

<b>INCOME STATEMENT</b>	
<b>as of 12/31/12</b>	
	<b>ARA South Barrington</b>
<b>Revenue:</b>	
Net Dialysis Revenue	2,720,535
<b>Expenses:</b>	
Personell Costs	835,329
Medical Supplies	182,313
Ancillary Expense	527,711
Other Operating Expenses	592,317
Depreciation & Amortization	40,801
Interest Expense	0
<b>Total Operating Expense</b>	<b>2,178,470</b>
	=====
<b>Income from Operations</b>	
Other Expense	0
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<b>Net Income</b>	<b>542,065</b>
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<b>BALANCE SHEET</b>	<b>ARA South Barrington</b>
<b>as of 12/31/12</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	146,298
Patient A/R Net Allowance	684,253
Other Accts Recvble	8,641
Inventory	16,266
Prepaid Expenses	10,966
<b>Total Current Assets</b>	<b>866,424</b>
<b>Total Fixed Assets</b>	<b>114,604</b>
<b>Other Assets</b>	<b>8,704</b>
<b>TOTAL ASSETS</b>	<b>989,732</b>
	=====
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	179,801
Other Current Liabilities	21,961
Accrued Expenses	137,223
Current Portion of LT Debt	0
Due to/from Affiliates	(134,747)
<b>Total Current Liabilities</b>	<b>204,238</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	0
Deferred Rent	0
<b>Total Long Term Liabilities</b>	<b>0</b>
<b>Total Liabilities</b>	<b>204,238</b>
	=====
<b>Equity</b>	
<b>ARA Equity</b>	
ARA Draws	(1,179,330)
ARA Investment	63,878
<b>Total ARA Equity</b>	<b>(1,115,452)</b>
<b>Partner One Equity</b>	
Partner One Draws	(1,133,082)
Partner One Investment	61,373
<b>Total Partner One Equity</b>	<b>(1,071,709)</b>
Retained Earnings	2,430,590
Net Income	542,065
<b>Total Equity</b>	<b>785,494</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>989,732</b>
	=====

<b>INCOME STATEMENT</b>	
<b>as of 12/31/09</b>	
	<b>ARA South Barrington</b>
<b>Revenue:</b>	
Net Dialysis Revenue	2,129,236
<b>Expenses:</b>	
Personell Costs	720,977
Medical Supplies	163,913
Ancillary Expense	445,365
Other Operating Expenses	516,658
Depreciation & Amortization	113,074
Interest Expense	13,480
<b>Total Operating Expense</b>	<b>1,973,467</b>
	=====
<b>Income from Operations</b>	
Other Expense	825
<b>Net Income</b>	<b>156,593</b>
	=====

<b>ARA South Barrington</b>	
<b>BALANCE SHEET</b>	
as of 12/31/09	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	48,656
Patient A/R Net Allowance	602,027
Other Accts Recvble	5,295
Inventory	16,266
Prepaid Expenses	10,966
<b>Total Current Assets</b>	<b>683,210</b>
<b>Total Fixed Assets</b>	<b>269,618</b>
<b>Other Assets</b>	<b>8,704</b>
<b>TOTAL ASSETS</b>	<b>961,532</b>
=====	
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	158,422
Other Current Liabilities	21,961
Accrued Expenses	137,223
Current Portion of LT Debt	85,228
Due to/from Affiliates	(114,347)
<b>Total Current Liabilities</b>	<b>288,487</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	
Deferred Rent	50,150
<b>Total Long Term Liabilities</b>	<b>50,150</b>
<b>Total Liabilities</b>	<b>338,637</b>
=====	
<b>Equity</b>	
<b>ARA Equity</b>	
ARA Draws	(510,000)
ARA Investment	63,878
<b>Total ARA Equity</b>	<b>(446,123)</b>
<b>Partner One Equity</b>	
Partner One Draws	(490,000)
Partner One Investment	61,373
<b>Total Partner One Equity</b>	<b>(428,628)</b>
Retained Earnings	1,341,052
Net Income	156,593
<b>Total Equity</b>	<b>622,894</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>961,532</b>
=====	

<b>INCOME STATEMENT</b>	
<b>as of 12/31/08</b>	
	<b>ARA South Barrington</b>
<b>Revenue:</b>	
Net Dialysis Revenue	2,476,171
<b>Expenses:</b>	
Personell Costs	740,317
Medical Supplies	208,287
Ancillary Expense	371,483
Other Operating Expenses	549,553
Depreciation & Amortization	110,118
Interest Expense	24,881
<b>Total Operating Expense</b>	<b>2,004,639</b>
	=====
<b>Income from Operations</b>	<b>471,532</b>
Other Expense	2,823
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<b>Net Income</b>	<b>469,807</b>
	=====

