Capital Markets Day
May 5, 2015
This presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are intended to be covered by the safe harbor provisions for such statements contained in these slides. All statements that do not concern historical facts are forward-looking statements and include, among other things, statements about our expectations, beliefs, intentions and/or strategies for the future.

These forward-looking statements could include but are not limited to statements regarding our future operations, financial condition and prospects, expectations for treatment growth rates, revenue per treatment, expense growth, levels of the provision for uncollectible accounts receivable, operating income, cash flow, operating cash flow, estimated tax rates, capital expenditures, the development of new dialysis centers and dialysis center acquisitions, government and commercial payment rates, revenue estimating risk and the impact of our level of indebtedness on our financial performance, including earnings per share, and incorporation of HCP’s operating results into the Company’s consolidated operating results.

Factors that could impact future results include the uncertainties associated with the risk factors set forth in our SEC filings, including our annual report on Form 10-K for the year ended December 31, 2014, our subsequent quarterly reports filed or to be filed on Form 10-Q, and our subsequent current reports on Form 8-K. The forward-looking statements should be considered in light of these risks and uncertainties.

We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of changes in underlying factors, new information, future events or otherwise. All references to “DaVita” as used throughout this presentation refer to DaVita HealthCare Partners Inc. and/or its subsidiaries. All references to “Kidney Care” as used throughout this presentation refer to DaVita’s Kidney Care division and its related entities. All references to “HealthCare Partners” and “HCP” as used throughout this presentation refer to DaVita’s HealthCare Partners division and its related entities.
Q1 Overview
DaVita HealthCare Partners at a Glance
Compliance
HealthCare Partners
US Kidney Care
International
Enterprise Summary
### GAAP and Non-GAAP Operating Income

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kidney Care</td>
<td>$(124)M</td>
<td>$371M¹</td>
</tr>
<tr>
<td>HealthCare Partners</td>
<td>60M</td>
<td>60M</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$(64)M</td>
<td>$431M¹</td>
</tr>
</tbody>
</table>

1. Excludes the accrual of an estimated loss contingency, or any potential settlement payout related to the Vainer Private Civil Suit

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## 2015 guidance

<table>
<thead>
<tr>
<th></th>
<th>Prior</th>
<th>Updated(^1)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kidney Care</td>
<td>$1.525B to $1.625B</td>
<td>$1.575B to $1.650B</td>
<td>▲</td>
</tr>
<tr>
<td>HealthCare Partners</td>
<td>$225M to $275M</td>
<td>$225M to $275M</td>
<td>▲</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$1.750B to $1.900B</td>
<td>$1.800B to $1.925B</td>
<td>▲</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$1.500B to $1.700B</td>
<td>$1.500B to $1.700B</td>
<td>▲</td>
</tr>
</tbody>
</table>

1. Excludes the accrual of an estimated loss contingency, or any potential settlement payout related to the Vainer Private Civil Suit

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# Kidney Care key metrics

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers</td>
<td>2,173</td>
<td>2,270</td>
<td>2,290</td>
</tr>
<tr>
<td>Normalized NAG</td>
<td>5.0%</td>
<td>4.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>US Dialysis &amp; Lab RPT</td>
<td>$340.81</td>
<td>$346.95</td>
<td>$345.88</td>
</tr>
<tr>
<td>US Dialysis &amp; Lab</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Care Cost / Tx</td>
<td>$221.31</td>
<td>$218.81</td>
<td>$222.99</td>
</tr>
<tr>
<td>US Dialysis &amp; Lab G&amp;A / Tx</td>
<td>$26.00</td>
<td>$29.75</td>
<td>$29.25</td>
</tr>
<tr>
<td>Kidney Care Adjusted OI$^1$</td>
<td>$387M</td>
<td>$419M</td>
<td>$371M</td>
</tr>
</tbody>
</table>

1. Non-GAAP. Excludes one-time items.
### HealthCare Partners key metrics

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitated Patients</td>
<td>790,200</td>
<td>837,300</td>
<td>830,400</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$54M</td>
<td>$33M</td>
<td>$60M</td>
</tr>
</tbody>
</table>
### Enterprise key metrics

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Expense</td>
<td>$106M</td>
<td>$98M</td>
<td>$97M</td>
</tr>
<tr>
<td>Non-controlling Interests</td>
<td>$28M</td>
<td>$42M</td>
<td>$34M</td>
</tr>
<tr>
<td>Effective Tax Rate$^1$</td>
<td>40.5%</td>
<td>33.3%</td>
<td>37.5%</td>
</tr>
<tr>
<td>LTM Operating Cash Flow</td>
<td>$1,813M</td>
<td>$1,459M</td>
<td>$1,450M</td>
</tr>
</tbody>
</table>

$^1$ Effective income tax rate attributable to DaVita HealthCare Partners. Non-GAAP. Excludes one-time items.
TO BE THE PROVIDER, PARTNER AND EMPLOYER OF CHOICE
DaVita HealthCare Partners at a glance

- **LTM Revenue**: $13.0B
- **LTM Adjusted OI**\(^1\): $1.8B
- **2015 OI Guidance**\(^2\): $1.800 to 1.925B
- **2015 OCF Guidance**\(^2\): $1.500 to 1.700B

---

1. Non-GAAP measure, excludes certain one-time items
2. Excludes the accrual of an estimated loss contingency or any potential settlement payment related to the Vainer Private Civil Suit
Distinctive platforms to deliver population health management

- Longitudinal & holistic care
- Coordination of health metrics
- R&D to explore new care models

Platform for future growth
DaVita: Population health management

Kidney Care

- 181,000 patients
- 46 states, 10 countries
- VillageHealth
- DaVita Rx
- Lifeline Vascular Access
DaVita: Population health management

Kidney Care

- 181,000 patients
- 46 states, 10 countries
- VillageHealth
- DaVita Rx
- Lifeline Vascular Access

HealthCare Partners

- 1,300 team physicians & extenders
- 2,800 PCP affiliates (IPA)
- 9,500 network specialists
- 830,000 capitated lives
- 226 clinics
- 227 affiliated hospitals
Talent

- Recruiting
- Development
- Opportunity
Vainer (2003-2010)

- Humbled
- Disappointed
- We made mistakes
- Not representative
- Must earn government’s trust
Future

• Board of Directors
• Resources
• Management process
• Communication with government
JSA subpoena

• Scope
• Cooperating
• Escrow
Q1 Overview

DaVita HealthCare Partners at a Glance

Compliance

HealthCare Partners

US Kidney Care

International

Enterprise Summary

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**Summary**

- Bad start
- Formidable foundation
- OL growth slower than hoped
- Strong cash flow
- Investment thesis stands
Quick recap

Bad stuff

• $200M rate cuts
• Two bad deals
• Organizational stress
## Quick recap

### Bad stuff
- $200M rate cuts
- Two bad deals
- Organizational stress

### Good stuff
- Legacy markets
- Turnaround of bad deals
- Building capabilities
- CO Springs med group acquisition
- New business model R&D
Economic fundamentals

Despite headwinds, 7.6% cash-on-cash return in 2015

Note: Adjusted EBITDA excludes adjustments for certain items contained in definition of EBITDA per the credit agreement

