

**CONTINUCCARE CORPORATION REPORTS**  
**81% INCREASE IN REVENUES AND 185% INCREASE IN OPERATING PROFIT**  
**FOR FOURTH QUARTER OF FISCAL 2007**

Miami, FL September 12, 2007 – Continucare Corporation (AMEX: CNU) today reported financial results for its fourth quarter of fiscal 2007 and the fiscal year ended June 30, 2007. Financial highlights for the quarter include:

- Total revenue of \$65.4 million, an 81% increase compared to \$36.2 million in the fourth quarter of fiscal 2006;
- Income from operations of \$3.7 million, a 185% increase compared to \$1.3 million for the same period last year; and
- Net income of \$2.4 million, or \$0.03 per diluted share, as compared to \$1.1 million, or \$0.02 per diluted share, for the same period a year ago.

**Full Year Results**

For the fiscal year ended June 30, 2007, total revenue increased 63% to \$217.1 million compared to \$133.0 million in the prior fiscal year. Income from operations during fiscal 2007 increased 24% to \$9.9 million compared to \$7.9 million for fiscal 2006. Net income for fiscal 2007 was \$6.3 million, or \$0.10 per diluted share, compared to \$5.3 million, or \$0.10 per diluted share, for fiscal 2006.

**Balance Sheet**

Continucare's cash and cash equivalents were \$7.3 million at June 30, 2007 compared to \$10.7 million at June 30, 2006, while working capital was \$16.6 million at June 30, 2007 compared to \$15.6 million at June 30, 2006. Total liabilities were \$12.9 million at June 30, 2007 as compared to \$5.0 million at June 30, 2006. Shareholders' equity increased to \$104.1 million at June 30, 2007 from \$37.0 million at June 30, 2006.

“We are very pleased with the financial results for both our fourth fiscal quarter and our full fiscal year,” said Richard C. Pfenniger, Jr., Continucare's Chairman and Chief Executive Officer. “Our revenues, profits and cash flow from operations increased significantly, and at fiscal year-end our balance sheet remained virtually free of long-term indebtedness. We are also pleased that while achieving these results we took actions to support future growth. These actions include the acquisition of the Miami Dade Health Centers, which significantly expanded the breadth and scope of our operations. In addition, during fiscal 2007 we conceived of and began the effort to launch Continucare ValuClinic™, a new line of retail-based convenient care clinics. We currently expect to open our first ValuClinic locations this Fall. Overall, this is a very exciting period for Continucare and we are optimistic about our prospects.”

**Stock Repurchase Program**

Under our previously announced stock repurchase program, our Board authorized the buy back of up to 2.5 million shares of our common stock. Approximately 1.34 million shares remain available for repurchase under this program and management intends to repurchase shares under the program based on its assessment of market conditions from time to time. Purchases will be reported on a quarterly basis in Continucare's periodic reports filed with the SEC.

**About Continucare ValuClinic™**

Continucare ValuClinic™ is a new line of consumer-oriented, retail-based health centers which will offer treatment for common illnesses such as the flu, bronchitis, strep throat, pink eye, skin infections and seasonal allergies, in a quick, convenient, and patient-friendly health care setting. Continucare ValuClinic™ will also offer other high demand health care services such as common vaccinations, physical examinations and diagnostic screenings. The clinics will be staffed primarily by certified nurse practitioners and physician assistants and will be open seven days a week with extended hours on weekdays. No appointment will be necessary and fees for services will represent a meaningful discount to care provided in more traditional health care settings. For more information please visit [www.valuclinic.net](http://www.valuclinic.net).

