

**CONTINUCARE CORPORATION REPORTS
FINANCIAL RESULTS FOR
SECOND FISCAL QUARTER OF FISCAL 2006**

*- Adjusted Second Fiscal Quarter Revenue And Income From
Operations Increase 13% And 281%, Respectively -*

Miami, FL, February 9, 2006 – Continucare Corporation (AMEX: CNU) today reported financial results for its second quarter of fiscal 2006 and the six-months ended December 31, 2005.

Second Quarter Results

For the second quarter of fiscal 2006, total revenue increased to \$29.4 million compared to \$27.1 million for the second quarter of fiscal 2005. Income from operations was \$2.3 million for the second quarter of fiscal 2006 and 2005. Income before income taxes in the second quarter of fiscal 2006 was \$2.4 million compared to \$2.1 million in the year-ago period. Net income for the second quarter of fiscal 2006 was \$1.5 million, or \$0.03 per diluted share, compared to net income of \$2.1 million, or \$0.04 per diluted share, one year ago.

Six-Month Results

For the six-months ended December 31, 2005, total revenue increased to \$59.3 million compared to \$53.3 million in the same period one year ago. Income from operations during the six-month period increased to \$4.5 million compared to \$3.7 million for the same period one year ago. Income before income taxes during the six-month period ended December 31, 2005 increased to \$4.7 million compared to \$3.2 million in the year-ago period. Net income for the six-month period was \$2.9 million, or \$0.06 per diluted share, compared to \$3.2 million, or \$0.06 per diluted share.

Adjusted Results

Both the second quarter of fiscal 2005 and the six-months ended December 31, 2004 include a \$1.1 million one-time distribution from one of our HMO affiliates relating to Medicare Advantage funding in revenue and income from operations, and income from operations for those periods also includes a \$0.5 million gain on the extinguishment of debt. Without giving effect to these items, revenue for the second quarter of fiscal 2005 and the six-months ended December 31, 2004 was \$26.0 million and \$52.2 million, respectively, and income from operations was \$0.7 million and \$2.1 million, respectively. Also, as required by accounting guidance relating to stock options that became effective for the first quarter of fiscal 2006, Continucare's results for the second quarter of fiscal 2006 and the six-months ended December 31, 2005 include \$0.4 million and \$0.6 million, respectively, of compensation expense related to stock options resulting from adoption of this accounting guidance. Without giving effect to the adoption of this new accounting guidance, income from operations was \$2.7 million and \$5.2 million for the second quarter of fiscal 2006 and the six-months ended December 31, 2005. Excluding the effect of the three items, revenue for the second quarter of fiscal 2006 and the six-months ended December 31, 2005 increased 13% and 14%, respectively, compared to the same period of fiscal 2005, and income from operations increased approximately 281% and 151%, respectively, compared to the same period a year ago.

In addition, the results for the second quarter of fiscal 2006 and the six-month period ended December 31, 2005 include a provision for income taxes of \$0.9 million and \$1.8 million, respectively. The fiscal 2005 periods did not reflect a provision for income tax expense because, in fiscal 2005, Continucare reduced its valuation allowance for deferred tax assets to offset income tax liabilities generated from operations. As previously announced, Continucare eliminated its valuation allowance for its deferred tax assets during the fourth quarter of fiscal 2005.

Balance Sheet

Continucare's cash and cash equivalents were \$7.2 million at December 31, 2005 compared to \$5.8 million at June 30, 2005 while working capital increased to \$12.1 million at quarter-end from \$6.9 million at June 30, 2005 and total liabilities were reduced to \$2.4 million at December 31, 2005 from \$3.8 million at June 30, 2005. The long-term portion of debt at December 31, 2005 was \$63,000. Shareholders' equity increased to \$33.6 million at December 31, 2005 from \$30.3 million at June 30, 2005.

Commenting on the financial results, Richard C. Pfenniger, Jr., Continucare's Chief Executive Officer, said, "We turned in another solid performance in our second fiscal quarter with our financial results exhibiting continued improvement in our business. Excluding the one-time Medicare Advantage distribution and the gain on extinguishment of debt we recognized in the prior year and the effect of stock option expense in the current year resulting from the adoption of new accounting guidance, our revenues increased a solid 13% over the same quarter of fiscal 2005 and our income from operations increased by a more substantial 281%. At the same time, our financial position as evidenced by our balance sheet continued to strengthen. We have increased our cash position and continued to reduce total liabilities. As we begin the second half of our fiscal year, we remain optimistic and expect further growth of our business."

Continucare Corporation (www.continucare.com), headquartered in Miami, Florida, is a holding company with subsidiaries engaged in the business of providing primary care physician services on an outpatient basis through a variety of managed care and fee-for-service arrangements.

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 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, 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 two HMOs for substantially all of our revenues, including 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, 2005 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 STATEMENTS OF OPERATIONS (Unaudited)

	Three-Months Ended	
	December 31,	
	2005	2004
Revenue:		
Medical services revenue, net	\$ 29,246,624	\$ 26,693,612
Management fee revenue and other income.....	136,082	420,063
Total revenue	29,382,706	27,113,675
Operating expenses:		
Medical services:		
Medical claims	20,147,583	18,600,734
Other direct costs.....	3,134,753	3,621,073
Total medical services.....	23,282,336	22,221,807
Administrative payroll and employee benefits.....	1,782,539	1,300,388
General and administrative	2,015,741	1,743,731
Gain on extinguishment of debt.....	-	(500,000)
Total operating expenses	27,080,616	24,765,926
Income from operations.....	2,302,090	2,347,749
Other income (expense):		
Interest income.....	63,689	18,192
Interest expense.....	(4,832)	(227,544)
Income before income tax provision	2,360,947	2,138,397
Income tax provision	903,097	-
Net income	\$ 1,457,850	\$ 2,138,397
Net income per common share:		
Basic.....	\$.03	\$.04
Diluted	\$.03	\$.04
Weighted average common shares outstanding:		
Basic.....	49,764,617	50,311,780
Diluted	51,134,864	51,887,604