1. Estimate of 2011 EBITDA at time of deal pricing
2. $250M OI plus assumed $170M D&A
3. Add pre-tax equivalent ($167M) of approx. $100M annual cash tax benefit from amortization of tax step-up

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Challenges and opportunities

Challenges

Internal

• Export

• New capabilities
Challenges and opportunities

Challenges

Internal
- Export
- New capabilities

External
- Many pursuing same risk pools
- MA reimbursement risk
Challenges and opportunities

**Challenges**

**Internal**
- Export
- New capabilities

**External**
- Many pursuing same risk pools
- MA reimbursement risk

**Opportunities**
- Growth potential in legacy markets
- Demonstrated ability to scale
- Desirable partner
Challenges and opportunities

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>External</td>
</tr>
<tr>
<td>• Export</td>
<td>• Many pursuing same risk pools</td>
</tr>
<tr>
<td>• New capabilities</td>
<td>• MA reimbursement risk</td>
</tr>
<tr>
<td></td>
<td>• Export</td>
</tr>
<tr>
<td></td>
<td>• Demonstrated ability to scale</td>
</tr>
<tr>
<td></td>
<td>• Desirable partner</td>
</tr>
<tr>
<td></td>
<td>• Growth potential in legacy markets</td>
</tr>
<tr>
<td></td>
<td>• Commercial HMO potential</td>
</tr>
<tr>
<td></td>
<td>• Continued MA growth</td>
</tr>
</tbody>
</table>
Reminder: HCP at a glance

- $3.6B Revenue
- $4.7B care dollars under management\(^1\)
- $222M OI
- 1,300 team physicians & extenders
- 2,800 IPA primary care physicians, 9,500 network specialists
- 830,000 capitated lives
- 226 clinics, 227 affiliated hospitals

\(^1\) Non-GAAP measure
HealthCare Partners

- Business Overview
- Building Blocks
- Vision & Strategy
HealthCare Partners at a glance
LEADING INDEPENDENT MEDICAL GROUP
**Business model**

- **Commercial**
- **Medicare**
- **Medicaid**

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**Performance-based contracting**

- **Superior quality**
- **Eliminate waste**
- **Downstream rates**

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**Patients**: Great access and service yield loyalty and attraction

**Physicians**: Great working environment yields great recruiting and retention
Do we have differentiated capabilities?

- Proven team-based clinical programs
- Extensive informatics database
- Partner of choice for physicians
- Clear value for health systems and payors
### Are we impacting quality outcomes?

<table>
<thead>
<tr>
<th>HEDIS Metric</th>
<th>CA</th>
<th>FL</th>
<th>NV</th>
<th>NM</th>
<th>AZ¹</th>
<th>US MA avg</th>
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<tbody>
<tr>
<td>Adult BMI Assessment</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Colorectal Cancer Screening</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Diabetes: Cholesterol Controlled (&lt;100)</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Diabetes: Cholesterol Screening</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Diabetes: Blood Sugar Controlled (&lt;9%)</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Diabetes: Nephropathy Screening</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Diabetes: Eye Exam</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Cholesterol: LDL Screening, Pts w/Heart Disease</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Osteoporosis Management</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>N/A</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

1. AZ AIP  
Note: Data released Oct 2014, impacting 2015 plan ratings, based on 2013 dates of service

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Utilization…

Hospitalizations

Acute admits per 1000

<table>
<thead>
<tr>
<th></th>
<th>Medicare FFS</th>
<th>HCP</th>
<th>HCP 21% better</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-day acute readmit rate (%)</td>
<td>17.9</td>
<td>14.9</td>
<td></td>
</tr>
</tbody>
</table>

Note: Hospitalizations: 2012 dates of service, Readmissions: 2013 dates of service – most recent Medicare benchmarks available. Source: CMS.
…Continues to improve

For continuity, only legacy markets shown

Acute admits per 1000

<table>
<thead>
<tr>
<th>Year</th>
<th>Acute Admits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>264</td>
</tr>
<tr>
<td>2010</td>
<td>257</td>
</tr>
<tr>
<td>2011</td>
<td>248</td>
</tr>
<tr>
<td>2012</td>
<td>244</td>
</tr>
<tr>
<td>2013</td>
<td>239</td>
</tr>
<tr>
<td>2014</td>
<td>233</td>
</tr>
</tbody>
</table>
Clinical, top employer recognition
HCP strengths

New Markets

- Los Angeles
- Central Florida
- Las Vegas
- Albuquerque
- Phoenix
- CO Springs

<table>
<thead>
<tr>
<th>Leading independent network</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Physicians &amp; Extenders</td>
<td>641</td>
<td>160</td>
<td>202</td>
<td>163</td>
<td>1</td>
<td>132</td>
</tr>
<tr>
<td>IPA Physicians</td>
<td>1,834</td>
<td>320</td>
<td>135</td>
<td>-</td>
<td>540</td>
<td>-</td>
</tr>
</tbody>
</table>

As of Mar 2015. Team Physicians & Extenders includes employed PCPs, specialists, hospitalists, and physician extenders. IPA physicians includes PCPs only.

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Team physicians & extenders

FTEs

<table>
<thead>
<tr>
<th>Year</th>
<th>Total FTEs</th>
<th>New Markets (+21% CAGR)</th>
<th>Legacy Markets (+8% CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,069</td>
<td>866</td>
<td>203</td>
</tr>
<tr>
<td>2014</td>
<td>1,129</td>
<td>941</td>
<td>188</td>
</tr>
<tr>
<td>2015</td>
<td>1,299</td>
<td>1,003</td>
<td>296</td>
</tr>
</tbody>
</table>

Note: As of Mar 31 of each year. Includes employed PCPs, specialists, hospitalists, and physician extenders.

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<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Years with</th>
<th>Legacy org.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tyler Jung, MD</td>
<td>Chief Medical Officer</td>
<td>18</td>
<td>HCP</td>
</tr>
<tr>
<td>Chan Chuang, MD</td>
<td>Chief Clinical Officer</td>
<td>13</td>
<td>HCP</td>
</tr>
<tr>
<td>Dennis Kogod</td>
<td>President</td>
<td>15</td>
<td>DaVita</td>
</tr>
<tr>
<td>Joe Mello</td>
<td>COO</td>
<td>15</td>
<td>DaVita/Friendly Hills</td>
</tr>
<tr>
<td>Ted Halkias</td>
<td>CFO</td>
<td>20</td>
<td>HCP</td>
</tr>
<tr>
<td>Zan Calhoun</td>
<td>CIO</td>
<td>11</td>
<td>HCP</td>
</tr>
<tr>
<td>Vijay Kotte</td>
<td>SVP</td>
<td>1</td>
<td>Meridian/Wellcare</td>
</tr>
<tr>
<td>Doug Allen, MD</td>
<td>SVP/Medical Director</td>
<td>2</td>
<td>UHC/Optum</td>
</tr>
<tr>
<td>Misha Palecek</td>
<td>President, Integration</td>
<td>10</td>
<td>DaVita</td>
</tr>
<tr>
<td>Jim Rechtin</td>
<td>SVP</td>
<td>1</td>
<td>Bain</td>
</tr>
</tbody>
</table>
### Balanced team: Markets

