TORRANCE, Calif., July 17 /PRNewswire/ -- DaVita (Total Renal Care Holdings, Inc.) (NYSE: TRL) announced today that it has completed a restructuring of its revolving and term loan credit facilities.

"This constitutes another significant step in solidifying our financial position and in securing adequate financing flexibility to meet our intermediate term objectives," stated Rich Whitney, CFO.

The major terms of the restructuring include the following:

- Grant of collateral -- The credit facilities will be secured by substantially all of the company's assets. The collateral will be released when the company achieves certain leverage ratio targets.
- Commitment reduction and revolving credit availability -- The maximum aggregate financing commitment under the revolving credit and term loan facilities was reduced to $762 million. In addition, the revolving credit facility has been divided into a non-revolving tranche of $299 million and a revolving tranche of $150 million. Unused availability under the revolving tranche is currently $90 million. (See supplemental information.)
- Quarterly amortization -- The existing mandatory commitment reductions of $93 million and $152 million previously scheduled for September 2001 and 2002, respectively, have been replaced by quarterly principal payments beginning September 30, 2000. (See supplemental information.)
- Financial covenants -- The financial covenants have been revised to reflect the company's current financial position.
- Pricing -- Interest rates under the credit facilities have returned to the pre-default rates that were based on LIBOR plus an applicable margin depending on the company's leverage ratio. The applicable margins are 350 basis points for the revolving credit facility and 375 basis points for the term loan facility.
- Growth financing -- Development capital expenditures and domestic acquisitions are permitted up to $110 million annually, which may be increased upon the occurrence of certain events. Unused availability may be carried forward for up to two years.

As a result of the restructuring, we will be writing off certain unamortized deferred financing costs related to the credit facilities. This previously disclosed non-cash charge will be approximately $6 million to $9 million. We have not yet determined whether this charge will be recorded in the second or third quarter.

Our second quarter results will include the previously disclosed non-cash charges and expenses related to the completed divestiture of our Non-Continental assets, including a $4.7 million cumulative foreign currency translation loss and additional valuation losses of $5 million to $15 million primarily due to the final net sales values and indemnification provisions of the transactions. The second quarter results will also include the previously disclosed non-cash write-off of a $2.8 million deferred tax asset associated with medical director stock options that have been cancelled.

Other previously disclosed potential future charges and expenses include potential charges related to the unwinding of poor performing contracts, partnerships or investments in dialysis related companies, any potential uninsured loss related to the pending shareholder class action lawsuit, and any potential losses related to unfavorable resolution of the ongoing payment suspension of Medicare claims for our Florida laboratory.

DaVita (Total Renal Care Holdings, Inc)., based in Torrance, California, is the nation's second-largest 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 32 states, as well as Washington, D.C. We also provide acute hemodialysis services to inpatients at approximately 300 hospitals. As of May 31, 2000, DaVita operated 484 outpatient dialysis facilities serving over 40,000 patients, including 4,400 patients in 51 centers under management agreement.

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 our financial performance 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, including but not limited to (1) the risks relating to the large amount and terms of the Company's outstanding debt, (2) possible changes in Medicare, Medicaid and private reimbursement rates, and (3) the high concentration of profits generated from private indemnity patients, which represent a small percentage of our total patients. The forward-looking statements should be considered in light of these risks and uncertainties.

SUPPLEMENTAL INFORMATION

Outstanding Debt at 7/17/00 ($ in 000's):

Outstanding Senior Credit Facilities balance at 3/31/00	$947,737
Application of non continental asset divestiture proceeds	125,000
Application of Puerto Rico and pharmacy divestiture proceeds	12,737
Permanent reduction from cash on hand	50,000
Repayment of Revolver from cash on hand	90,000
Outstanding Senior Credit Facilities balance at 7/17/00	670,000
Convertible Subordinated Debt (at face amount)	470,000
Other	20,000
Total Outstanding Debt at 7/17/00	$1,160,000

Note: As of 7/17/00 borrowing availability under the revolving facility

is $90,000.

Mandatory Quarterly Principal Payments Through 2002 ($ in 000's):

	Q1	Q2	Q3	Q4	Total
2000	--	--	$10,534	$12,202	$22,736
2001	$12,458	$12,458	12,458	12,458	49,832
2002	13,623	13,623	13,623	13,623	54,492

Note: Revolving credit facility matures in March of 2003

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Investor Relations

Total Renal Care, Inc.

310-750-2072

SOURCE Total Renal Care Holdings, Inc.