BALANCE SHEET	ARA South Barrington
as of 12/31/08	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	150,847
Patient A/R Net Allowance	535,777
Other Accts Recvble	6,702
Inventory	23,119
Prepaid Expenses	8,832
<b>Total Current Assets</b>	<b>725,277</b>
<b>Total Fixed Assets</b>	<b>362,505</b>
<b>Other Assets</b>	<b>7518</b>
<b>TOTAL ASSETS</b>	<b>1,095,300</b>
	=====
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	158,010
Other Current Liabilities	22,300
Accrued Expenses	157,138
Current Portion of LT Debt	161,333
Due to/from Affiliates	(315,361)
<b>Total Current Liabilities</b>	<b>183,420</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	85,228
Deferred Rent	60,350
<b>Total Long Term Liabilities</b>	<b>145,578</b>
<b>Total Liabilities</b>	<b>328,998</b>
	=====
<b>Equity</b>	
<b>ARA Equity</b>	
ARA Draws	(357,000)
ARA Investment	63,878
<b>Total ARA Equity</b>	<b>(293,123)</b>
<b>Partner One Equity</b>	
Partner One Draws	(343,000)
Partner One Investment	61,373
<b>Total Partner One Equity</b>	<b>(261,628)</b>
Retained Earnings	871,245
Net Income	469,807
<b>Total Equity</b>	<b>766,302</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,095,300</b>
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<b>INCOME STATEMENT</b>	
as of 12/31/07	
	<b>ARA South Barrington</b>
<b>Revenue:</b>	
Net Dialysis Revenue	2,346,638
<b>Expenses:</b>	
Personell Costs	651,982
Medical Supplies	147,825
Ancillary Expense	342,921
Other Operating Expenses	502,371
Depreciation & Amortization	108,884
Interest Expense	41,180
<b>Total Operating Expense</b>	<b>1,795,162</b>
	=====
<b>Income from Operations</b>	<b>551,476</b>
Other Expense	4,443
	=====
<b>Net Income</b>	<b>547,951</b>
	=====

<b>BALANCE SHEET</b>	<b>ARA South Barrington</b>
<b>as of 12/31/07</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	72,756
Patient A/R Net Allowance	623,053
Other Accts Recvble	7,019
Inventory	61,781
Prepaid Expenses	8,598
<b>Total Current Assets</b>	<b>773,207</b>
<b>Total Fixed Assets</b>	<b>462,674</b>
<b>Other Assets</b>	<b>7,518</b>
<b>TOTAL ASSETS</b>	<b>1,243,399</b>
	=====
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	157,569
Other Current Liabilities	36,715
Accrued Expenses	145,523
Current Portion of LT Debt	149,891
Due to/from Affiliates	(159,905)
<b>Total Current Liabilities</b>	<b>329,793</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	246,562
Deferred Rent	70,550
<b>Total Long Term Liabilities</b>	<b>317,112</b>
<b>Total Liabilities</b>	<b>646,904</b>
	=====
<b>Equity</b>	
<b>ARA Equity</b>	
ARA Draws	(204,000)
ARA Investment	63,878
<b>Total ARA Equity</b>	<b>(140,123)</b>
<b>Partner One Equity</b>	
Partner One Draws	(196,000)
Partner One Investment	61,373
<b>Total Partner One Equity</b>	<b>(134,628)</b>
Retained Earnings	323,294
Net Income	547,951
<b>Total Equity</b>	<b>596,495</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,243,399</b>
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**INCOME STATEMENT**  
pro forma

**ARA NW Chicago, LLC**

<b>Revenue:</b>	
Net Dialysis Revenue	5,272,920
<b>Expenses:</b>	
Personell Costs	1,587,281
Medical Supplies	401,551
Ancillary Expense	902,533
Other Operating Expenses	1,120,241
Depreciation & Amortization	92,247
Interest Expense	232
<b>Total Operating Expense</b>	<u>4,104,084</u>
	=====
<b>Income from Operations</b>	
Other Expense	0
<b>Net Income</b>	<u>1,168,836</u>
	=====

**BALANCE SHEET**  
pro forma

**Assets**

**Current Assets**

Cash	299,912
Patient A/R Net Allowance	1,500,478
Other Accts Recvble	11,987
Inventory	30,027
Prepaid Expenses	17,872