<table>
<thead>
<tr>
<th>Role</th>
<th>Years with</th>
<th>Legacy org</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prati Patel, MD</td>
<td>President, CA</td>
<td>21</td>
</tr>
<tr>
<td>Lorie Glisson</td>
<td>President, FL</td>
<td>19</td>
</tr>
<tr>
<td>Anthony Coletta, MD</td>
<td>President, Tandigm</td>
<td>3</td>
</tr>
<tr>
<td>Aric Coffman, MD</td>
<td>President, NM</td>
<td>7</td>
</tr>
<tr>
<td>Bard Coats, MD</td>
<td>EVP, NV</td>
<td>4</td>
</tr>
<tr>
<td>Debbie Chandler</td>
<td>President, CO Springs</td>
<td>7</td>
</tr>
<tr>
<td>Dennis Schneider, MD</td>
<td>CMO, CO Springs</td>
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</tr>
<tr>
<td>Chrissie Cooper</td>
<td>COO, CA</td>
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<tr>
<td>Guy Seay</td>
<td>CFO, CA</td>
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<tr>
<td>Oraida Roman</td>
<td>COO, FL</td>
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<tr>
<td>Jim Wilder</td>
<td>CIO, FL</td>
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<tr>
<td>Scott Ropp</td>
<td>VP Finance, CA</td>
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</tr>
</tbody>
</table>
HealthCare Partners

- Business Overview
- Building Blocks
- Vision & Strategy
Medicare Advantage large and growing

03-14 Enrollment CAGR: +10%

Note: March enrollment shown, except 2006, which is April. Source: Kaiser Family Foundation analysis of CMS data

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### Growing MA in legacy markets

<table>
<thead>
<tr>
<th>State</th>
<th>All Medicare Advantage</th>
<th>HCP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Penetration</td>
<td>2012-14 CAGR</td>
</tr>
<tr>
<td>California</td>
<td>40%</td>
<td>8%</td>
</tr>
<tr>
<td>Florida</td>
<td>40%</td>
<td>9%</td>
</tr>
<tr>
<td>Nevada</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>Legacy Markets</td>
<td>40%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Note:** Based on December enrollments. Source of market data: CMS.
HMO membership

Members (K)

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>Commercial</th>
<th>MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>724</td>
<td>418</td>
<td>201</td>
</tr>
<tr>
<td>2013</td>
<td>765</td>
<td>403</td>
<td>265</td>
</tr>
<tr>
<td>2014</td>
<td>837</td>
<td>387</td>
<td>311</td>
</tr>
</tbody>
</table>

+8%/yr

1. ~24,500 members previously reported as Commercial reclassified as Medicaid

Note: December enrollment shown

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Outlook

Membership

Margin

New Markets

Future Markets

MA

Commercial
Medicare Advantage rate dynamics

- **Base rate (cost trend)**
  - Final 2016 rule better than expected

- **Risk model**
  - Full phase-in by 2016

- **ACA transition MA to FFS levels**
  - Ends in 2015 for most HCP counties

- **Others**
  - Coding adjustment
  - Premium tax
Impact of star ratings

• High star rating = higher funding. In 2015:
  – Plans 4 stars or greater: 5% bonus
  – Plans less than 4 stars: 0% bonus

• 84% of our MA patients in 4+ star plans for 2015

We help plans improve their star rating – better reimbursement for plan, better growth
Commercial rates

Rate Structure
- Sustainable increases in legacy products
- Match cost inflation and premium growth

Channel / Product Mix
- Emergence of lower cost products / channels
- Primarily driven by provider discounts – sustainable?
- We have rarely participated
- Need to pivot to UM & benefit design
Contract alignment

% of covered lives

0 25 50 75 100

- Not aligned
- More aligned
Historical cost of care

**Component**

- Group clinics
- Professional and ancillary network
- Institutional expenses

Historical growth:
+2-3% PMPM
Reinvesting to drive growth, profitability

- New market support
- Business development
- IT / clinical analytics
- Legal / compliance
Outlook

- Membership
- Margin
- New Markets
- Future Markets

- MA
- Commercial
- Flat
- Capability investment
Membership

Margin

New Markets

Future Markets

MA

Commercial

Flat

Capability investment
Outlook

Membership
- MA
- Commercial

Margin
- Flat
- Capability investment

New Markets
- 2016

Future Markets
- 2017-18
Business models

Traditional, tried-and-true
- Acquire medical groups
- Grow through affiliates (IPA)

New models, R&D
- Health system partnerships
- Payor partnerships
Outlook

Membership
- MA
- Commercial

Margin
- Flat
- Capability investment

New Markets
- ? 2016
- ? 2017-18

Future Markets
- Med group acquisitions
- ? Health system / payor partnerships
Outlook

- Membership
- Margin
- New Markets
- Future Markets

0-3% baseline growth
+/- legacy market competitive performance
+/- new & future market growth
## Cash flow

<table>
<thead>
<tr>
<th></th>
<th>Kidney Care</th>
<th>HCP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$M</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>$1,617</td>
<td>$215</td>
</tr>
<tr>
<td></td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Adjusted EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$2,092</td>
<td>$387</td>
</tr>
<tr>
<td></td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Distributions to JV Partners&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(149)</td>
<td>-</td>
</tr>
<tr>
<td>Working Capital Use&lt;sup&gt;3&lt;/sup&gt;</td>
<td>(90)</td>
<td>-</td>
</tr>
<tr>
<td>Taxes (Recurring)&lt;sup&gt;4&lt;/sup&gt;</td>
<td>(647)</td>
<td>(42)</td>
</tr>
<tr>
<td>Normal Capital Expenditures</td>
<td>(373)</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Normal Growth Cash Flow</strong></td>
<td><strong>$833</strong></td>
<td><strong>$317</strong></td>
</tr>
<tr>
<td></td>
<td>72%</td>
<td>28%</td>
</tr>
</tbody>
</table>

1. Excludes adjustments for certain items that are contained in the definition per the credit agreement.
2. Assumes all enterprise distributions to joint venture partners is from Kidney Care.
3. Assumes working capital is AR plus Inventories less AP, and that HCP neither generates nor uses cash from working capital.
4. Assumes 40% of Kidney Care Adjusted Operating Income and 40% of HCP Adjusted Operating Income before amortization, less the $100M benefit from tax step-up.
HealthCare Partners

- Business Overview
- Building Blocks
  - Vision & Strategy
Platform

• Managing MA plans / health systems / medical groups
• Practice management for health systems
• Direct to employer
• Extensive ambulatory care
• Performance based FFS
What do we want to be known for?

