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For Immediate Release

**BEHRMAN CAPITAL SELLS TANDEM HEALTH CARE TO JER PARTNERS AND
FORMATION CAPITAL IN \$620 MILLION TRANSACTION**

NEW YORK, July 12, 2006 — Behrman Capital, a private equity investment firm based in New York and San Francisco, announced today that it has sold portfolio company Tandem Health Care, Inc., a provider of long-term health care services, to a consortium of JER Partners and Formation Capital, LLC in a transaction valued at \$620 million. JER Partners is the private equity investment arm of J.E. Robert Companies headquartered in McLean, Virginia. Formation Capital, based in Alpharetta, Georgia and Jenkintown, Pennsylvania, is a leading operator and investor in the senior housing and care industry.

Based in Maitland, Florida, Tandem Health Care was founded in 1997 as a provider of long-term care services in targeted regional markets. Behrman Capital initially invested in Tandem in 1998, and since that time it has made additional equity investments to facilitate multiple acquisitions to supplement growth, enter new geographic markets, and expand the company's product offering. Today, services provided by Tandem include short-term transitional care, long-term nursing care, Alzheimer's care, assisted living, rehabilitation, mobile diagnostic imaging, as well as pharmacy and hospice services. Tandem currently operates facilities and ancillary service operations in twelve states.

“This transaction marks the highly successful conclusion of the strategy we embarked upon in 1998 and the culmination of our partnership with Tandem’s management, led by Lawrence R. Deering, Joseph Conte and Gene Curcio,” said Grant G. Behrman, Managing Partner of Behrman Capital. “In the eight years since our initial investment, Behrman Capital has worked closely with Tandem’s management to foster growth -- both organically and through more than a dozen successful acquisitions. Pursuing a tightly focused strategy of providing high quality, cost effective health care services while sustaining a strong competitive position in regional markets, Tandem’s first acquisition had revenues of \$25 million, and the company has since grown 24 fold into an enterprise with approximately \$600 million in annual revenue. As one of the leading providers of long-term care in the country today, we are very proud of the business that the Tandem team has built. We are confident that their success will continue under the strategic direction of JER Partners and Formation Capital.”

“JER is very pleased to be working with such outstanding operating and investment partners such as Tandem and Formation Capital as we continue to strategically invest in the senior care industry. Both organizations are established market participants within this sector, and we look forward to continued success,” stated Cia Buckley, President of JER Partners’ US Fund Business.

“We are excited to be working with Tandem Health Care and JER,” said Arnold Whitman, Formation’s Chief Executive Officer. “We have always been impressed with Tandem’s reputation for quality and its strong track record of growth. We look forward to delivering the same exceptional services and care while leading the company to greater success. JER is a strategic capital partner for Formation and its real estate savvy and structuring creativity have contributed significantly to this transaction's success.” This transaction is Formation’s largest acquisition to date.

JER and Formation plan to restructure Tandem into an owner of skilled nursing and other senior housing facilities and to enter into a master lease for all of its facilities with Consulate Healthcare, a joint venture between Joe Conte and Gene Curcio. Mr. Conte

has been Tandem's President and Chief Operating Officer since co-founding Tandem in 1997. Mr. Curcio has over 25 years of experience as a senior health care executive and has been Tandem's Chief Financial Officer since March 1999. Leasing to Consulate will provide full continuity of operations and maintain the exceptional quality of clinical service provided in Tandem's facilities. Tandem will also continue to grow its IN-HOUSE Solutions business, which provides Tandem facilities and third-parties with outstanding rehabilitation, hospice, mobile diagnostic imaging and pharmacy services.

Behrman Capital's initial investment in Tandem in 1998 was the second equity investment for Behrman's second fund, the \$518 million Behrman Capital II L.P. Capital for certain of the add-on acquisitions was also provided from that fund.

The Tandem transaction marks Behrman's second successful exit this quarter in the health care sector. In April, Behrman completed the previously announced sale of Athena Diagnostics, Inc., a leading developer and provider of proprietary molecular diagnostic and immunodiagnostic tests and services, to Fisher Scientific International Inc. for approximately \$283 million. Also this quarter, the firm announced a \$410 million recapitalization of ILC Industries, Inc., in which Behrman and ILC CEO Clifford Lane received a dividend of approximately \$106 million.

Goodwin Procter LLP acted as legal advisor to Behrman Capital for this transaction. Buchanan Ingersoll & Rooney PC acted as legal advisor to Tandem, and Citigroup and Merrill Lynch acted as financial advisors to Tandem. O'Melveny & Myers served as legal counsel for JER. UBS acted as financial advisor for JER and Formation. Williams Mullen served as legal counsel to Formation and its investment group in negotiating and completing the transaction.

About JER Partners

Headquartered in McLean, Virginia, JER Partners is the private equity investment arm of J.E. Robert Companies, a real estate investment management company with 25 years of experience in sourcing, underwriting and managing a broad spectrum of real

estate equity investments and debt products in North America and Europe. JER Partners invests primarily in hospitality, office, retail, multi-family, industrial and health-care related properties. Other areas of investment include commercial mortgage-backed securities (“CMBS”) and mezzanine financing. For more information on JER, please visit www.jer.com.

About Formation Capital

Formation Capital invests in and provides lending services to the senior housing and care industry. Its primary strategy is to acquire properties and enter into a lease or management agreement with quality operators. Formation provides equity or first loss capital in joint ventures with private investors, pension funds, insurance companies, banks and other institutional investors. With extensive experience in investing, lending, structuring and closing transactions in the seniors housing industry, Formation seeks an alignment of interests with both its capital and operational partners to structure the most appropriate capital solution for each unique investment opportunity. Formation also provides financial advisory and lending services to owner operators.

About Behrman Capital

Based in New York City and San Francisco, Behrman Capital was founded in 1992 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 focused primarily in four industries: health care, specialty manufacturing, outsourcing, and information technology. The firm currently has a combined capital base of \$1.8 billion.

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