

**CONTINUCARE CORPORATION REPORTS  
45% INCREASE IN OPERATING INCOME FOR  
SECOND QUARTER OF FISCAL 2010**

Miami, FL February 4, 2010 – Continucare Corporation (NYSE Amex: CNU) today reported financial results for its second quarter of fiscal 2010. Financial highlights for the quarter include:

- Total revenue of \$75.3 million, a 15% increase compared to \$65.5 million for the same period last year;
- Income from operations of \$8.6 million, a 45% increase compared to \$5.9 million for the same period last year;
- Net income of \$5.3 million, a 45% increase compared to \$3.7 million for the same period last year; and
- Earnings per diluted share of \$0.09, a 50% increase compared to \$0.06 per diluted share for the same period last year.

For the six-months ended December 31, 2009, total revenue increased 16% to \$151.2 million compared to \$130.6 million for the same period last year. Income from operations during the six-month period increased 74% to \$17.2 million compared to \$9.9 million for the same period last year. Net income for the six-month period increased 72% to \$10.6 million, or \$0.17 per diluted share, compared to \$6.2 million, or \$0.10 per diluted share, for the same period last year.

Continucare's cash and cash equivalents increased to \$26.4 million at December 31, 2009 compared to \$13.9 million at June 30, 2009, while working capital increased to \$36.0 million at December 31, 2009 compared to \$25.5 million at June 30, 2009. Total liabilities were \$13.9 million at December 31, 2009 compared to \$14.1 million at June 30, 2009. Shareholders' equity was \$123.3 million at December 31, 2009 compared to \$111.2 million at June 30, 2009.

"We are extremely pleased with our second quarter performance," said Richard C. Pfenniger, Jr., Continucare's Chairman and Chief Executive Officer. "Higher revenues combined with effective utilization management resulted in an improved medical loss ratio and increased operating profits. In addition, our financial position continued to improve. Our cash and working capital positions increased while our balance sheet remained virtually free of long-term indebtedness."

**About Continucare Corporation**

Continucare provides primary care physician services on an outpatient basis through a network of medical facilities and independent physician affiliates (IPAs) in the State of Florida. Continucare has 18 medical offices equipped with state-of-the-practice technology and staffed with experienced physicians and a comprehensive support staff. In addition, Continucare provides health practice management services to IPAs who practice primary care medicine in South Florida. Continucare assists these physicians with medical utilization and pharmacy management and specialist network development, freeing them to devote more time to patient care. Also, through its subsidiary, Seredor Corporation, Continucare operates 15 sleep diagnostic centers in seven states. For more information on Continucare please visit [www.continucare.com](http://www.continucare.com), and for more information on Seredor please visit [www.Seredor.com](http://www.Seredor.com).

*Except for historical matters contained herein, statements made in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors and others are cautioned that forward-looking statements are subject to risks and uncertainties that may affect our business and prospects and cause our actual results to differ materially from those set forth in the forward-looking statements including the following: our operations are dependent on three health maintenance organizations; under our most important contracts we are responsible for the cost of medical services to our patients in return for a capitated fee; our revenues will be affected by the Medicare Risk Adjustment program; if we are unable to manage medical benefits expense effectively, our profitability will likely be reduced; a failure to estimate incurred but not reported medical benefits expense accurately will affect our profitability; we compete with many health care providers for patients and HMO affiliations; we may not be able to successfully recruit or retain existing relationships with qualified physicians and medical professionals; our business exposes us to the risk of medical malpractice lawsuits; we primarily operate in Florida; a significant portion of our voting power is concentrated; we are dependent on our executive officers and other key employees; we depend on the management information systems of our affiliated HMOs; we depend on our information processing systems; the volatility of our stock price; a failure to successfully implement our business strategy could materially and adversely affect our operations and growth opportunities; our intangible assets represent a substantial portion of our total assets; competition for acquisition targets and acquisition financing and other factors may impede our ability to acquire other businesses and may inhibit our growth; our acquisitions could result in integration difficulties, unexpected expenses, diversion of management's attention and other negative consequences; health care reform initiatives, particularly changes to the Medicare system, could adversely affect our operations; a decrease to our Medicare capitation payments may have a material adverse effect on our results of operations, financial position and cash flows; we are subject to government regulation; the health care industry is subject to continued scrutiny; our insurance coverage may not be adequate, and rising insurance premiums could negatively affect our profitability; deficit spending and economic downturns could negatively impact our results of operations; and many factors that increase health care costs are largely beyond our ability to control. These and other applicable risks, cautionary statements and factors that could cause actual results to differ from our forward-looking statements are included in our most recent annual report on Form 10-K and other filings with the SEC and we urge you to read those documents. We undertake no obligation to update or revise these forward-looking statements to reflect events or circumstances after the date hereof except as required by law.*