Clinical Outcomes

Patient Experience

Physician Experience

Great Place to Work
Enhance value proposition

Differentiated clinical outcomes

- 4+ star across the board
- Transition of care
- Flu vaccinations
- Hypertension

Physician leadership

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US Kidney Care

- At a Glance
- Investment Highlights
- Building Blocks
- Population Health Management Vision
- Outlook
Kidney Care at a glance

- LTM Revenue: $9.5B
- LTM Adjusted OI\(^1\): $1.6B
- US Facilities: 2,197
- US Patients: 174,000 (35%)
- LTM Treatments (US): 25.3M

As of Q1 2015

1. Non-GAAP measure, excludes certain one time items
Typical dialysis center

• $4M revenue
• 75 patients
  – 90% government
  – 10% private
• 17 teammates
  – 5 nurses
  – 8 techs
  – 4 other
• 18 machines and chairs
US Kidney Care

- At a Glance
- Investment Highlights
- Building Blocks
- Population Health Management Vision
- Outlook
## Investment highlights

<table>
<thead>
<tr>
<th>Industry</th>
<th>DaVita</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stable demand growth</td>
<td>• Leading clinical outcomes</td>
</tr>
<tr>
<td>• Steady cash flows</td>
<td>• Scale provider</td>
</tr>
<tr>
<td>• Significant government engagement</td>
<td>• Consistent operating track record</td>
</tr>
<tr>
<td>• High transparency on clinical outcomes and cost structure</td>
<td>• Experienced management team</td>
</tr>
<tr>
<td></td>
<td>• Positioning for future growth &amp; care model innovation</td>
</tr>
</tbody>
</table>
Favorable industry: Stable demand growth

- Steady industry demand
  - Not cyclical or seasonal
  - Limited therapeutic alternatives
  - Strong center loyalty
- No clinical controversy

US dialysis patients

2000-12 CAGR: 3.9%
Leading provider with scale

Serving over one-third of US dialysis patients

Note: 2014 ownership using clinics’ 2013 census
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Strong clinical outcomes

- Kt/V > 1.2 98%
- % Fistulas Placed 73%
- Ca ≤ 10.2 98%
- Phos ≤ 5.5 73%
- CVC use (Day 90+) 13%

A Quality Leader
Strong clinical quality

What Matters Most

Health-related QOL

Measures of Effectiveness

Mortality
Hospitalization / Rehospitalization
Patient experience of care

Complex Programs

FluidWise
WipeOut Infections
Meds Matter
StepAhead Diabetes Management

The Fundamentals

Iron
Immunizations
Dialysis access
Calcium
Phosphorus
Hemoglobin
Kt/V
Albumin
Access
PTH
Target weight

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2015 CMS 5-star ranking

% of clinics

<table>
<thead>
<tr>
<th>Stars</th>
<th>Industry less DaVita</th>
<th>DaVita</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>2</td>
<td>25%</td>
<td>8%</td>
</tr>
<tr>
<td>3</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>4</td>
<td>14%</td>
<td>33%</td>
</tr>
<tr>
<td>5</td>
<td>18%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Excludes unrated facilities

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2015 payment year QIP performance

% of clinics with a 2015 QIP Penalty

- Industry Average: 5.6%

Other: 8.7%
Industry less DVA: 7.4%
LDOs less DVA: 6.0%
DVA: 1.5%
2014-15 payment year QIP performance

% of clinics with QIP penalty

- 2014 Payment Year 2012 Performance:
  - Rest of Industry: 5.9%
  - DaVita: 1.6%

- 2015 Payment Year 2013 Performance:
  - Rest of Industry: 7.4%
  - DaVita: 1.5%
**Improved mortality**

**DaVita gross mortality (%)**

- 2001: 19.0%
- 2014: 13.5%

**2011 Standardized mortality rate**

- All LDOs: 0.972
- Non-LDOs: 1.055
- Avg: 1.000
## Strong operating track record

<table>
<thead>
<tr>
<th>Year</th>
<th>Guidance Provided</th>
<th>Results Realized</th>
<th>In or Above Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$292-312M</td>
<td>$355M</td>
<td>✓</td>
</tr>
<tr>
<td>2004</td>
<td>$356-380M</td>
<td>$402M</td>
<td>✓</td>
</tr>
<tr>
<td>2005</td>
<td>$410-435M&lt;sup&gt;4&lt;/sup&gt;</td>
<td>$462M</td>
<td>✓</td>
</tr>
<tr>
<td>2006</td>
<td>$575-645M&lt;sup&gt;5&lt;/sup&gt;</td>
<td>$701M</td>
<td>✓</td>
</tr>
<tr>
<td>2007</td>
<td>$680-750M</td>
<td>$800M</td>
<td>✓</td>
</tr>
<tr>
<td>2008</td>
<td>$790-850M</td>
<td>$822M</td>
<td>✓</td>
</tr>
<tr>
<td>2009</td>
<td>$870-930M&lt;sup&gt;6&lt;/sup&gt;</td>
<td>$940M</td>
<td>✓</td>
</tr>
<tr>
<td>2010</td>
<td>$950-1,020M</td>
<td>$997M</td>
<td>✓</td>
</tr>
<tr>
<td>2011</td>
<td>$1,040-1,100M</td>
<td>$1,155M</td>
<td>✓</td>
</tr>
<tr>
<td>2012&lt;sup&gt;7&lt;/sup&gt;</td>
<td>$1,100-1,200M</td>
<td>$1,347M</td>
<td>✓</td>
</tr>
<tr>
<td>2013</td>
<td>$1,750-1,900M</td>
<td>$1,898M</td>
<td>✓</td>
</tr>
<tr>
<td>2014</td>
<td>$1,675-1,850M</td>
<td>$1,832M</td>
<td>✓</td>
</tr>
</tbody>
</table>

1. First guidance
2. Non-GAAP measure; excludes one-time charges and reported prior period recoveries.
3. 2010 and prior represents the original amounts as reported; OI has not been adjusted for the required divestitures that occurred in connection with the Gambro and DSI acquisitions. In addition, 2010 and prior amounts presented have not been adjusted for the divestiture of HomeChoice Partners.
5. Includes stock compensation expense; original guidance excluded stock compensation.
6. Effective January 1, 2009, we were required to change the presentation of minority interests (noncontrolling interests) in our consolidated statement of income, which changed the presentation of operating income as well. All prior amounts have not been adjusted to reflect the application of this requirement.
7. Kidney Care only, since first guidance was provided prior to announcement of HealthCare Partners acquisition.

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US Kidney Care

- At a Glance
- Investment Highlights
- Building Blocks
- Population Health Management Vision
- Outlook
# of Treatments $\times$ \[
\frac{\text{Revenue}}{\text{Tx}} - \frac{\text{Expense}}{\text{Tx}}
\]
Normalized non-acquired growth (NAG)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>4.3</td>
<td>4.6</td>
<td>4.1</td>
<td>4.6</td>
<td>4.8</td>
<td>5.0</td>
<td>5.1</td>
<td>4.5</td>
</tr>
</tbody>
</table>

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Census of acquired centers

1. Excludes ~8,000 patients related to the DSI acquisition
Outlook

- 4.5% - 6.0% growth

\[
\text{# of Treatments} \times \left( \frac{\text{Revenue / Tx}}{- \text{Expense / Tx}} \right)
\]
# of Treatments × [Revenue / Tx] - Expense / Tx

- 4.5% - 6.0% growth
Profit concentration

- **Treatments**
  - 10% Private: 90% Gov’t

- **Revenue**
  - 30-40% Private: 60-70% Gov’t

- **Profit**
  - 110-115% Private
  - (10-15%) Gov’t

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ESRD rebasing

- 2014 & 2015: Flat despite increasing costs
- 2016: Market basket minus 1.25%
- 2017: Market basket minus 1.25%
- 2018: Market basket minus 1.00%
Center closures

• Commercial revenue needed to subsidize government losses

• 2014
  – 17 DaVita closures → most in 4 years
  – ~50 industry closures

• ~50 on watch list for potential closure

• ~200 operating at loss

• Work to ensure continuity of patient care
Shared financial reality

• 10% of patients (private) must subsidize the other 90% (government)

• Vast majority of dialysis owners understand this reality

• Patients move to Medicare after 30 months
Commercial rates / mix

• Changes in how patients get insurance

• Marketplace changes: exchanges, narrow networks, etc.
What has not changed?