**Total Current Assets** 1,860,276

**Total Fixed Assets** 250,385

**Other Assets** 15,284

**TOTAL ASSETS** 2,125,945  
=====

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Trade Accounts Payable	331,317
Other Current Liabilities	108,920
Accrued Expenses	202,377
Current Portion of LT Debt	0
Due to/from Affiliates	32,743

**Total Current Liabilities** 685,357

**Long Term Liabilities**

Long-Term Debt	0
Deferred Rent	0

**Total Long Term Liabilities** 0

**Total Liabilities** 673,969  
=====

**Equity**

ARA Equity	
ARA Draws	(3,860,609)
ARA Investment	127,628
<b>Total ARA Equity</b>	<b>(3,732,981)</b>

Partner One Equity	
Partner One Draws	(3,709,213)
Partner One Investment	122,623
<b>Total Partner One Equity</b>	<b>(3,586,590)</b>

Retained Earnings	7,602,711
Net Income	1,168,836

**Total Equity** 1,451,976

**TOTAL LIABILITIES & EQUITY** 2,125,945  
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<b>INCOME STATEMENT</b>	
<b>as of 12/31/09</b>	
	<b>ARA NW Chicago, LLC</b>
<b>Revenue:</b>	
Net Dialysis Revenue	4,523,028
<b>Expenses:</b>	
Personell Costs	1,422,975
Medical Supplies	367,211
Ancillary Expense	798,047
Other Operating Expenses	1,013,886
Depreciation & Amortization	223,401
Interest Expense	29,580
<b>Total Operating Expense</b>	<b>3,855,100</b>
	=====
<b>Income from Operations</b>	
Other Expense	8,168
<b>Net Income</b>	<b>676,095</b>

BALANCE SHEET	ARA NW Chicago, LLC
as of 12/31/09	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	112,803
Patient A/R Net Allowance	1,337,904
Other Accts Recvble	8,641
Inventory	30,027
Prepaid Expenses	17,872
<b>Total Current Assets</b>	<b>1,507,247</b>
<b>Total Fixed Assets</b>	<b>570,305</b>
<b>Other Assets</b>	<b>15,284</b>
<b>TOTAL ASSETS</b>	<b>2,092,836</b>
	=====
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	290,044
Other Current Liabilities	108,920
Accrued Expenses	202,377
Current Portion of LT Debt	202,911
Due to/from Affiliates	64,394
<b>Total Current Liabilities</b>	<b>868,346</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	
Deferred Rent	68,637
<b>Total Long Term Liabilities</b>	<b>68,637</b>
<b>Total Liabilities</b>	<b>937,283</b>
	=====
<b>Equity</b>	
ARA Equity	
ARA Draws	(2,371,500)
ARA Investment	127,628
<b>Total ARA Equity</b>	<b>(2,243,873)</b>
Partner One Equity	
Partner One Draws	(2,278,500)
Partner One Investment	122,623
<b>Total Partner One Equity</b>	<b>(2,155,878)</b>
Retained Earnings	4,879,208
Net Income	676,095
<b>Total Equity</b>	<b>1,155,552</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,092,836</b>
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**INCOME STATEMENT**  
as of 12/31/08

**ARA NW Chicago, LLC**

<b>Revenue:</b>	
Net Dialysis Revenue	5,148,991
<b>Expenses:</b>	
Personell Costs	1,398,116
Medical Supplies	389,483
Ancillary Expense	760,500
Other Operating Expenses	1,077,282
Depreciation & Amortization	220,069
Interest Expense	52,566
	<hr/>
<b>Total Operating Expense</b>	<b>3,898,016</b>
	<hr/>
<b>Income from Operations</b>	<b>1,250,975</b>
Other Expense	6,718
	<hr/>
<b>Net Income</b>	<b>1,245,809</b>
	<hr/> <hr/>

**BALANCE SHEET**  
as of 12/31/08

ARA NW Chicago, LLC

**Assets**

**Current Assets**

Cash	713,676
Patient A/R Net Allowance	1,063,320
Other Accts Recvble	13,464
Inventory	41,311
Prepaid Expenses	13,605

**Total Current Assets** 1,845,377

**Total Fixed Assets** 769,952

**Other Assets** 14,098

**TOTAL ASSETS** 2,629,427

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Trade Accounts Payable	328,963
Other Current Liabilities	96,267
Accrued Expenses	241,299
Current Portion of LT Debt	327,315
Due to/from Affiliates	(151,067)

