a private equity firm in the senior housing and long-term care industry. Over the past five years, Formation Capital has completed over \$1.5 billion of acquisitions in the sector and provides asset management services to over 250 facilities nationwide. For more information on Formation Capital, please visit <http://www.formationcapital.com>.