- Quality patient care → lower total costs
- Lifetime & life-saving therapy – delicate
- Many referrals are network-independent
- Tight physician – patient – center bond
- Network adequacy needs
- Few patients per payor per geography
Commercial contracting reality

- Low fixed costs
- High variable costs
- Significant stickiness
- 30 months or less

Lowering price for volume: not prudent
Outlook

- # of Treatments: 4.5% - 6.0% growth
- Revenue / Tx: 0.0% - 1.5% growth
- Expense / Tx

# of Treatments \times Revenue / Tx - Expense / Tx
\[
\text{Revenue / Tx} - \text{Expense / Tx} = \frac{\text{# of Treatments}}{4.5\% - 6.0\% \text{ growth}} \times \frac{\text{Revenue / Tx}}{0.0\% - 1.5\% \text{ growth}}
\]
Cost per treatment

Component

- Teammate Costs
- Pharma and supplies
- Other center-level costs
- G&A

Historical

- 1-2%/yr
- Dynamic
- 1-2%/yr
- ~in line with tx
Future ESA alternatives

- Roche (Mircera)
  - FDA approved

- Hospira (Retacrit)
  - Q4 2015 PDUFA date

- Sandoz (Binocrit)
  - FDA Phase III

Experience in Europe
Economic savings needed to gain share
Amgen agreement

- Agreement through 2018
- Anticipated new entrants
- Near-term: uncertainty
- Long-term: competition = savings
Outlook

- # of Treatments: 4.5% - 6.0% growth
- Revenue / Tx: 0.0% - 1.5% growth
- Expense / Tx: 0.5% - 2.0% growth
US Kidney Care

- At a Glance
- Investment Highlights
- Building Blocks
  - Population Health Management Vision
- Outlook
Medicare cost – ESRD patient

~$87,000 per year

- Outpatient Dialysis
- Hospitalization
- Other

Source: USRDS 2013 Annual Data Report
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Population health management vision

DaVita
Dialysis

VillageHealth
Care Management

Lifeline
Vascular Access

Kidney Smart
ESRD Awareness

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Engaging our partners

Physicians

Patients

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**Demonstrated capabilities**

### Hospitalization rate
- **US ESRD Avg:** 2%
- **VillageHealth SNP:** 0%
- **26% better**

### Readmission rate
- **US ESRD Avg:** 40%
- **VillageHealth SNP:** 31%
- **31% better**

### Catheter rate
- **US ESRD Avg:** 20%
- **VillageHealth SNP:** 70%
- **70% better**

Source: United States Renal Data System 2013 Annual Data Report, Fistula First website
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Long-term view

Tremendous growth opportunity

Consistent patient experience

Lives touched by VillageHealth per month

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ESRD patient population

- Prescribed 8-9 medications
- Multiple co-morbidities
- Potential high-risk/cost to healthcare system
Clinical differentiation from Rx

14% fewer days spent in the hospital
21% improvement in survival

Source: Chronic Disease Research Group (CDRG); over 50,000 DVA patients analyzed
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Greater prescription adherence

% of patients with MPR > 0.8

- DaVita Rx: 84%
- Chain: 38%
- Independent: 47%


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DaVita Rx growth

PrescriptionsFilled

May 2011: 5 million

August 2009: 2 million

August 2008: 1 million

May 2014: 15 million
Population health - ROI

- Commercial plan cost savings
- Preferred partner for Medicare Advantage
- Value-added CMS partner
- Preferred partner: ACOs and physicians
- Capitated relationships
Integrated kidney care delivery

• ESCOs

• Special Needs Plans

• Capitation/shared savings with commercial/MA payors
US Kidney Care

- At a Glance
- Investment Highlights
- Building Blocks
- Population Health Management Vision
- Outlook
Outlook

- # of Treatments: 4.5% - 6.0% growth
- Revenue / Tx: 0.0% - 1.5% growth
- Expense / Tx: 0.5% - 2.0% growth

Steady Growth

Government & Commercial Rate Risk

Normal Dynamics
Outlook

- # of Treatments
  - 4.5% - 6.0% growth

- Revenue / Tx
  - 0.0% - 1.5% growth

- Expense / Tx
  - 0.5% - 2.0% growth

3% – 8% OI growth
Kidney Care summary

What is the same?

• Clinical excellence
• Capital-efficient treatment growth
• Commercial mix/rate dynamic
• Few acquisition opportunities

What has changed?

• ESAs
• Insurance change → risk
• Regulatory compliance
• Population health → growth platform
Q1 Overview
DaVita HealthCare Partners at a Glance
Compliance
HealthCare Partners
US Kidney Care
International
Enterprise Summary
Global footprint

93 clinics in 10 countries outside the US
Caring for ~7,800 patients
Investment thesis stands

- Controlled investment
- Attractive risk/reward ratio
Clinical progress in Malaysia

Clinical metric goal

Hb <35%
-27%
38
52

Kt/V <15%
-44%
23
41

CVC <10%
0%
16
16

Alb <10%
-87%
2
15

Note: Restricted to patients >90 days on dialysis; n = 24 centers

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International

% of 2014 Kidney Care Revenue

1%

99%

- International Revenue
- U.S. Kidney Care Revenue
Microeconomics

- Center Level EBITDA vs. G&A over the years 2012 to 2018.
- Implied Share values for each year:
  - 2012: 1%
  - 2013: 1%
  - 2014: 3%
  - 2015: 2%
  - 2016: 3%
  - 2017: 3%
  - 2018: 3%
Microeconomics

![Graph showing Center Level EBITDA and G&A]

- Center Level EBITDA
- G&A

Years: 2012 to 2018

Implied Share:
- 2%
- 4%
- 6%
- 8%
- 9%

$M

Source: DaVita HealthCare Partners Inc.
Microeconomics

Center Level EBITDA and G&A

- Center Level EBITDA
- G&A

- Implied Share: 1% in 2012, 3% in 2013-2016, 4% in 2017 and 2018

- $M scale from 0 to 30

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Where are we?