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**CONTINUCARE CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

| <b>ASSETS</b>  | <b>December 31,<br/>2009</b> | <b>June 30,<br/>2009</b> |
|--|------------------------------|--------------------------|
| Current assets:  |                              |                          |
| Cash and cash equivalents .....  | \$ 26,359,948                | \$ 13,895,823            |
| Certificate of deposit .....   | 664,139                      | —                        |
| Due from HMOs, net of a liability for incurred but not reported medical claims expense of approximately \$23,051,000 and \$23,719,000 at December 31, 2009 and June 30, 2009, respectively .....   | 12,914,179                   | 17,323,599               |
| Prepaid expenses and other current assets .....  | 2,101,081                    | 812,970                  |
| Deferred income tax assets .....   | 143,374                      | 141,420                  |
| Total current assets .....   | 42,182,721                   | 32,173,812               |
| Certificates of deposit, restricted .....  | 579,260                      | 1,233,653                |
| Property and equipment, net .....  | 12,399,407                   | 10,489,383               |
| Goodwill .....   | 74,050,414                   | 73,204,582               |
| Intangible assets, net of accumulated amortization of approximately \$4,052,000 and \$3,406,000 at December 31, 2009 and June 30, 2009, respectively .....   | 4,950,039                    | 5,253,666                |
| Deferred income tax assets .....   | 2,830,505                    | 2,795,588                |
| Other assets, net .....  | 163,033                      | 152,702                  |
| Total assets .....   | <u>\$137,155,379</u>         | <u>\$125,303,386</u>     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                              |                          |
| Current liabilities:   |                              |                          |
| Accounts payable .....   | \$ 482,076                   | \$ 652,305               |
| Accrued expenses and other current liabilities .....   | 4,819,250                    | 4,455,675                |
| Income taxes payable .....   | 900,150                      | 1,575,511                |
| Total current liabilities .....  | 6,201,476                    | 6,683,491                |
| Deferred income tax liabilities .....  | 6,512,972                    | 6,435,732                |
| Other liabilities .....  | 1,168,013                    | 981,640                  |
| Total liabilities .....  | 13,882,461                   | 14,100,863               |
| Commitments and contingencies  |                              |                          |
| Shareholders' equity:  |                              |                          |
| Common stock, \$0.0001 par value: 100,000,000 shares authorized; 59,944,799 shares issued and outstanding at December 31, 2009 and 59,391,049 shares issued and outstanding at June 30, 2009 ..... | 5,994                        | 5,939                    |
| Additional paid-in capital .....   | 106,683,840                  | 105,210,519              |
| Accumulated earnings .....   | 16,583,084                   | 5,986,065                |
| Total shareholders' equity .....   | 123,272,918                  | 111,202,523              |
| Total liabilities and shareholders' equity .....   | <u>\$137,155,379</u>         | <u>\$125,303,386</u>     |

**CONTINUCARE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>December 31,</b>       |               |
|  | <b>2009</b>               | <b>2008</b>   |
| Revenue.....                                       | \$ 75,256,100             | \$ 65,539,894 |
| Operating expenses:                                |                           |               |
| Medical services:                                  |                           |               |
| Medical claims .....                               | 50,356,650                | 45,148,703    |
| Other direct costs.....                            | 7,800,724                 | 7,144,073     |
| Total medical services .....                       | 58,157,374                | 52,292,776    |
| Administrative payroll and employee benefits ..... | 3,792,742                 | 3,120,450     |
| General and administrative .....                   | 4,698,632                 | 4,193,438     |
| Total operating expenses .....                     | 66,648,748                | 59,606,664    |
| Income from operations.....                        | 8,607,352                 | 5,933,230     |
| Other income (expense):                            |                           |               |
| Interest income.....                               | 15,672                    | 47,688        |
| Interest expense .....                             | (3,135)                   | (5,055)       |
| Income before income tax provision .....           | 8,619,889                 | 5,975,863     |
| Income tax provision .....                         | 3,331,210                 | 2,316,053     |
| Net income .....                                   | \$ 5,288,679              | \$ 3,659,810  |
| Net income per common share:                       |                           |               |
| Basic .....  | \$ .09                    | \$ .06        |
| Diluted .....                                      | \$ .09                    | \$ .06        |
| Weighted average common shares outstanding:        |                           |               |
| Basic .....  | 59,571,382                | 61,813,969    |
| Diluted .....                                      | 61,329,587                | 62,912,031    |

