

Total Renal Care Holdings, Inc. Announces Filing of Form 10-K

Business Editors/Health & Medical Writers

TORRANCE, Calif.--(BUSINESS WIRE)--April 1, 1999--Total Renal Care Holdings, Inc. (NYSE:TRL) today announced that in yesterday's filing of its Form 10-K with the SEC, the Company reduced its 1998 merger and related expense from its acquisition of Renal Treatment Centers by \$14.6 million. The expense reduction is comprised of a reclassification of \$10.9 million into operating expenses and a reversal of certain accruals in the aggregate amount of \$3.7 million. The reclassification and reversal of accruals were made in response to certain comments received from the SEC in connection with its continuing review of the Company's registration statement with respect to resales of TRL's \$345 million 7% Convertible Subordinated Notes.

The net impact of these changes is an increase of \$3.7 million of 1998 pre-tax income; however, the Company's previously announced net income and earnings per share for 1998 of \$101.2 million and \$1.22 per share, respectively, after adjusting for non-recurring and unusual items, remain unchanged.

The reclassification of merger and related expenses includes the following items:

- A \$1.7 million reclassification of one-time inventory write-offs into facilities expense
- A \$3.3 million reclassification of one-time deferred merger bonus into general and administrative expense
- A \$5.9 million reclassification of the remaining book value of incompatible and duplicative software costs into depreciation and amortization

In addition, the following accruals were reversed from merger and related expenses, thereby increasing the TRL's pre-tax income by \$3.7 million:

- A \$2.5 million reversal of accrued potential sales and use tax liability
- A \$1.2 million reversal of an over accrual for merger expenses

Torrance, California-based Total Renal Care Holdings, Inc. is the second largest domestic and largest independent worldwide provider of integrated dialysis services for patients suffering from chronic kidney failure. The company owns and operates high-quality, freestanding kidney dialysis centers and home peritoneal dialysis programs in 34 states, as well as Washington, D.C., Puerto Rico, Guam, Argentina and Europe, and also provides high-quality acute hemodialysis services to inpatients at approximately 290 hospitals. As of March 15, 1999, TRL operated 537 outpatient dialysis facilities and provided services to more than 41,300 patients, including approximately 2,900 patients in 35 centers under TRL management. TRL additionally operates ESRD laboratory and pharmacy facilities as well as vascular access management, transplant services and ESRD clinical research programs.

For information on Total Renal Care Holdings, Inc., via facsimile at no cost, call 1-800-PRO-INFO and dial company code TRL.

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