- Subscale across 10 countries
- Clinical culture

Challenges

- Upfront investment
- Bandwidth
- We will make mistakes

Long-term upside
Leverage ratio

Note: Leverage ratio as defined in Credit Agreement
1. Gambro Healthcare acquisition – October 2005; 5.2x leverage pro forma for transaction and 4.5x leverage at end of year after FTC-mandated divestitures
2. HCP acquisition – November 2012

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Total Debt: $9,239

- 5% Notes - $1,500
- 5⅛% Notes - $1,750
- Tranche B - $3,474
- Tranche A - $962
- Other – $303
- Sr. Notes $4,500
- Term Loans $4,436

Note: Excludes the debt discount associated with the company’s Term Loan B.
Pro forma debt maturities

Term Loan A
5.75% Sr. Notes

Term Loan B
5.125% Sr. Notes

5.00% Sr. Notes

5/31/15 LTM EBITDA

$3,273

$675

Note: Does not include maturities of other debt of $303M

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Enterprise Summary

- Capital Structure
- Capital Deployment
- Summary
Balanced cash deployment

- DeNovos: $2.3B
- Gambro & DSI: $3.8B
- HCP: $3.6B
- Other acquisitions: $2.8B
- Share repurchases: $2.0B
- Optional debt repayment: $0.6B

2001-14
Balanced cash deployment

2008-14

$B

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeNovos</td>
<td>1.7</td>
</tr>
<tr>
<td>HCP</td>
<td>3.6</td>
</tr>
<tr>
<td>Other Acquisitions</td>
<td>2.7</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>1.3</td>
</tr>
<tr>
<td>Optional debt repayment</td>
<td>0.2</td>
</tr>
</tbody>
</table>
1. Excludes the ~$269M after-tax impact of 2010 and 2011 US Attorney Physician Relationship Investigations payment

Note: Free Cash Flow is a Non-GAAP measure. Free cash flow is defined as cash flow from operations less income distributions to non-controlling interests and capital expenditures for routine maintenance and information technology

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FCF per share

1. Excludes the ~$269M after-tax impact of PRI payment

Note: Free Cash Flow per share & EPS are Non-GAAP measures. Free cash flow is defined as cash flow from operations less income distributions to non-controlling interests and capital expenditures for routine maintenance and information technology.
Bad news / good news

Bad news

• Rate risk
• HCP/International slow ramp
• Compliance risk

Good news

• Clinical excellence
• Stable demand & cash flow
• Market leadership
• Population health capability
• High potential platforms
EPS scenario

- Consolidated OI Growth 3% - 8%
  + Financial Leverage
- Net Income/EPS Growth 4% - 10%
  + Share Repurchase/Acq’s

EPS Growth 5% - 12%
Reconciliations for Non-GAAP Measures

Consolidated: Adjusted operating income excluding a pre-tax accrual of a loss contingency
(in millions)

We believe that adjusted operating income for the rolling twelve months excluding a pre-tax loss contingency enhances a user's understanding or our normal operating income for these periods by providing a measure that is meaningful because it excludes an unusual amount that was accrued for an estimated loss contingency related to the Vainer Private Civil Suit and also excludes an accrual related to the 2010 and 2011 U.S. Attorney Physician Relationship investigations and accordingly, is comparable to prior periods and indicative of consistent operating income. This measure is not a measure of financial performance under GAAP and should not be considered as an alternative to operating income.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income(loss)</td>
<td>$484</td>
<td>$438</td>
<td>$452</td>
<td>$ (64)</td>
<td>$1,310</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrual of a loss contingency</td>
<td></td>
<td>17</td>
<td></td>
<td>495</td>
<td>512</td>
</tr>
<tr>
<td>Total</td>
<td>$484</td>
<td>$455</td>
<td>$452</td>
<td>$431</td>
<td>$1,822</td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP Measures

Kidney Care Division: Schedule of rolling last twelve months revenue (in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 2,289</td>
<td>$ 2,365</td>
<td>$ 2,451</td>
<td>$ 2,367</td>
<td>$ 9,472</td>
</tr>
</tbody>
</table>

Kidney Care Division: Adjusted operating income excluding a pre-tax accrual of a loss contingency

We believe that adjusted operating income for the rolling twelve months and year ending December 31, 2014, excluding a pre-tax loss contingency enhances a user’s understanding or our normal operating income for these periods by providing a measure that is meaningful because it excludes an unusual amount that was accrued for an estimated loss contingency related to the Vainer Private Civil Suit and also excludes an accrual related to the 2010 and 2011 US Attorney Physician Relationship investigations and accordingly, is comparable to prior periods and indicative of consistent operating income. This measure is not a measure of financial performance under GAAP and should not be considered as an alternative to operating income.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income(loss)</td>
<td>$ 402</td>
<td>$ 391</td>
<td>$ 419</td>
<td>$ (124)</td>
<td>$ 1,088</td>
<td>$ 1,600</td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP Measures

Effective and Adjusted Income Tax Rates Attributable to DaVita HealthCare Partners Inc.

We believe that reporting the effective income tax rate attributable to DaVita HealthCare Partners Inc. as well as the adjusted effective income tax rate attributable to DaVita HealthCare Partners Inc., excluding an estimated loss contingency, enhances an investor’s understanding of DaVita HealthCare Partners Inc.’s effective income tax rate and DaVita HealthCare Partners Inc.’s adjusted effective income tax rate for the periods presented because it excludes noncontrolling owners’ income that primarily relates to non-tax paying entities and unusual amounts that include an estimated loss contingency related to the Vainer Private Civil Suit, and, therefore, is meaningful to an investor to fully understand the related income tax effects on DaVita HealthCare Partners Inc.’s operating results. These are not measures under GAAP and should not be considered as an alternative to the effective income tax rate calculated in accordance with GAAP.

($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three month ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2014</td>
<td>March 31, 2014</td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations before income taxes</td>
<td>$354,365</td>
<td>$336,588</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$103,977</td>
<td>$124,851</td>
<td></td>
</tr>
<tr>
<td>Effective income tax rate</td>
<td>29.3%</td>
<td>37.1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Three month ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2014</td>
<td>March 31, 2014</td>
<td></td>
</tr>
<tr>
<td>Effective income tax rate attributable to DaVita HealthCare Partners Inc.</td>
<td>33.3%</td>
<td>40.5%</td>
<td></td>
</tr>
</tbody>
</table>

Adjusted effective income tax rates attributable to DaVita HealthCare Partners Inc. excluding an estimated loss contingency:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss) income from continuing operations before income taxes</td>
<td>$(162,081)</td>
<td>495,000</td>
<td></td>
</tr>
<tr>
<td>Add: Estimated loss contingency</td>
<td></td>
<td>$332,919</td>
<td></td>
</tr>
<tr>
<td>Less: Noncontrolling owners’ income primarily attributable to non-tax paying entities</td>
<td>(34,536)</td>
<td>298,383</td>
<td></td>
</tr>
<tr>
<td>Adjusted income before income taxes attributable to DaVita HealthCare Partners Inc.</td>
<td>197,747</td>
<td>(67)</td>
<td></td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>197,747</td>
<td>(67)</td>
<td></td>
</tr>
<tr>
<td>Adjusted income tax attributable to DaVita HealthCare Partners Inc.</td>
<td>$111,747</td>
<td>31.5%</td>
<td></td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP Measures