**Total Current Liabilities** 842,777

**Long Term Liabilities**

Long-Term Debt	202,911
Deferred Rent	82,597

**Total Long Term Liabilities** 285,508

**Total Liabilities** 1,128,285

**Equity**

ARA Equity	
ARA Draws	(1,861,500)
ARA Investment	127,628
<b>Total ARA Equity</b>	<u>(1,733,873)</u>

**Partner One Equity**

Partner One Draws	(1,788,500)
Partner One Investment	122,623
<b>Total Partner One Equity</b>	<u>(1,645,878)</u>

Retained Earnings	3,655,083
Net Income	1,245,809

**Total Equity** 1,501,142

**TOTAL LIABILITIES & EQUITY** 2,629,427

**INCOME STATEMENT**  
as of 12/31/07

**ARA NW Chicago, LLC**

<b>Revenue:</b>	
Net Dialysis Revenue	5,585,523
<b>Expenses:</b>	0
Personell Costs	1,324,576
Medical Supplies	322,366
Ancillary Expense	795,593
Other Operating Expenses	1,063,324
Depreciation & Amortization	216,484
Interest Expense	80,250
<b>Total Operating Expense</b>	<b>3,802,613</b>
	=====
	0
<b>Income from Operations</b>	<b>1,782,910</b>
Other Expenso	14,269
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<b>Net income</b>	<b>1,769,767</b>
	=====

**BALANCE SHEET**  
as of 12/31/07

**ARA NW Chicago, LLC**

**Assets**

<b>Current Assets</b>	
Cash	417,546
Patient A/R Net Allowance	1,522,283
Other Accts Recvble	16,867
Inventory	147,299
Prepaid Expenses	13,371
<b>Total Current Assets</b>	<b>2,117,368</b>
<b>Total Fixed Assets</b>	<b>971,445</b>
	0
<b>Other Assets</b>	<b>14,098</b>
<b>TOTAL ASSETS</b>	<b>3,102,910</b>

**LIABILITIES & EQUITY**

**Liabilities**

<b>Current Liabilities</b>	
Trade Accounts Payable	385,466
Other Current Liabilities	101,324
Accrued Expenses	227,413
Current Portion of LT Debt	304,009
Due to/from Affiliates	(76,706)
<b>Total Current Liabilities</b>	<b>841,506</b>
	0
<b>Long Term Liabilities</b>	<b>0</b>
Long-Term Debt	530,227
Deferred Rent	96,557
<b>Total Long Term Liabilities</b>	<b>626,784</b>
	0
<b>Total Liabilities</b>	<b>1,568,289</b>
<b>Equity</b>	<b>0</b>
<b>ARA Equity</b>	<b>0</b>
ARA Equity	0
ARA Draws	(1,198,500)
ARA Investment	127,628
<b>Total ARA Equity</b>	<b>(1,070,873)</b>
<b>Partner One Equity</b>	<b>0</b>
Partner One Equity	0
Partner One Draws	(1,151,500)
Partner One Investment	122,623
<b>Total Partner One Equity</b>	<b>(1,028,878)</b>
	0
Retained Earnings	1,864,604
Net Income	1,769,767
<b>Total Equity</b>	<b>1,534,622</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,102,910</b>



<b>PRO FORMA INCOME STATEMENT</b>	
<b>as of 12/31/12</b>	
	<b>Amer. Renal Associates, LLC</b>
<b>Revenue:</b>	
Management Fees Revenue	18,869,875
<b>Expenses:</b>	
Personnel Costs	11,687,580
Medical Supplies	0
Ancillary Expense	0
Other Operating Expenses	5,936,176
Depreciation & Amortization	789,933
Interest Expense	11,138,138
<b>Total Operating Expense</b>	<b>29,551,827</b>
	=====
<b>Income from Operations</b>	<b>(10,681,952)</b>
Other Expense	(12,765,840)
	=====
<b>Net Income</b>	<b>(23,447,792)</b>
	=====