## **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. Currently, through its network of medical facilities and IPAs, Continucare provides health care services for approximately 40,000 patients. For more information please visit [www.continucare.com](http://www.continucare.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. These factors include, without limitation, the risk that the current trend in revenue or income growth may not continue or may be less than anticipated, risks and uncertainties relating to our ability to implement our growth strategy and to manage future growth, including our ability to achieve expected levels of patient volumes and control the costs of providing services, risks and uncertainties relating to our acquisition of Miami Dade Health Centers, Inc. and its affiliated companies, including the risk that we may not realize the expected benefits of the acquisition and that the acquisition may not ultimately be accretive to earnings, the risk that we may be unable to successfully complete the integration of the Miami Dade Health Centers companies into our business and achieve expected synergies, and the risk that further restructuring or other acquisition-related charges may be required in future periods, risks relating to the timely opening of Continucare ValuClinic health centers as currently scheduled, risks relating to pricing and other pressures exerted on us by managed care organizations, the risk that the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 and the Medicare Risk Adjustment on payments we receive for our managed care operations may not continue to be positive for us and that risk corridor adjustment charges in future periods may be greater than in the past, the risk that future legislation, changes in governmental regulations, including possible changes in Medicare programs, could adversely impact our operations or reduce reimbursements to health care providers and insurers, risks and uncertainties relating to our current dependence on three HMOs for substantially all of our revenues, including the loss of our managed care agreements with any of these HMOs and our ability to work together effectively with our HMO affiliates, uncertainties relating to technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, health care, and general economic conditions and uncertainties generally associated with the health care business. 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 annual report on Form 10-K for the fiscal year ended June 30, 2006 and other filings with the SEC. 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**

<b>ASSETS</b>	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>
Current assets:		
Cash and cash equivalents .....	\$ 7,262,247	\$ 10,681,685
Other receivables, net .....	308,111	231,832
Due from HMOs, net of a liability for incurred but not reported medical claims expense of approximately \$23,618,000 and \$14,207,000 at June 30, 2007 and 2006, respectively .....	13,525,092	6,339,526
Prepaid expenses and other current assets .....	1,273,593	689,096
Deferred tax assets.....	740,264	658,768
Total current assets .....	23,109,307	18,600,907
Certificates of deposit, restricted.....	1,176,635	1,126,987
Property and equipment, net .....	8,509,454	824,220
Goodwill, net of accumulated amortization of approximately \$7,610,000.....	73,670,225	14,342,510
Intangible assets, net of accumulated amortization of \$929,000 .....	7,731,000	-
Managed care contracts, net of accumulated amortization of approximately \$3,126,000 and \$2,773,000 at June 30, 2007 and 2006, respectively .....	384,422	737,234
Deferred tax assets.....	2,289,811	5,810,562
Other assets, net.....	66,694	551,927
Total assets .....	\$ 116,937,548	\$ 41,994,347
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable.....	\$ 1,007,869	\$ 575,925
Accrued expenses and other current liabilities .....	4,542,097	2,377,505
Income taxes payable .....	910,739	24,428
Total current liabilities.....	6,460,705	2,977,858
Capital lease obligations, less current portion .....	165,191	112,068
Deferred tax liabilities .....	6,215,483	1,929,501
Other liability .....	37,784	-
Total liabilities.....	12,879,163	5,019,427
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.0001 par value: 100,000,000 shares authorized; 70,043,086 shares issued and outstanding at June 30, 2007 and 50,242,478 shares issued and outstanding at June 30, 2006 .....	7,004	5,024
Additional paid-in capital .....	124,616,091	63,838,051
Accumulated deficit.....	(20,564,710)	(26,868,155)
Total shareholders' equity .....	104,058,385	36,974,920
Total liabilities and shareholders' equity.....	\$ 116,937,548	\$ 41,994,347

**CONTINUCARE CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	(Unaudited)		Year Ended	
	Three-Months Ended		6/30/07	
	6/30/07	6/30/06	6/30/07	6/30/06
Revenue:				
Medical services revenue .....	\$ 65,374,523	\$ 36,192,717	\$ 216,878,488	\$ 132,629,665
Management fee revenue and other income.....	67,403	19,535	267,799	361,247
Total revenue .....	65,441,926	36,212,252	217,146,287	132,990,912
Operating expenses:				
Medical services:				
Medical claims.....	48,682,355	28,141,372	161,153,828	97,781,447
Other direct costs .....	6,439,063	3,373,086	22,919,746	13,137,396
Total medical services.....	55,121,418	31,514,458	184,073,574	110,918,843
Administrative payroll and employee benefits .....	2,288,807	1,544,635	9,192,670	6,538,295
General and administrative .....	4,285,951	1,837,454	13,990,439	7,584,205
Total operating expenses.....	61,696,176	34,896,547	207,256,683	125,041,343
Income from operations.....	3,745,750	1,315,705	9,889,604	7,949,569
Other income (expense):				
Interest income.....	87,027	121,778	356,192	331,001
Interest expense.....	(4,808)	(2,291)	(49,746)	(12,870)
Income before income tax provision .....	3,827,969	1,435,192	10,196,050	8,267,700
Income tax provision .....	1,450,757	327,020	3,892,605	2,930,161
Net income .....	\$ 2,377,212	\$ 1,108,172	\$ 6,303,445	\$ 5,337,539
Net income per common share:				
Basic .....	\$ .03	\$ .02	\$ .10	\$ .11
Diluted .....	\$ .03	\$ .02	\$ .10	\$ .10
Weighted average common shares outstanding:				
Basic .....	70,043,171	50,197,034	65,044,319	49,907,898
Diluted .....	71,434,846	51,516,141	66,324,613	51,230,435

