

**CONTINUCARE CORPORATION REPORTS
FINAL FINANCIAL RESULTS FOR
THIRD QUARTER OF FISCAL 2005**

- Final Third Fiscal Quarter Revenue 15% Higher Than One Year Ago -**
- Third Fiscal Quarter Net Income Exceeds Preliminary Estimate -**
- Nine-Month Revenues 10% Higher and Net Income 29% Higher -**
- Previously Announced Restatement Completed; Final Results Also Exceed Preliminary Estimate -**

Miami, FL, May 23, 2005 – Continucare Corporation (AMEX: CNU) today reported financial results for its third quarter of fiscal 2005 and the nine months ended March 31, 2005.

Third Quarter Results

For the third quarter of fiscal 2005, total revenue was \$29.8 million compared to \$25.9 million for the third quarter of fiscal 2004. Income from operations during the third quarter of fiscal 2005 was \$1.7 million compared to \$2.2 million for the same period one year ago. Income from continuing operations in the third quarter of fiscal 2005 was \$1.5 million compared to \$1.9 million in the year-ago period. There was no income or loss from discontinued operations during the third quarter of fiscal 2005 compared to a loss of \$0.4 million in the year-ago period. Net income for the third quarter of fiscal 2005 was \$1.5 million, or \$0.03 per diluted share, compared to net income of \$1.5 million, or \$0.03 per diluted share, one year ago.

Nine-Month Results

For the nine months ended March 31, 2005, total revenue was \$83.1 million compared to \$75.3 million for the nine-month period one year ago. Income from operations during the nine-month period was \$5.4 million compared to \$3.8 million for the same period one year ago. Income from continuing operations during the nine-month period was \$4.7 million compared to \$5.3 million in the year-ago period, but the amount for the fiscal 2004 nine-month period included \$2.2 million of other income that related to the previously disclosed settlement of an alleged Medicare obligation. There was no income or loss from discontinued operations during the nine-month period compared to a loss of \$1.6 million in the year-ago period. Net income for the nine-month period was \$4.7 million, or \$0.09 per diluted share, compared to net income of \$3.7 million, or \$0.08 per diluted share, one year ago.

The discontinued operations reflected in Continucare's financial results for the fiscal 2004 period relate to its former home health operations which were disposed of in a series of transactions completed in the third fiscal quarter of fiscal 2004 and a group of independent physician contracts terminated effective January 1, 2003.

Restatement Completed

Continucare also announced completion of the previously announced restatement of its financial statements for the fourth quarter of fiscal 2004 and the first two quarters of fiscal 2005. Continucare's independent registered public accounting firm has issued an unqualified opinion on Continucare's restated financial statements for fiscal 2004, which have been amended and filed with the Securities and Exchange Commission. As a result of continued analysis of the patient data submitted to its HMO affiliate during the affected periods, the ultimate financial impact of the restatement was better than

Continucare's preliminary estimates. During the three fiscal quarters that were restated, Continucare's actual restated net income exceeded its preliminary estimate by a total of approximately \$0.3 million. Highlights of Continucare's restated results include:

- For the Fiscal Year ended June 30, 2004:
 - Total revenue: \$101.8 million
 - Net income: \$4.7 million
 - Diluted EPS: \$0.09

- For the three-months ended September 30, 2004:
 - Total revenue: \$26.2 million
 - Net income: \$1.1 million
 - Diluted EPS: \$0.02

- For the three-months ended December 31, 2004:
 - Total revenue: \$27.1 million
 - Net income: \$2.1 million
 - Diluted EPS: \$0.04

- For the six-months ended December 31, 2004:
 - Total revenue: \$53.3 million
 - Net income: \$3.2 million
 - Diluted EPS: \$0.06

In addition, Continucare's restated balance sheets reflect decreases in amounts due from HMOs of approximately \$0.6 million, \$1.2 million and \$1.6 million, as of June 30, September 30, and December 31, 2004, respectively, and decreases in accrued expenses of \$0.1 million, and \$0.2 million, as of September 30, and December 31, 2004, respectively. As a result of these changes, shareholders' equity was reduced to \$16.4 million, \$17.5 million and \$19.9 million of June 30, September 30, and December 31, 2004, respectively.

"We are pleased to report the results of our third quarter of fiscal 2005," commented Richard C. Pfenniger, Jr., Continucare's Chief Executive Officer. "Revenue for the quarter was 15% higher than one year ago and our actual net income for our third fiscal quarter was \$0.4 million higher than our preliminary estimate. As a result, we recognized \$0.01 of earnings per share more than our initial estimate for the period. In addition, our nine-month results reflect significant improvement in our business with revenues and net income 10% and 29% higher, respectively."