<b>PRO FORMA BALANCE SHEET</b>	<b>Amer. Renal Associates, LLC</b>	
<b>as of 12/31/12</b>		
<b>Assets</b>		
<b>Current Assets</b>		
Cash	11,498,235	
Patient A/R Net Allowance	0	
Other Accts Recvble	1,681,150	
Inventory	0	
Prepaid Expenses	(306,468)	
Short Term Notes Receivable	822,294	
<b>Total Current Assets</b>	<b>13,695,211</b>	
<b>Total Fixed Assets</b>	<b>1,183,816</b>	
<b>Other Assets</b>	<b>(62,377,334)</b>	
<b>TOTAL ASSETS</b>	<b>(47,498,308)</b>	
=====		
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade Accounts Payable	289,453	
Other Current Liabilities	(6,376,928)	
Accrued Expenses	10,455,245	
Current Portion of LT Debt	2,399,559	
Due to/from Affiliates	(8,815,265)	
<b>Total Current Liabilities</b>	<b>(2,047,936)</b>	
<b>Long Term Liabilities</b>		
Long-Term Debt	28,129,293	
Other Liabilities	84,972,194	
<b>Total Long Term Liabilities</b>	<b>113,101,487</b>	
<b>Total Liabilities</b>	<b>111,053,551</b>	
=====		
<b>Equity</b>		
Stock	(1,054,008)	
Addtl. Paid in Capital	93,481,983	
Retained Earnings	(227,532,042)	
Net Income	(23,447,792)	
<b>Total Equity</b>	<b>(158,551,859)</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>(47,498,308)</b>	
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<b>INCOME STATEMENT</b>	
<b>as of 12/31/09</b>	
	<b>Amer. Renal Associates, LLC</b>
<b>Revenue:</b>	
Management Fees Revenue	14,516,765
<b>Expenses:</b>	
Personnel Costs	11,107,307
Medical Supplies	0
Ancillary Expense	0
Other Operating Expenses	6,271,410
Depreciation & Amortization	882,280
Interest Expense	10,302,893
<b>Total Operating Expense</b>	<b>28,563,890</b>
	=====
<b>Income from Operations</b>	<b>(14,047,125)</b>
Other Expense	(10,264,978)
<b>Net Income</b>	<b>(24,312,103)</b>
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<b>Amer. Renal Associates, LLC--2009</b>	
<b>BALANCE SHEET</b>	
as of 12/31/09	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	11,119,870
Patient A/R Net Allowance	0
Other Accts Recvble	1,389,380
Inventory	0
Prepaid Expenses	(255,390)
Short Term Notes Receivable	1,174,705
<b>Total Current Assets</b>	<b>13,428,565</b>
<b>Total Fixed Assets</b>	<b>3,596,359</b>
<b>Other Assets</b>	<b>(62,377,334)</b>
<b>TOTAL ASSETS</b>	<b>(45,352,410)</b>
=====	
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	154,593
Other Current Liabilities	(8,746,188)
Accrued Expenses	14,936,064
Current Portion of LT Debt	2,399,559
Due to/from Affiliates	(12,593,236)
<b>Total Current Liabilities</b>	<b>(3,849,208)</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	40,184,704
Other Liabilities	62,942,366
<b>Total Long Term Liabilities</b>	<b>103,127,070</b>
<b>Total Liabilities</b>	<b>99,277,862</b>
=====	
<b>Equity</b>	
Stock	(1,054,008)
Addtl. Paid in Capital	84,372,269
Retained Earnings	(203,636,430)
Net Income	(24,312,103)
<b>Total Equity</b>	<b>144,630,272</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>45,362,410</b>
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**INCOME STATEMENT**  
as of 12/31/08

**Amer. Renal Associates, LLC**

<b>Revenue:</b>	
Management Fees Revenue	11,531,369
<b>Expenses:</b>	
Personnel Costs	8,977,457
Medical Supplies	0
Ancillary Expense	0
Other Operating Expenses	4,240,885
Depreciation & Amortization	913,398
Interest Expense	10,121,479
	-----
<b>Total Operating Expense</b>	<b>24,253,219</b>
	=====
<b>Income from Operations</b>	<b>(12,721,850)</b>
Other Expense	(6,830,386)
	-----
<b>Net Income</b>	<b>(19,552,236)</b>
	=====

Amer. Renal Associates, LLC--2008  
**BALANCE SHEET**  
as of 12/31/08

**Assets**

**Current Assets**

Cash	11,743,560
Patient A/R Net Allowance	0
Other Accts Recvble	1,100,718
Inventory	0
Prepaid Expenses	(18,297)

**Total Current Assets** 12,825,981

**Total Fixed Assets** 4,033,472

**Other Assets** (46,580,435)

**TOTAL ASSETS** (29,720,982)  
=====

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Trade Accounts Payable	397,982
Other Current Liabilities	(7,147,588)
Accrued Expenses	9,657,893
Current Portion of LT Debt	2,398,241
Due to/from Affiliates	(11,350,038)

