DaVita Inc. Announces Strategic Acquisitions

DaVita Inc. announced that it has signed definitive agreements to acquire RMS Lifeline Inc. ("Lifeline") and RMS Disease Management Inc. ("RMS") from Baxter Healthcare Corporation. Lifeline operates a network of 12 outpatient vascular access clinics, at which Lifeline provides management services, non-physician personnel, equipment and supplies to nephrology practices that provide surgical and interventional radiology services for dialysis patients. RMS provides specialized renal case management and other disease management services to third party payors.

(Logo: http://www.newscom.com/cgi-bin/prnh/20020729/DAVITALOGO)

Kent Thiry, Chairman and CEO of DaVita, stated, "We are pleased to announce these transactions which will extend our service offering to ESRD patients and payors. Vascular access complications are a leading cause of hospitalizations, and therefore costs, for ESRD patients. Lifeline clinicians and affiliated physicians have demonstrated impressive improvements in clinical outcomes and patient service through their highly focused approach to access care." Thiry continued, "RMS Disease Management has some wonderful people doing valuable work for several clients. We intend to build on that foundation, although it will take time."

Rich Whitney, CFO, added, "The businesses are currently unprofitable, and we anticipate that it will take significant time to reach breakeven."

DaVita is a leading provider of dialysis services for patients suffering from chronic kidney failure. The Company owns and operates kidney dialysis centers and home peritoneal dialysis programs domestically in 33 states, as well as Washington, D.C. As of March 31, 2003, DaVita operates 523 outpatient facilities serving 45,000 patients, including 3,300 patients in 30 centers under management.

This release contains forward-looking statements. Factors which could impact future results include the uncertainties associated with governmental regulation, general economic and other market conditions, and the risk factors set forth in the Company's SEC filings, including its Form 10-K for the year ended December 31, 2002. The forward-looking statements should be considered in light of these risks and uncertainties.

These risks include those relating to:

- possible reductions in private mix and private and government reimbursement rates,
- the concentration of profits generated from PPO and private indemnity patients and from ancillary services including the administration of pharmaceuticals,
- changes in pharmaceutical practice patterns or reimbursement policies,
- the ongoing review of the Company's Florida laboratory subsidiary by its Medicare carrier and the Department of Justice,
- the ongoing review by the US Attorney's Office and HHS Office of Inspector General in Philadelphia and
- the Company's ability to maintain contracts with physician medical directors.

Photo: NewsCom: http://www.newscom.com/cgi-bin/prnh/20020729/DAVITALOGO
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SOURCE: DaVita, Inc.

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