Mr. Pfenniger continued, "Although we regret the need for the restatement, we are relieved to have learned that the financial impact of the software error on our prior reported results was not as extensive as we first believed. We remain committed to maintaining high standards of conduct and now look forward to moving ahead and continuing to improve our business and profitability. We appreciate the patience our investors have shown as we worked on making certain we are in compliance with our public reporting responsibilities."

Continucare Corporation (www.continucare.com), headquartered in Miami, Florida, is a holding company with subsidiaries engaged in the business of providing outpatient physician care services through managed care, Medicare direct 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 which 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, 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, risks relating to the level of payment we receive from governmental programs and third party payors, including any changes that may result from the continuing impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 and the Medicare Risk Adjustment, uncertainties relating to changes in our revenue mix or claims loss ratio, the risk that future legislation, changes in governmental regulations, including possible changes in Medicare programs, could impact reimbursements to health care providers and insurers, the risk that we may not conduct repurchases of our common stock in the full amount authorized under our repurchase program, the risk that the software error discussed above affected other data that we submitted to our HMO affiliate, the risk that we have not fully corrected that software error or that other undetected errors may exist in that software or our other software system, the risk that we may be determined to have a significant deficiency or material weakness in our internal controls, and the risk that any repurchases of our common stock that we effect may adversely impact our future liquidity or capital resources. In addition to the risks set forth above, the forward-looking statements in this press release may also be adversely impacted by our ability to achieve expected levels of patient volumes and control the costs of providing services, pricing pressures exerted on us by managed care organizations, our ability to enter into and renew managed care provider arrangements on acceptable terms, our current dependence on two HMOs for substantially all of our revenues, our ability to comply with applicable laws and regulations and the terms of our agreements with our HMO affiliates, our ability to work together effectively with our HMO affiliates, including the fact that we depend upon our HMO affiliates to determine the payments we receive for certain of our managed care operations based, in part, on information that we submit to them; the impact of the Medicare risk adjustment program on payments we receive for our managed care operations, , our ability to attract and retain qualified medical professionals, technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, health care, delays in receiving payments, increases in the cost of our insurance coverage, including our stop-loss coverage, the possible loss of our insurance coverage, the collectibility of uninsured accounts and deductible and co-pay amounts, our ability to accurately estimate our liability for medical claims incurred but not reported, Federal and state investigations, litigation for medical malpractice and the outcome of any such litigation; changes in estimates and judgments associated with our critical accounting policies, impairment charges that could be required in future periods, our ability to satisfy our liabilities and respond to our capital needs, 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/A for the fiscal year ended June 30, 2004 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

ASSETS	March 31, 2005 (Unaudited)	June 30, 2004 (Restated)
Current assets:		
Cash and cash equivalents.....	\$ 7,132,935	\$ 720,360
Certificates of deposit, current	-	101,515
Other receivables.....	223,505	423,215
Due from HMOs, net of a liability for incurred but not reported medical claims expense of approximately \$11,450,000 at March 31, 2005 and June 30, 2004	2,395,324	2,701,878
Prepaid expenses and other current assets	825,715	890,806
Total current assets.....	10,577,479	4,837,774
Certificates of deposit, restricted.....	530,350	30,000
Equipment, furniture and leasehold improvements, net	724,260	492,054
Goodwill, net.....	14,342,510	14,342,510
Managed care contracts, net of accumulated amortization of approximately \$2,334,000 and \$2,069,000, respectively	1,178,251	1,442,858
Deferred financing costs, net of accumulated amortization of approximately \$885,000 and \$222,500, respectively	-	662,502
Other assets, net	67,305	100,483
Total assets.....	\$ 27,420,155	\$ 21,908,181
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 529,999	\$ 504,151
Accrued expenses.....	2,202,454	1,452,598
Due to Medicare, net.....	14,645	14,645
Liabilities related to discontinued operations.....	119,030	208,484
Current portion of related party notes payable.....	106,861	8,052
Current portion of capital lease obligations.....	89,450	81,163
Note payable	780,949	-
Deferred revenue.....	2,500,000	3,000,000
Total current liabilities	6,343,388	5,269,093
Capital lease obligations, less current portion.....	36,420	101,177
Long term debt, less current portion	29,077	29,077
Related party notes payable, less current portion.....	-	117,717
Total liabilities	6,408,885	5,517,064
Commitments and contingencies		
Shareholders' equity:		
Common stock; \$0.0001 par value; 100,000,000 shares authorized, 53,357,895 shares issued and 50,321,602 shares outstanding at March 31, 2005 and 53,296,379 shares issued and 50,300,186 shares outstanding at June 30, 2004	5,033	5,031
Additional paid-in capital.....	69,907,581	69,907,973
Accumulated deficit	(43,378,305)	(48,097,186)
Treasury stock (3,036,293 and 2,996,193 shares, respectively).....	(5,523,039)	(5,424,701)
Total shareholders' equity	21,011,270	16,391,117
Total liabilities and shareholders' equity	\$ 27,420,155	\$ 21,908,181