**Total Current Liabilities** (6,043,510)

**Long Term Liabilities**

Long-Term Debt	42,584,264
Other Liabilities	55,256,625

**Total Long Term Liabilities** 97,840,889

**Total Liabilities** 91,797,379  
=====

**Equity**

Stock	(780,500)
Addl. Paid in Capital	74,216,029
Other Comprehensive Income	(200,077)
Retained Earnings	(175,201,576)
Net Income	(19,552,237)

**Total Equity** (121,518,361)

**TOTAL LIABILITIES & EQUITY** (29,720,982)  
=====

<b>INCOME STATEMENT</b>	
<b>as of 12/31/07</b>	
	<b>Amer. Renal Associates, LLC</b>
<b>Revenue:</b>	
Management Fees Revenue	9,169,929
<b>Expenses:</b>	
Personnel Costs	7,859,834
Medical Supplies	0
Ancillary Expense	0
Other Operating Expenses	2,821,172
Depreciation & Amortization	969,021
Interest Expense	10,550,913
	-----
<b>Total Operating Expense</b>	<b>22,200,940</b>
	=====
<b>Income from Operations</b>	<b>(13,031,011)</b>
Other Expense	(5,017,611)
	-----
<b>Net Income</b>	<b>(18,048,622)</b>
	=====

<b>BALANCE SHEET</b>	
as of 12/31/07	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	7,628,692
Patient A/R Net Allowance	0
Other Accts Recvble	881,505
Inventory	0
Prepaid Expenses	31,402
<b>Total Current Assets</b>	<b>8,541,599</b>
<b>Total Fixed Assets</b>	<b>4,665,410</b>
<b>Other Assets</b>	<b>(22,421,553)</b>
<b>TOTAL ASSETS</b>	<b>(9,214,544)</b>
=====	
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Accounts Payable	409,008
Other Current Liabilities	(3,918,064)
Accrued Expenses	8,311,116
Current Portion of LT Debt	2,397,011
Due to/from Affiliates	(6,130,033)
<b>Total Current Liabilities</b>	<b>1,069,038</b>
<b>Long Term Liabilities</b>	
Long-Term Debt	44,387,504
Other Liabilities	47,905,005
<b>Total Long Term Liabilities</b>	<b>92,292,509</b>
<b>Total Liabilities</b>	<b>93,361,547</b>
=====	
<b>Equity</b>	
Stock	2,617
Addtl. Paid in Capital	67,625,004
Other Comprehensive Income	(200,077)
Retained Earnings	(151,955,014)
Net Income	(18,048,621)
<b>Total Equity</b>	<b>(102,576,091)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>(9,214,544)</b>
=====	



ARA South Barrington--2007					
Current Ratio :	Current Assets/Current Liabilities				
	(773,207/329,793)		2.34		1.5
Net Margin % or Net Excess Margin:	(Net Income/Net Operating Revenue)*100%				
	(547,951/(2,346,638)*100%)		23.4%		3.5%
Percent Debt to Total Capitalization:	Long Term debt/((Long Term Debt+cash)*100%)				
	246,562/(246,562+72,756)*100%		77%		80%
Projected Debt Service Coverage:	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest				
	(947,951+108,884+41,180)/(14512*30)		1.60		1.75
Days Cash on Hand:	cash/((operating expenses -depreciation expense)/365)				
	72,756/((1,795,162-108,884)/365)		15.75		45
Cushion Ratio:	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service				
	72,756/174,144		0.42		3

ARA South Barrington--2008	
Current Ratio :	Current Assets/Current Liabilities
	(725,277/183,420)
	3.95
	1.5
Net Margin % or Net Excess Margin:	(Net Income/Net Operating Revenue)*100%
	(469,807/2,476,171)*100%
	19.0%
	3.5%
Percent Debt to Total Capitalization:	Long Term debt/((Long Term Debt+cash)*100%)
	85,228/(85,228+150,847)*100%
	36%
	80%
Projected Debt Service Coverage:	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest
	(469,807+110,118+24,881)/(14512*18)
	2.39
	1.75
Days Cash on Hand:	cash/((operating expenses -depreciation expense)/365)
	150,847/((2,004,639-110,118)/365)
	29.06
	45
Cushion Ratio:	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service
	150,847/174,144
	0.87
	3

ARA South Barrington--2009					
Current Ratio:	Current Assets/Current Liabilities				
	(683,210/288,487)		2.37		1.5
Net Margin % or Net Excess Margin:	(Net Income/Net Operating Revenue)*100%				
	(156,593/1,973,467)*100%		7.9%		3.5%
Percent Debt to Total Capitalization:	Long Term debt/((Long Term Debt+cash)*100%)				
	N/A		N/A		80%
Projected Debt Service Coverage:	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest				
	N/A		2.39		1.75
Days Cash on Hand:	cash/((operating expenses -depreciation expense)/365)				
	48,656/((1,973,467-113,074)/365)		9.55		45
Cushion Ratio:	(Cash and Investments+ Board Designated Funds)/Max Annual Debt Service				
	48,656/87072		0.56		3