**CONTINUCARE CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income.....	\$ 6,303,445	\$ 5,337,539
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	2,013,486	695,095
Loss on disposal of fixed assets.....	35,924	-
Provision for bad debts.....	165,181	163,105
Compensation expense related to issuance of stock options.....	1,692,190	1,292,234
Excess tax benefits related to exercise of stock options.....	(523,964)	-
Deferred tax expense.....	2,172,618	2,767,095
Changes in operating assets and liabilities, excluding the effect of disposals:		
Other receivables.....	(241,460)	(249,964)
Due from HMOs, net.....	(1,803,016)	(2,853,996)
Prepaid expenses and other current assets.....	(629,497)	30,481
Other assets.....	151,360	(125,964)
Accounts payable.....	369,688	(84,214)
Accrued expenses and other current liabilities.....	(275,196)	8,354
Income taxes payable.....	1,419,894	(106,934)
Net cash provided by continuing operations.....	10,850,653	6,872,831
Net cash used in discontinued operations.....	-	(32,512)
Net cash provided by operating activities.....	10,850,653	6,840,319
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificate of deposit.....	(49,648)	(596,637)
Proceeds from sales of fixed assets.....	70,000	-
Acquisition of MDHC Companies, net of cash acquired.....	(6,109,980)	-
Purchase of property and equipment.....	(894,325)	(280,675)
Other assets.....	-	(359,147)
Net cash used in investing activities.....	(6,983,953)	(1,236,459)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable.....	1,813,317	-
Repayments on note payable.....	(1,813,317)	(520,000)
Proceeds from long-term debt.....	6,917,808	-
Repayment on long-term debt.....	(14,690,960)	-
Principal repayments under capital lease obligations.....	(96,248)	(127,053)
Proceeds from exercise of stock options.....	103,700	640,468
Excess tax benefits related to exercise of stock options.....	523,964	-
Payment of fees related to issuance of stock.....	(44,402)	-
Repurchase and retirement of common stock.....	-	(696,134)
Net cash used in financing activities.....	(7,286,138)	(702,719)
Net (decrease) increase in cash and cash equivalents.....	(3,419,438)	4,901,141
Cash and cash equivalents at beginning of fiscal year.....	10,681,685	5,780,544
Cash and cash equivalents at end of fiscal year.....	<u>\$ 7,262,247</u>	<u>\$ 10,681,685</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Purchase of equipment, furniture and fixtures with proceeds of capital lease obligations.....	\$ 171,135	\$ 215,162
Retirement of treasury stock.....	\$ -	\$ 5,424,701
Stock issued upon conversion of related party notes payable.....	\$ -	\$ 102,180

**CONTINUCARE CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
Information with respect to MDHC acquisition accounted for under the purchase method of accounting is summarized as follows:		
Fair value of assets acquired.....	\$ 22,244,088	\$ -
Liabilities assumed .....	(15,375,217)	-
Net assets acquired .....	6,868,871	-
Purchase price:		
Cash paid to principal owners of MDHC.....	5,709,937	-
Acquisition costs.....	982,081	-
Cash to be paid related to acquisition .....	1,000,000	-
Fair market value of stock issued.....	58,504,568	-
Total.....	66,196,586	-
Goodwill .....	\$ 59,327,715	\$ -
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for taxes.....	\$ 306,000	\$ 270,000
Cash paid for interest .....	\$ 49,746	\$ 12,870