CONTINUCARE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	(Unaudited) Three-Months Ended		(Unaudited) Nine-Months Ended	
	3/31/05	3/31/04	3/31/05	3/31/04
	Revenue:			
Medical services revenue, net.....	\$ 29,608,640	\$ 25,705,431	\$ 82,329,781	\$ 74,812,607
Management fee revenue and other income	166,801	195,274	767,459	519,733
Total revenue.....	29,775,441	25,900,705	83,097,240	75,332,340
Operating expenses:				
Medical services:				
Medical claims	21,976,703	18,984,500	59,593,218	55,932,729
Other direct costs	3,019,984	3,009,934	9,717,310	8,761,813
Total medical services	24,996,687	21,994,434	69,310,528	64,694,542
Administrative payroll and employee benefits	1,312,965	1,031,724	3,780,809	2,918,040
General and administrative.....	1,810,418	716,270	5,148,457	4,297,005
Gain on extinguishment of debt.....	-	-	(500,000)	(350,000)
Total operating expenses	28,120,070	23,742,428	77,739,794	71,559,587
Income from operations	1,655,371	2,158,277	5,357,446	3,772,753
Other income (expense):				
Interest income	40,223	716	61,534	2,792
Interest expense	(224,139)	(253,602)	(700,099)	(742,203)
Medicare settlement related to terminated operations ...	-	-	-	2,218,278
Income from continuing operations	1,471,455	1,905,391	4,718,881	5,251,620
Income (loss) from discontinued operations:				
Home health operations	-	(394,156)	-	(1,666,934)
Terminated IPA	-	-	-	73,091
Loss from discontinued operations	-	(394,156)	-	(1,593,843)
Net income (loss)	\$ 1,471,455	\$ 1,511,235	\$ 4,718,881	\$ 3,657,777
Basic net income (loss) per common share:				
Income from continuing operations	\$.03	\$.05	\$.09	\$.12
Loss from discontinued operations.....	-	(.01)	-	(.03)
Net income (loss) per common share	\$.03	\$.04	\$.09	\$.09
Diluted net income (loss) per common share:				
Income from continuing operations	\$.03	\$.04	\$.09	\$.11
Loss from discontinued operations.....	-	(.01)	-	(.03)
Net income (loss) per common share	\$.03	\$.03	\$.09	\$.08
Basic weighted average common shares outstanding	50,345,997	42,599,649	50,319,126	42,452,016
Diluted weighted average common shares outstanding.....	52,373,915	49,256,367	51,982,091	48,255,033

CONTINUCARE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine-Months Ended March 31,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 4,718,881	\$ 3,657,777
Loss from discontinued operations	—	1,593,843
Income from continuing operations	4,718,881	5,251,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amortization of deferred financing costs	1,101,481	838,467
Recognition of compensation expense related to issuance of stock options	261,627	—
Gain on extinguishment of debt	(500,000)	(350,000)
Provision for bad debt	—	104,296
Medicare settlement related to terminated operations	—	(2,218,278)
Changes in operating assets and liabilities, excluding the effect of disposals:		
Prepaid expenses and other current assets	65,091	(16,076)
Other receivables	199,710	24,215
Other assets	33,178	(1,507)
Due from HMO's, net	306,554	(1,635,615)
Due to Medicare, net	—	103,926
Accounts payable and accrued expenses	753,753	427,368
Net cash provided by continuing operations	6,940,275	2,528,416
Net cash used in discontinued operations	(89,454)	(1,182,540)
Net cash provided by operating activities	6,850,821	1,345,876
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(500,000)	—
Proceeds from maturities of certificates of deposit	101,165	30,353
Purchase of property and equipment	(406,578)	(64,070)
Net cash used in continuing operations	(805,413)	(33,717)
Net cash used in discontinued operations	—	(938)
Net cash used in investing activities	(805,413)	(34,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	1,040,000	—
Payments on notes payable	(259,051)	—
Payments on convertible subordinated notes	—	(185,332)
Payment of fees related to private placement transaction	(98,244)	—
Payments on related party notes	(4,358)	(31,927)
Principal repayments under capital lease obligation	(56,470)	(51,277)
Proceeds from exercise of stock options	91,700	351,369
Net decrease in credit facility	—	(27,396)
Repurchase of common stock	(346,410)	—
Payment of deferred financing costs	—	(15,000)
Repayments to Medicare per agreement	—	(306,399)
Net cash provided by (used in) continuing operations	367,167	(265,962)
Net cash used in discontinued operations	—	—
Net cash provided by (used in) financing activities	367,167	(265,962)
Net increase in cash and cash equivalents	6,412,575	1,045,259
Cash and cash equivalents at beginning of period	720,360	160,743
Cash and cash equivalents at end of period	\$ 7,132,935	\$ 1,206,002