ARA South Barrington--2012				
Current Ratio :	Current Assets/Current Liabilities			
	(866,424/204,238)		4.24	1.5
Net Margin % or Net Excess Margin:	(Net Income/Net Operating Revenue)*100%			
	(542,065/2,720,535)*100%		19.9%	3.5%
Percent Debt to Total Capitalization:	Long Term debt/((Long Term Debt+cash)*100%)			
	N/A		N/A	80%
Projected Debt Service Coverage:	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest			
	N/A		2.39	1.75
Days Cash on Hand:	cash/((operating expenses -depreciation expense)/365)			
	146,298/((2,178,470-40,801)/365)		24.98	45
Cushion Ratio:	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service			
	N/A		N/A	3

ARA NW Chicago, LLC - pro forma					
<b>Current Ratio :</b>	Current Assets/Current Liabilities				
	(1,860,276/685,357)		2.71		1.5
<b>Net Margin % or Net Excess Margin:</b>	(Net Income/Net Operating Revenue)*100%				
	(1,168,836/5,272,920)*100%		22.2%		3.5%
<b>Percent Debt to Total Capitalization:</b>	Long Term debt/((Long Term Debt+cash)*100)				
	N/A		N/A		80%
<b>Projected Debt Service Coverage:</b>	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest				
	N/A		N/A		1.75
<b>Days Cash on Hand:</b>	cash/((operating expenses -depreciation expense)/365)				
	299,912/((4,104,084,92,247)/365)		27.29		45
<b>Cushion Ratio:</b>	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service				
	N/A		N/A		3

ARA NW Chicago, LLC--2009				
<b>Current Ratio :</b>	Current Assets/Current Liabilities			
	(1,507,247/868,346)		1.74	1.5
<b>Net Margin % or Net Excess Margin:</b>	(Net Income/Net Operating Revenue)*100%			
	(676,095/4,523,028)*100%		14.9%	3.5%
<b>Percent Debt to Total Capitalization:</b>	Long Term debt/((Long Term Debt+cash)*100)			
	N/A		N/A	80%
<b>Projected Debt Service Coverage:</b>	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest			
	(676,095+223,401+29,580)/((15125*8)+(14512*6))		4.47	1.75
<b>Days Cash on Hand:</b>	cash/((operating expenses -depreciation expense)/365)			
	112,803/((3,855,100-223,401)/365)		11.34	45
<b>Cushion Ratio:</b>	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service			
	(112,803)/208,072		0.54	3

ARA NW Chicago, LLC--2008

<b>Current Ratio :</b>	Current Assets/Current Liabilities (1,845,377/842,777)	2.19	1.5
<b>Net Margin % or Net Excess Margin:</b>	(Net Income/Net Operating Revenue)*100% (1,245,809/5,148,991)*100%	24.2%	3.5%
<b>Percent Debt to Total Capitalization:</b>	Long Term debt/((Long Term Debt+cash)*100) 202,911/((202,911+713,676)*100)	22%	80%
<b>Projected Debt Service Coverage:</b>	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest (1,245,809+220,069+52,566)/((15,125*20)+(14,512*18)	2.69	1.75
<b>Days Cash on Hand:</b>	cash/((operating expenses -depreciation expense)/365) 713,676/((3,898,016-220,069)/365)	71	45
<b>Cushion Ratio:</b>	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service (713,676)/355,644	1.17	3

Current Ratio :  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$   
 $\frac{2,117,368}{941,506}$  2.25 1.5

Net Margin % or Net Excess Margin:  $\frac{\text{Net Income/Net Operating Revenue} * 100\%}{(1,769,767 / 5,585,523) * 100\%}$  31.7% 3.5

Percent Debt to Total Capitalization:  $\frac{\text{Long Term Debt} / ((\text{Long Term Debt} + \text{cash}) * 100)}{530,227 / ((530,227 + 417,546) * 100)}$  56% 80%

Projected Debt Service Coverage:  $\frac{\text{Net Income} + \text{Depreciation} + \text{Interest} + \text{Amortization}}{(\text{Principal} + \text{Interest})}$   
 $\frac{(1769767 + 216484 + 80250)}{((15125 * 32) + (14512 * 30))}$  2.25 1.75