**CONTINUCARE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

|  | <b>Six Months Ended</b> |                     |
|--|-------------------------|---------------------|
|  | <b>December 31,</b>     |                     |
|  | <b>2009</b>             | <b>2008</b>         |
| Revenue.....                                       | \$ 151,228,464          | \$ 130,604,529      |
| Operating expenses:                                |                         |                     |
| Medical services:                                  |                         |                     |
| Medical claims .....                               | 102,980,709             | 92,465,994          |
| Other direct costs.....                            | 15,372,943              | 14,301,926          |
| Total medical services .....                       | <u>118,353,652</u>      | <u>106,767,920</u>  |
| Administrative payroll and employee benefits ..... | 7,051,839               | 5,854,007           |
| General and administrative .....                   | 8,577,143               | 8,046,759           |
| Total operating expenses .....                     | <u>133,982,634</u>      | <u>120,668,686</u>  |
| Income from operations.....                        | 17,245,830              | 9,935,843           |
| Other income (expense):                            |                         |                     |
| Interest income.....                               | 33,183                  | 123,791             |
| Interest expense .....                             | <u>(6,505)</u>          | <u>(8,097)</u>      |
| Income before income tax provision .....           | 17,272,508              | 10,051,537          |
| Income tax provision .....                         | <u>6,675,489</u>        | <u>3,895,592</u>    |
| Net income .....                                   | <u>\$ 10,597,019</u>    | <u>\$ 6,155,945</u> |
| Net income per common share:                       |                         |                     |
| Basic .....  | <u>\$ .18</u>           | <u>\$ .10</u>       |
| Diluted .....                                      | <u>\$ .17</u>           | <u>\$ .10</u>       |
| Weighted average common shares outstanding:        |                         |                     |
| Basic .....  | <u>59,494,605</u>       | <u>63,136,805</u>   |
| Diluted .....                                      | <u>61,203,236</u>       | <u>64,255,154</u>   |

**CONTINUCARE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|   | <b>Six Months Ended</b> |              |
|---|-------------------------|--------------|
|   | <b>December 31,</b>     |              |
|   | <b>2009</b>             | <b>2008</b>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                         |              |
| Net income .....  | \$ 10,597,019           | \$ 6,155,945 |
| Adjustments to reconcile net income to net cash provided by operating activities:   |                         |              |
| Depreciation and amortization .....   | 1,340,723               | 1,085,838    |
| Loss on disposal of fixed assets .....  | 3,597                   | 22,434       |
| Compensation expense related to issuance of stock options .....                     | 594,808                 | 578,337      |
| Excess tax benefits related to exercise of stock options .....                      | (210,480)               | –            |
| Deferred tax expense .....  | 40,369                  | (72,781)     |
| Changes in operating assets and liabilities:  |                         |              |
| Due from HMOs, net .....  | 4,409,420               | 2,280,556    |
| Prepaid expenses and other current assets .....                                     | (672,405)               | (517,876)    |
| Other assets, net .....   | 6,079                   | (89,677)     |
| Accounts payable .....  | (170,229)               | 39,312       |
| Accrued expenses and other current liabilities .....                                | (464,881)               | (1,359,200)  |
| Income taxes payable .....  | (77,565)                | (1,101,627)  |
| Net cash provided by operating activities .....                                     | 15,396,455              | 7,021,261    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                         |              |
| Purchase of certificates of deposit .....   | (9,746)                 | (13,395)     |
| Acquisition of sleep diagnostic centers, net of cash acquired .....                 | (1,609,827)             | –            |
| Purchase of property and equipment .....  | (2,002,287)             | (956,128)    |
| Net cash used in investing activities .....   | (3,621,860)             | (969,523)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                         |              |
| Principal repayments under capital lease obligations .....                          | (189,038)               | (51,788)     |
| Proceeds from exercise of stock options .....                                       | 668,088                 | 10,625       |
| Excess tax benefits related to exercise of stock options .....                      | 210,480                 | –            |
| Repurchase of common stock .....  | –                       | (7,933,355)  |
| Net cash provided by (used in) financing activities .....                           | 689,530                 | (7,974,518)  |
| Net increase (decrease) in cash and cash equivalents .....                          | 12,464,125              | (1,922,780)  |
| Cash and cash equivalents at beginning of period .....                              | 13,895,823              | 9,905,740    |
| Cash and cash equivalents at end of period .....                                    | \$ 26,359,948           | \$ 7,982,960 |
| <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>       |                         |              |
| Purchase of property and equipment with proceeds of capital lease obligations ..... | \$ 222,172              | \$ 103,667   |
| Retirement of treasury stock .....  | \$ –                    | \$ 7,933,355 |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                            |                         |              |
| Cash paid for taxes .....   | \$ 7,100,000            | \$ 5,070,000 |
| Cash paid for interest .....  | \$ 6,505                | \$ 8,097     |