Consolidated: Rolling last twelve months operating cash flow
(in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>$262</td>
<td>$848</td>
<td>$(70)</td>
<td>$410</td>
<td>$1,450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>$419</td>
<td>$262</td>
<td>$848</td>
<td>$(70)</td>
<td>$1,459</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>$307</td>
<td>$733</td>
<td>$354</td>
<td>$419</td>
<td>$1,813</td>
</tr>
</tbody>
</table>
## Consolidated: Rolling last twelve months revenue
(in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 3,172</td>
<td>$ 3,252</td>
<td>$ 3,328</td>
<td>$ 3,288</td>
<td>$ 13,040</td>
</tr>
</tbody>
</table>

*Reconciliations for Non-GAAP Measures*
Reconciliations for Non-GAAP Measures

We believe that operating income excluding Medicare lab recoveries related to prior years’ services, gains from insurance settlements, the valuation gain on the Product Supply Agreement, a contingent earn-out obligation adjustment, a loss contingency reserve, legal settlement and related expenses, transaction expenses associated with the acquisition of HCP, an adjustment to reduce a tax asset associated with the HCP acquisition escrow provisions and noncontrolling interests enhances a user’s understanding of our operating income for these periods by providing a measure that is more meaningful because it excludes Medicare lab recoveries related to prior years’ services, insurance settlement gains related to insurance proceeds from Hurricane Katrina and from a fire that destroyed one of our centers, a non-recurring non-cash item that resulted from the termination of our purchase obligation for dialysis machines from Gambro Renal Products Inc. under the Product Supply Agreement, an adjustment for HCP’s contingent earn-out obligation, a loss contingency reserve related to the 2010 and 2011 US Attorney Physician Relationship Investigations, an unusual charge for a legal settlement that was reached to settle federal program claims relating to our historical Epogen practices, an unusual amount of transaction expenses associated with the acquisition of HCP, an adjustment to reduce a tax asset associated with the HCP acquisition escrow provisions and noncontrolling interests that were originally deducted from operating income, and accordingly is more comparable to prior periods as originally reported and indicative of consistent operating income. This measure is not a measure of financial performance under GAAP and should not be considered as an alternative to operating income.

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>2003(1)(2)</th>
<th>2004(2)</th>
<th>2005(2)</th>
<th>2006(2)</th>
<th>2007(2)</th>
<th>2008(2)</th>
<th>2009(2)</th>
<th>2010</th>
<th>2011(2)</th>
<th>2012(2)</th>
<th>2013(2)</th>
<th>2014</th>
<th>31-Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$ 386</td>
<td>$ 395</td>
<td>$ 489</td>
<td>$ 778</td>
<td>$ 909</td>
<td>$ 869</td>
<td>$ 940</td>
<td>$ 994</td>
<td>$ 1,155</td>
<td>$ 1,230</td>
<td>$ 1,550</td>
<td>$ 1,815</td>
<td>$ (64)</td>
</tr>
<tr>
<td>Less: Medicare lab recoveries related to prior years’ services</td>
<td>(24)</td>
<td>(8)</td>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on insurance settlements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation gain on the product supply agreement</td>
<td>(38)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent earn-out obligation adjustment</td>
<td>(57)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add: Loss contingency reserve and other legal settlements and expenses</td>
<td>86</td>
<td>397</td>
<td>17</td>
<td>495</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction expenses associated with the acquisition of HCP</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment to reduce a tax asset associated with HCP acquisition escrow provisions</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>(7)</td>
<td>(14)</td>
<td>(23)</td>
<td>(39)</td>
<td>(47)</td>
<td>(47)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 355 $ 373 $ 462 $ 701 $ 800 $ 822 $ 940 $ 994 $ 1,155 $ 1,347 $ 1,898 $ 1,832 $ 431</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) 2003 operating income is as originally reported and has not been adjusted for the required divestitures related to the Gambro acquisition.

(2) Operating income for 2004 excluding the operating income impact of the required divestitures related to the Gambro acquisition of $29 million and Medicare lab recoveries related to prior years’ services, would have been $402 million. In addition, the amounts from 2003 through 2009 have not been adjusted for the effects of the required divestitures in connection with DSI and HomeChoice Partners.

(3) Kidney Care results only

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Reconciliations for Non-GAAP Measures

Free Cash Flow and Free Cash Flow Per Share

Free cash flow represents net cash provided by operating activities less distributions to noncontrolling interests and capital expenditures for routine maintenance and information technology. We believe free cash flow and free cash flow per share is a useful adjunct to cash flow from operating activities and other measurements under GAAP, since free cash flow is a meaningful measure of our ability to fund acquisition and development activities and meet our debt service requirements. In addition, free cash flow and free cash flow per share excluding distributions to noncontrolling interests provides an investor with an understanding of free cash flows and free cash flow per share that are attributable to DaVita HealthCare Partners Inc. Free cash flow and free cash flow per share are not measures of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities, as an indicator of cash flows or as a measure of liquidity.

($ in millions, except per share)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$ 840</td>
<td>$ 1,180</td>
<td>$ 1,101</td>
<td>$ 1,773</td>
<td>$ 1,459</td>
</tr>
<tr>
<td>Less: Distributions to noncontrolling interests</td>
<td>(84)</td>
<td>(101)</td>
<td>(114)</td>
<td>(139)</td>
<td>(149)</td>
</tr>
<tr>
<td>Cash provided by operating activities attributable to DaVita HealthCare Partners Inc.</td>
<td>756</td>
<td>1,079</td>
<td>987</td>
<td>1,634</td>
<td>1,310</td>
</tr>
<tr>
<td>Less: Expenditures for routine maintenance and information technology</td>
<td>(156)</td>
<td>(224)</td>
<td>(272)</td>
<td>(268)</td>
<td>(265)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 600</td>
<td>$ 855</td>
<td>$ 715</td>
<td>$ 1,366</td>
<td>$ 1,045</td>
</tr>
<tr>
<td>Adjustment for the PRI payment</td>
<td></td>
<td></td>
<td></td>
<td>269</td>
<td></td>
</tr>
<tr>
<td>Diluted Weighted Average Shares Outstanding</td>
<td>206</td>
<td>193</td>
<td>196</td>
<td>215</td>
<td>217</td>
</tr>
<tr>
<td>Free Cash Flow per Share</td>
<td>$ 2.91</td>
<td>$ 4.43</td>
<td>$ 3.65</td>
<td>$ 6.36</td>
<td>$ 6.06</td>
</tr>
</tbody>
</table>

Operating cash flow
Payment in connection with the settlement of the 2010 and 2011 US Attorney Physician Relationship Investigation
Related tax benefit
Adjusted operating cash flow

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## Reconciliations for Non-GAAP Measures

### Schedule of diluted income from continuing operations per share

Diluted income from continuing operations per share attributable to DaVita HealthCare Partners Inc. excluding an accrual of an estimated loss contingency, debt refinancing charges, a contingent earn-out obligation adjustment, other legal settlement and related expenses and transaction expenses associated with the acquisition of HCP, net of related tax.