Days Cash on Hand:  $\frac{\text{cash}}{((\text{operating expenses} - \text{depreciation expense}) / 365)}$   
 $\frac{417,546}{((3,802,613 - 216,484) / 365)}$  42.50 45

Cushion Ratio:  $\frac{\text{Cash and investments} + \text{Board Designated Funds}}{\text{Max Annual Debt Service}}$   
 $\frac{(417,546) + 355,644}{1.17}$  1.17 3



Amer. Renal Associates, LLC--pro forma					
Current Ratio :	Current Assets/Current Liabilities				
	13,695,211/-2,047,936		-6.69		1.5
Net Margin % or Net Excess Margin:	(Net Income/Net Operating Revenue)*100%				
	(-23,447,792/18,869,875)*100%		-124.3%		3.5%
Percent Debt to Total Capitalization:	Long Term debt/((Long Term Debt+cash)*100%)				
	28,129,293/(28,129,293+11,498,235)*100%		85%		80%
Projected Debt Service Coverage:	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest				
	(-23,447,792+789,933)/5,363,939		-4.22		1.75
Days Cash on Hand:	cash/((operating expenses -depreciation expense)/365)				
	11,498,235/((29,551,827-789,933)/365)		145.92		45
Cushion Ratio:	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service				
	11,498,235/5,363,939		2.14		3

<b>Amer. Renal Associates, LLC--2009</b>					
<b>Current Ratio :</b>	Current Assets/Current Liabilities				
	13,428,565/-3,849,208		-3.49		1.5
<b>Net Margin % or Net Excess Margin:</b>	(Net Income/Net Operating Revenue)*100%				
	(-24,312,103/14,516,765)*100%		(167.48%)		3.5%
<b>Percent Debt to Total Capitalization:</b>	Long Term debt/((Long Term Debt+cash)*100%)				
	28,129,293/(28,129,293+11,498,325)*100%		71%		80%
<b>Projected Debt Service Coverage:</b>	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest				
	(-24,312,103+882,280)/4,930,798		-4.75		1.75
<b>Days Cash on Hand:</b>	cash/((operating expenses -depreciation expense)/365)				
	11,119,870/((28,563,890-882,280)/365)		146.62		45
<b>Cushion Ratio:</b>	(Cash and investments+Board Designated Funds)/Max Annual Debt Service				
	11,119,870/4,930,798		2.26		3

Amer. Renal Associates, LLC--2008

Current Ratio : Current Assets/Current Liabilities	(2.12)	1.5
12,825,981/-6,043,510		
Net Margin % or Net Excess Margin: (Net Income/Net Operating Revenue)*100%	-169.6%	3.5%
(-19,552,236/11,531,369)*100%		
Percent Debt to Total Capitalization: Long Term debt/((Long Term Debt+cash)*100%)	78%	80%
42,584,264/(42,584,264+11,743,560)*100%		
Projected Debt Service Coverage: (Net Income+Depreciation+Interest+Amortization)/Principal & Interest	-2.98	1.75
(-19,552,236+913,398)/6,265,887		
Days Cash on Hand: cash/((operating expenses -depreciation expense)/365)	183.65	45
11,743,560/((24,253,219-913,398)/365)		
Cushion Ratio: (Cash and Investments+Board Designated Funds)/Max Annual Debt Service	1.87	3
11,743,560/6,265,887		

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<b>Amer. Renal Associates, LLC-2007</b>				
<b>Current Ratio :</b>	Current Assets/Current Liabilities			
	(8,541,599/1,069,038)		7.99	1.5
<b>Net Margin % or Net Excess Margin:</b>	(Net Income/Net Operating Revenue)*100%			
	(-18,048,622/9,169,929)*100%		-197.8%	3.5%
<b>Percent Debt to Total Capitalization:</b>	Long Term debt/((Long Term Debt+cash)*100%)			
	44,387,504/(44,387,504+7,628,692)*100%		85%	80%
<b>Projected Debt Service Coverage:</b>	(Net Income+Depreciation+Interest+Amortization)/Principal & Interest			
	(-18,048,622+969,021)/6,930,134		-2.46	1.75
<b>Days Cash on Hand:</b>	cash/((operating expenses -depreciation expense)/365)			
	7,628,692/((22,200,940-969,021)/365)		131.15	45
<b>Cushion Ratio:</b>	(Cash and Investments+Board Designated Funds)/Max Annual Debt Service			
	7,628,692/6,930,134		1.10	3