

Total Renal Care Reports Record Revenues and Net Income for First Quarter 1999

TORRANCE, Calif., May 11 /PRNewswire/ -- Total Renal Care Holdings, Inc. (NYSE: TRL), the largest independent provider of dialysis services, today announced record revenues of \$352.2 million for the first quarter of 1999, an increase of 36% from \$258.7 million for the same period a year ago. Net income for the quarter was \$27.9 million, an increase of 27% from \$22.0 million for the same period in 1998.

The Company reported record first quarter earnings per share of \$0.34, based on 86.5 million weighted average diluted shares outstanding, an increase of 26% compared with \$0.27 on 83.8 million weighted average diluted shares outstanding for the same period in 1998. (The calculation of weighted average shares outstanding for 1998 includes 4.9 million shares from the assumed conversion of the RTC 5 5/8% Convertible Notes, as required by GAAP. Weighted shares outstanding, exclusive of this effect were 78.9 million shares for the first quarter of 1998.)

To compare the current period with the first quarter of 1998, the 1998 results are exclusive of merger-related costs associated with the Renal Treatment Center transaction and subsequent reclassifications of certain of these charges. These reclassifications are more fully discussed in the Company's 1998 10-K.

"We are targeting strong, long-term, sustainable 20+% earnings and revenue growth for this year and beyond. The stronger first quarter growth reflects a higher rate of momentum resulting from our rapid expansion during 1998," said Victor M.G. Chaltiel, TRC's Chairman, President and Chief Executive Officer. "We are continuing to focus on enhancing our financial controls, improving operating cash flow, and strengthening our infrastructure to support our long-term growth."

From the beginning of the year to May 1, 1999, TRL added 39 centers serving more than 2,600 patients through acquisitions and management agreements. For the first quarter of 1999, the Company acquired 23 centers serving approximately 1,300 patients and added 5 managed centers serving approximately 450 patients. The Company also opened 5 de novo facilities during first quarter 1999.

Torrance, California-based Total Renal Care Holdings, Inc. is the second largest (and largest independent) worldwide provider of integrated dialysis services for patients suffering from chronic kidney failure. The Company owns and operates high-quality, free-standing kidney dialysis centers and home peritoneal dialysis programs in 35 states, as well as Washington, D.C., Puerto Rico, Guam, Argentina and several European countries. It also provides high quality acute hemodialysis services to inpatients at approximately 320 hospitals. As of May 1, 1999, TRL operated 552 outpatient dialysis facilities serving more than 43,000 patients, including more than 3,000 patients in 37 centers under TRL management. TRL also operates ESRD laboratory and pharmacy facilities, as well as vascular access management, transplant services and ESRD clinical research programs.

This release contains forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding growth rates and other market opportunities and involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors which could cause or contribute to such differences

include, but are not limited to, the uncertainties associated with governmental regulation, general economic and other market conditions, and the "risk factors" set forth in the Company's filings with the Securities and Exchange Commission. The forward-looking statements should be considered in light of these risks and uncertainties.

TOTAL RENAL CARE HOLDINGS, INC.
Condensed Consolidated Statements of Income

(\$ in thousands, except per share data)

	Three Months Ended	
	March 31,	
	1999	1998
Net operating revenues	\$352,244	\$258,749
Operating costs and expenses	255,298	190,668
Depreciation and amortization	27,025	19,594
Merger and related costs	--	79,435
Operating income (loss)	69,921	(30,948)
Net interest expense	21,437	12,875
Pre-tax income (loss)	48,484	(43,823)
Income taxes	18,282	872
Minority interest	2,318	1,393
Net income (loss) before extraordinary items	27,884	(46,088)
Extraordinary loss, net of tax	--	2,812
Cumulative effect of change in accounting principle, net of tax	--	6,896
Net income (loss)	27,884	(55,796)
Diluted earnings (loss) per share	\$0.34	\$(0.71)
Weighted average shares outstanding assuming dilution	86,458	78,926

SOURCE Total Renal Care Holdings, Inc.

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