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**For Immediate Release**

**BEHRMAN CAPITAL ACQUIRES 35 POST-ACUTE CARE FACILITIES**  
**FOR NEW PLATFORM, ARK HOLDINGS, INC.**

**NEW YORK AND SAN FRANCISCO, August 1, 2007** — Behrman Capital, a private equity investment firm based in New York and San Francisco, today announced that it has acquired a portfolio of 35 post-acute care facilities from a group of private investors in a transaction valued at approximately \$250 million. The 35 facilities, which collectively have more than 3,500 patient beds, will be owned by a newly created entity, Ark Holdings, Inc., which Behrman intends to use as a platform for a build-up strategy in the post-acute care sector.

This transaction follows Behrman's successful investment in Tandem Health Care, Inc., a provider of post-acute health care services. Behrman initially invested in Tandem in 1998 and in 2006 sold the company in a transaction valued at \$620 million. Lawrence Deering, 50, an Operating Partner of Behrman Capital who previously served as Chairman and Chief Executive Officer of Tandem, will serve as Chairman of Ark Holdings.

Grant G. Behrman, Managing Partner of Behrman Capital, said, "Our objective in launching Ark Holdings is to replicate the tremendous success of Tandem Health Care. Under Larry Deering's leadership, Tandem grew from an initial platform which had \$25 million in revenue into one of the nation's leading regional providers of post-acute care with almost \$600 million in revenue. Ark will have a similar mandate, and we are pleased that it will begin with a strong, much larger platform."

Mr. Deering said, “Since joining Behrman Capital as an Operating Partner in August 2006, I have been actively reviewing investment opportunities for the firm in the health care services sector. My colleagues and I are very excited about the opportunity to use Ark Holdings as a platform in the post-acute care sector, beginning with the outstanding group of facilities Behrman has acquired. At Ark, we intend to use the same playbook as at Tandem -- pursuing a tightly focused strategy of providing high quality, cost effective health care services while sustaining a strong competitive position in our markets – to create value for our investors.”

Financing for Behrman Capital’s acquisition includes a senior term loan arranged by Merrill Lynch Capital. Goodwin Procter LLP served as legal advisor to Behrman Capital for the transaction.

**About Behrman Capital:**

Based in New York City and San Francisco, Behrman Capital was founded in 1991 by Grant G. and Darryl G. Behrman. The firm invests in management buyouts, leveraged buildups and recapitalizations of established growth businesses. The company’s investments are primarily focused in five industries: health care, defense, specialty manufacturing, outsourcing, and information technology. The firm currently has a combined capital base in excess of \$1.8 billion. For more information, please visit [www.behrmancap.com](http://www.behrmancap.com).

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