CONTINUCARE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Six-Months Ended	
	December 31,	
	<u>2005</u>	<u>2004</u>
Revenue:		
Medical services revenue, net	\$ 58,976,261	\$ 52,721,141
Management fee revenue and other income.....	277,596	600,658
Total revenue	<u>59,253,857</u>	<u>53,321,799</u>
Operating expenses:		
Medical services:		
Medical claims	41,553,762	37,616,515
Other direct costs.....	6,267,177	6,697,326
Total medical services.....	<u>47,820,939</u>	<u>44,313,841</u>
Administrative payroll and employee benefits.....	3,177,886	2,467,844
General and administrative	3,717,949	3,338,039
Gain on extinguishment of debt.....	-	(500,000)
Total operating expenses	<u>54,716,774</u>	<u>49,619,724</u>
Income from operations.....	4,537,083	3,702,075
Other income (expense):		
Interest income.....	122,831	21,311
Interest expense.....	(7,801)	(475,960)
Income before income tax provision	4,652,113	3,247,426
Income tax provision	1,755,511	-
Net income	<u>\$ 2,896,602</u>	<u>\$ 3,247,426</u>
Net income per common share:		
Basic.....	<u>\$.06</u>	<u>\$.06</u>
Diluted	<u>\$.06</u>	<u>\$.06</u>
Weighted average common shares outstanding:		
Basic.....	<u>49,813,860</u>	<u>50,305,983</u>
Diluted	<u>51,192,371</u>	<u>51,786,472</u>

CONTINUCARE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

ASSETS	December 31, 2005	June 30, 2005
Current assets:		
Cash and cash equivalents	\$ 7,214,215	\$ 5,780,544
Other receivables, net	37,275	144,973
Due from HMOs, net of a liability for incurred but not reported medical claims expense of approximately \$11,109,000 and \$11,700,000 at December 31, 2005 and June 30, 2005, respectively	5,791,738	3,485,530
Prepaid expenses and other current assets	804,676	719,577
Deferred tax assets, net	585,571	585,571
Total current assets	14,433,475	10,716,195
Certificates of deposit, restricted	543,900	530,350
Equipment, furniture and leasehold improvements, net	707,946	670,665
Goodwill, net of accumulated amortization of approximately \$7,608,000	14,342,510	14,342,510
Managed care contracts, net of accumulated amortization of approximately \$2,598,000 and \$2,422,000 at December 31, 2005 and June 30, 2005, respectively	913,640	1,090,046
Deferred tax assets, net	5,032,364	6,721,353
Other assets, net	46,021	66,816
Total assets	\$ 36,019,856	\$ 34,137,935
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 395,523	\$ 660,139
Accrued expenses and other current liabilities	1,926,759	2,489,439
Note payable	-	520,000
Income taxes payable	57,885	131,363
Total current liabilities	2,380,167	3,800,941
Capital lease obligations, less current portion	63,302	38,361
Total liabilities	2,443,469	3,839,302
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.0001 par value: 100,000,000 shares authorized; 49,782,782 shares issued and outstanding at December 31, 2005 and 52,591,895 shares issued and 49,595,702 shares outstanding at June 30, 2005	4,978	4,960
Additional paid-in capital	62,880,501	67,924,068
Accumulated deficit	(29,309,092)	(32,205,694)
Treasury stock, 2,996,193 shares at June 30, 2005	-	(5,424,701)
Total shareholders' equity	33,576,387	30,298,633
Total liabilities and shareholders' equity	\$ 36,019,856	\$ 34,137,935

CONTINUCARE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six-Months Ended	
	December 31,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income.....	\$ 2,896,602	\$ 3,247,426
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amortization of deferred financing costs	353,507	727,759
Provision for bad debts	19,171	—
Stock-based compensation expense	616,438	254,000
Deferred tax expense	1,688,989	—
Gain on extinguishment of debt.....	—	(500,000)
Changes in operating assets and liabilities, excluding the effect of disposals:		
Other receivables	88,527	279,276
Due from HMOs, net	(2,306,208)	623,025
Prepaid expenses and other current assets	(85,099)	71,336
Other assets	20,795	27,527
Accounts payable.....	(264,616)	466,160
Accrued expenses and other current liabilities.....	(437,703)	95,589
Income taxes payable.....	(73,478)	—
Net cash provided by continuing operations.....	2,516,925	5,292,098
Net cash used in discontinued operations	(32,512)	(58,482)
Net cash provided by operating activities.....	2,484,413	5,233,616
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase of) proceeds from maturities of certificates of deposit...	(13,550)	101,165
Purchase of equipment and furniture	(105,276)	(216,280)
Net cash used in investing activities	(118,826)	(115,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable.....	—	1,040,000
Payments on note payable	(520,000)	—
Payments on related party notes	—	(4,026)
Payment of fees related to private placement transaction.....	—	(45,000)
Principal repayments under capital lease obligations	(74,450)	(38,654)
Proceeds from exercise of stock options.....	358,668	36,000
Repurchase and retirement of common stock	(696,134)	—
Net cash (used in) provided by financing activities.....	(931,916)	988,320
Net increase in cash and cash equivalents	1,433,671	6,106,821
Cash and cash equivalents at beginning of period	5,780,544	720,360
Cash and cash equivalents at end of period	\$ 7,214,215	\$ 6,827,181