TORRANCE, Calif.--(BUSINESS WIRE)--Nov. 3, 1998--

Third Quarter/Recent Highlights:
-- Revenues up 61% to $318,585,000 for the quarter
-- Earnings up 99% to $29,109,000 for the quarter
-- Cash Flow (EBITDA) margin improved to 28.7% for the quarter
-- Addition of 54 centers and more than 3,300 patients since July 1, 1998 for a total of approximately 36,400 patients at September 30, 1998 (including 21 centers and 1,000 patients under management)
-- Addition of 15 centers, and approximately 1,500 patients since October 1, 1998 for a current total of approximately 37,900 patients (including 14 centers and 1,200 patients under management)

Continuing to report strong quarterly financial results, Total Renal Care Holdings, Inc. (NYSE: TRL), the second largest domestic and largest independent worldwide provider of dialysis services, today announced record revenues, earnings, and earnings per share for the third quarter of 1998.

Revenues increased 61% to $318.6 million in the third quarter of 1998 from $197.7 million in the corresponding period of 1997. Earnings increased 99% to $29.1 million from $14.6 million and earnings per share increased 94% to $0.35 on 87.1 million weighted average shares outstanding, compared with earnings per share of $0.18 on 80.5 million weighted average shares outstanding for the prior-year third quarter period.

``The success of our aggressive, yet disciplined growth strategy in 1998 has continued to result in an impressive financial track record quarter after quarter,'' said Victor M.G. Chaltiel, TRL Chairman, President and Chief Executive Officer. ``With more than 8,000 patients added year-to-date, plus the 1,200 patients under Satellite Dialysis Centers and those currently under a definitive agreement or an agreement in principle, we believe that we are well-positioned for another extraordinary year of growth in 1999.''

Revenues increased 62% to $865.7 million in the first nine months of 1998 from $535.4 million in the corresponding period of 1997. Earnings (before merger costs of $92.8 million and $15.6 million of non cash expenses related to a change in accounting principle requiring start-up and organizational costs to be expensed immediately rather than capitalized and the write-off of deferred financing charges all of which were recognized in the first quarter, and $25.8 million from an extraordinary item and related charge associated with the refinancing of existing credit lines and early retirement of underlying interest swap arrangements recognized in the second quarter) increased 92% to $76.7 million up from $39.9 million. Earnings per share (before extraordinary item and related charge, and merger costs and accounting change) increased 86% to $0.93, compared with earnings per share of $0.50 for the same prior year nine month period.

``Obviously, we are very pleased with the continuation of our exceptional 1998 performance into the last half of 1998,'' commented Mr. Chaltiel.

As previously disclosed, the Company's Florida-based laboratory subsidiary is the subject of a third party carrier review and payment suspension. Notwithstanding the provision by the Company of extensive supporting documentation, the carrier still maintains that 99.3% of the tests performed by the laboratory during the review period were not properly supported by the prescribing physicians' medical justification and has issued a formal overpayment determination in the amount of approximately $5.6 million. The carrier has informed the local offices of the Department of Justice and the Department of Health and Human Services of the overpayment determination. The Company continues to cooperate fully with the carrier and believes that the carrier's position is wrong, legally and factually. The Company has instituted formal appeal proceedings relating to the overpayment determination and will pursue all possible remedies available under the law.

Torrance-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, free-standing kidney dialysis centers and home peritoneal dialysis programs in 33 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 306 hospitals. Currently, TRL will operate 492 outpatient dialysis facilities and provide services to approximately 37,900 patients, with approximately 2,200 patients in 35 centers under TRL management (including patients to be served under the Satellite Dialysis Centers agreement, which is effective December 1, 1998). The company 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.

Expansion Highlights

	Quarter Ended Sept. 30, 1997	Quarter Ended Dec. 31, 1997	Year Ended Dec. 31, 1997
Treatments	489,922	553,218	1,869,854
Patients	13,700	15,800	15,800
Centers	174	197	197
Revenue per Treatment	$232	$236	$234

	Quarter Ended March 31, 1998	Quarter Ended June 30, 1998	Quarter Ended Sept. 30, 1998
Treatments	1,099,627	1,186,597	1,283,734
Patients	30,700	33,100	36,400
Centers	391	423	477
Revenue per Treatment	$235	$243	$248

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 operations integration and 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
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months 1998	Three Months 1997	Nine Months 1998	Nine Months 1997
Net operating revenues	$318,585,000	$197,749,000	$865,684,000	$535,401,000
Operating expenses:				
Facilities	200,925,000	131,670,000	549,544,000	360,771,000

General and administrative	17,174,000	13,208,000	50,589,000	35,244,000
Provision for doubtful accounts	8,997,000	5,390,000	23,539,000	14,786,000
Depreciation and amortization	22,435,000	14,194,000	62,474,000	38,023,000
Merger costs	0	0	92,835,000	0
Total operating expenses	249,531,000	164,462,000	778,981,000	448,824,000
Operating income	69,054,000	33,287,000	86,703,000	86,577,000
Interest expense	(19,805,000)	(7,525,000)	(50,866,000)	(17,179,000)
Interest swap-early termination costs	0	0	(9,823,000)	0
Interest income	963,000	883,000	3,627,000	2,346,000
Income before income taxes, minority interests, extraordinary item and cumulative effect of a change in accounting principle	50,212,000	26,645,000	29,641,000	71,744,000
Income taxes	19,244,000	11,163,000	28,924,000	28,661,000
Income before minority interests, extraordinary item and cumulative effect of a change in accounting principle	30,968,000	15,482,000	717,000	43,083,000
Minority interests in income of consolidated subsidiaries	1,859,000	850,000	4,817,000	3,193,000
Income (loss) before extraordinary item and cumulative effect of a change in accounting principle	29,109,000	14,632,000	(4,100,000)	39,890,000

Extraordinary loss, net of tax of $7,668,000	0	0	12,744,000	0
Cumulative effect of a change in accounting principal, net of tax of $4,300,000	0	0	6,896,000	0
Net (loss) income	$29,109,000	$14,632,000	($23,740,000)	$39,890,000
Earnings (loss) per common share:				
Net income (loss) before extraordinary item and cumulative effect of change in accounting principle	$0.36	$0.19	($0.05)	$0.52
Extraordinary loss	$0.00	$0.00	($0.16)	$0.00
Cumulative effect of change in accounting	$0.00	$0.00	($0.09)	$0.00
Net (loss) income	$0.36	$0.19	($0.30)	$0.52
Weighted average number of common shares outstanding	80,858,000	77,752,000	79,982,000	77,405,000
Earnings (loss) per common share - assuming dilution:				
Net income (loss) before extra-ordinary item and cumulative effect of change in accounting principle	$0.35	$0.18	($0.05)	$0.50
Extraordinary loss	$0.00	$0.00	($0.16)	$0.00
Cumulative effect of change in accounting	$0.00	$0.00	($0.09)	$0.00
Net (loss) income	$0.35	$0.18	($0.30)	$0.50
Weighted average number of common				

shares and equivalents outstanding - assuming dilution	87,052,000	80,532,000	79,982,000	79,683,000

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