We believe that diluted income from continuing operations per share attributable to DaVita HealthCare Partners Inc. for these periods excluding a loss contingency, debt refinancing charges, a contingent earn-out obligation adjustment, other legal settlement and related expenses and transaction expenses associated with the acquisition of HCP, net of related tax, enhances a user’s understanding of our normal diluted income from continuing operations per share attributable to DaVita HealthCare Partners Inc. for these periods by providing a measure that is meaningful because it excludes unusual amounts related to an accrual of an estimated loss contingency regarding the Vainer private civil suit as well as the 2010 and 2011 US Attorney Physician Relationship Investigations, the debt refinancing charges that resulted from the refinancing of our Senior Secured Credit Facilities, as well as an amendment to our Credit Agreement, a legal settlement that we reached to settle federal program claims relating to our historical EPO practices and transaction expenses associated with the acquisition of HCP, and accordingly, is comparable to prior periods and indicative of consistent diluted income from continuing operations per share attributable to DaVita HealthCare Partners Inc. These measures are not measures of financial performance under United States generally accepted accounting principles (GAAP) and should not be considered as an alternative to income from continuing operations attributable to DaVita HealthCare Partners Inc. and diluted income from continuing operations per share attributable to DaVita HealthCare Partners Inc.

<table>
<thead>
<tr>
<th>Years ended</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.96</td>
<td>2.57</td>
<td>2.74</td>
<td>2.89</td>
<td>3.33</td>
</tr>
<tr>
<td>Add (less):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrual of an estimated loss contingency</td>
<td>0.00</td>
<td>0.00</td>
<td>1.18</td>
<td>0.05</td>
<td>0.00</td>
</tr>
<tr>
<td>Debt refinancing charges</td>
<td>0.22</td>
<td>0.03</td>
<td>0.03</td>
<td>0.26</td>
<td>0.00</td>
</tr>
<tr>
<td>Contingent earn-out obligation adjustment</td>
<td>0.26</td>
<td>0.00</td>
<td>(0.26)</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Other legal settlement and related expenses</td>
<td>0.00</td>
<td>0.00</td>
<td>0.26</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Transaction expenses associated with the acquisition of HCP</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.10</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.18</td>
<td>2.57</td>
<td>3.13</td>
<td>3.81</td>
<td>3.64</td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP measures

HCP: Schedule of rolling last twelve months revenue and operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net revenue</td>
<td>$ 887</td>
<td>$ 892</td>
<td>$ 882</td>
<td>$ 928</td>
<td>$ 3,589</td>
</tr>
<tr>
<td>Operating income</td>
<td>$ 82</td>
<td>$ 47</td>
<td>$ 33</td>
<td>$ 60</td>
<td>$ 222</td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP measures

HCP Schedule of rolling last twelve months total care dollars under management (in millions)

In California, as a result of our managed care administrative services agreements with hospitals, HCP does not assume the direct financial risk for institutional (hospital) services in most cases, but is responsible for managing the care dollars associated with both the professional (physician) and institutional services being provided for the Per Member Per Month (PMPM) fee attributable to both professional and institutional services. In cases where HCP does not assume the direct financial risk, HCP recognizes the surplus of institutional revenue less institutional expense as HCP net revenue. In addition to revenues recognized for financial reporting purposes, HCP measures its total care dollars under management, which includes the PMPM fee payable to third parties for institutional (hospital) services where HCP manages the care provided to its members by the hospitals and other institutions, which are not included in GAAP revenues. HCP uses total care dollars under management as a supplement to GAAP revenues as it allows HCP to measure profit margins on a comparable basis across both the global capitation model (where HCP assumes the full financial risk for all services, including institutional services) and the risk sharing models (where HCP operates under managed care administrative services agreements where HCP does not assume the full risk). HCP believes that presenting amounts in this manner is useful because it presents its operations on a unified basis without the complication caused by models that HCP has adopted in its California market as a result of various regulations related to the assumption of institutional risk. Total care dollars under management is not a measure of financial performance computed in accordance with GAAP and should not be considered in isolation or as a substitute for revenues calculated in accordance with GAAP. Total care dollars under management includes PMPM payments received from third parties that are recorded net of expenses in our accounting records. The following table reconciles total care dollars under management to medical revenues for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical revenues</td>
<td>$840</td>
<td>$879</td>
<td>$864</td>
<td>$913</td>
<td>$3,496</td>
</tr>
<tr>
<td>Less: Risk share revenue, net</td>
<td>(9)</td>
<td>(33)</td>
<td>(13)</td>
<td>(13)</td>
<td>(68)</td>
</tr>
<tr>
<td>Add: Institutional capitation amounts</td>
<td>294</td>
<td>301</td>
<td>314</td>
<td>333</td>
<td>1,242</td>
</tr>
<tr>
<td>Total care dollars under management</td>
<td>$1,125</td>
<td>$1,147</td>
<td>$1,165</td>
<td>$1,233</td>
<td>$4,670</td>
</tr>
</tbody>
</table>
HCP: Adjusted EBITDA

HCP uses Adjusted EBITDA and similar calculations as measures to assess operating and financial performance, including compliance with the financial covenants contained in its senior secured credit agreement. Adjusted EBITDA is defined as net income attributable to HCP before income taxes, net debt expense, depreciation and amortization, stock-based compensation, and any impairment charges. Adjusted EBITDA is not a measure of financial performance computed in accordance with GAAP and should not be considered in isolation or as a substitute for operating income, net income, cash flows from operations, or other statement of operations or cash flow data prepared in conformity with GAAP, or as measures of profitability or liquidity. In addition, the calculation of Adjusted EBITDA is susceptible to varying interpretations and calculation, and the amounts presented may not be comparable to similarly titled measures of other companies. Adjusted EBITDA may not be indicative of historical operating results, and HCP does not mean for it to be predictive of future results of operations or cash flows. Adjusted EBITDA reconciled to net income to HCP is as follows:

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Year ended December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$2</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>41</td>
</tr>
<tr>
<td>Debt expense</td>
<td>172</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>170</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>2</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
</tr>
<tr>
<td>Transaction related and other unusual expenses</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$387</td>
</tr>
</tbody>
</table>
Reconciliations for Non-GAAP measures

Kidney Care: Adjusted EBITDA

EBITDA is defined as operating income attributable to our Kidney Care Division before depreciation and amortization, equity-based compensation and further adjusted for a pre-tax estimated loss contingency accrual. We believe EBITDA provides information useful for evaluating our Kidney Care businesses and understanding our operating and financial performance in a manner similar to management. EBITDA is not a measure of operating performance computed in accordance with GAAP and should not be considered as a substitute for operating income, net income, cash flows from operations, or other statement of operations or cash flow data prepared in conformity with GAAP, or as measures of profitability or liquidity. In addition, EBITDA may not be comparable to similarly titled measures of other companies. EBITDA may not be indicative of historical operating results, and we do not mean for it to be predictive of future results of operations or cash flows.

($ in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (1)</td>
<td>$1,600</td>
</tr>
<tr>
<td>Estimated loss contingency accrual</td>
<td>17</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>$1,617</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>421</td>
</tr>
<tr>
<td>Equity-based compensation expense</td>
<td>54</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$2,092</td>
</tr>
</tbody>
</table>

(1) Represents adjusted operating income for our Kidney Care Division. See additional Non-GAAP reconciliations.

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