



Continuicare 

2009 Annual Report

Continucare Corporation is one of the largest and most trusted staff model medical providers in Florida. 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 well-appointed medical offices equipped with state-of-the-practice technology and staffed with experienced physicians and a comprehensive support team. 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, pharmacy management and specialist network development, allowing them to devote more time to patient care. Also, through its subsidiary, Seredor Corporation, Continucare operates 15 sleep diagnostic centers in seven states.

Continucare 



Continuicare Financial Highlights

STATEMENTS OF OPERATIONS & CASH FLOWS DATA:

Total revenue
Income from operations
Net income
Diluted net income per common share
Cash flow from operations

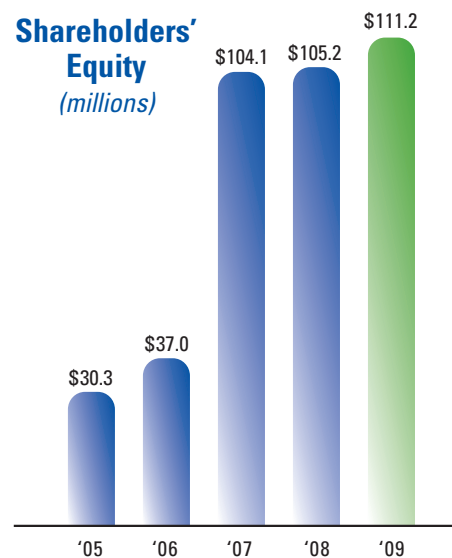
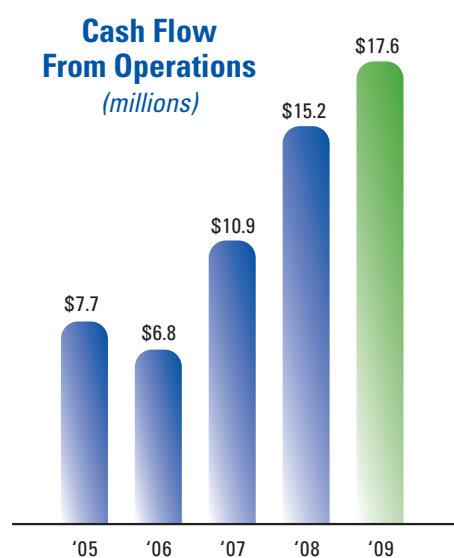
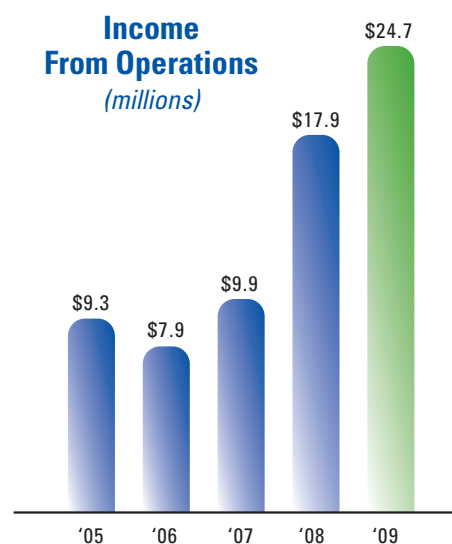
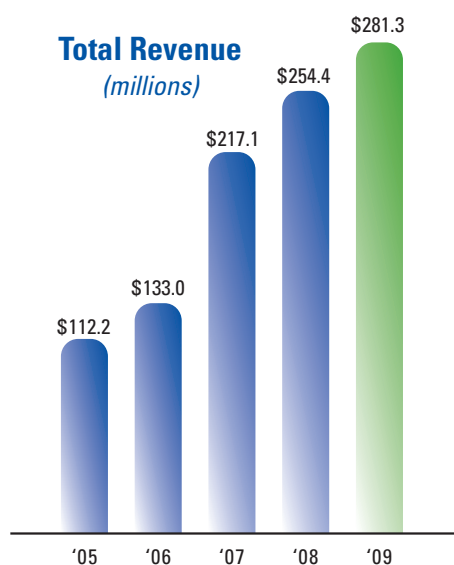
BALANCE SHEET DATA:

Cash and cash equivalents
Total assets
Long-term obligations, including current portion
Shareholders' equity

For the Fiscal Year Ended June 30,

	2009	2008	2007	2006	2005
Total revenue	\$281,270,360	\$254,440,048	\$217,146,287	\$132,990,912	\$112,231,113
Income from operations	24,728,658	17,867,453	9,889,604	7,949,569	9,310,877
Net income	15,281,121	11,269,654	6,303,445	5,337,539	15,891,492
Diluted net income per common share	0.24	0.16	0.10	0.10	0.31
Cash flow from operations	17,634,096	15,232,379	10,850,653	6,840,319	7,706,445

	As of June 30,				
	2009	2008	2007	2006	2005
Cash and cash equivalents	\$ 13,895,823	\$ 9,905,740	\$ 7,262,247	\$ 10,681,685	\$ 5,780,544
Total assets	125,303,386	118,490,304	116,937,548	41,994,347	34,137,935
Long-term obligations, including current portion	204,985	196,379	331,319	195,819	107,710
Shareholders' equity	111,202,523	105,226,277	104,058,385	36,974,920	30,298,633



Dear Shareholders:

I am pleased to report that Continucare delivered another year of outstanding achievement.

Our ability to efficiently provide high quality health care propelled us to our sixth consecutive year of improved revenue, a period during which our operating profits increased at an annual rate of 47%. Moreover, given the difficult economic environment, it is particularly impressive that fiscal 2009 was the most successful year in our history.

We, however, are not resting on our laurels and are looking to build on our momentum. After the close of fiscal 2009, we established a presence in a new sector with the acquisition of two operators of full service sleep diagnostic centers. We believe the sleep diagnostic field has excellent growth prospects, and entering this market will enable us to expand our service offerings and diversify our business.

Fiscal 2009 – Another Record Year

We reported record results for fiscal 2009. Revenue grew to \$281.3 million, an 11% increase over \$254.4 million in fiscal 2008. Income from operations rose 38% to \$24.7 million from \$17.9 million in the prior year. Net income climbed 36% to \$15.3 million, or \$0.24 per diluted share, from \$11.3 million, or \$0.16 per diluted share, in fiscal

2008. Our improved profitability was the result of higher revenue, improved utilization outcomes and enhanced operating efficiencies.

We also further strengthened our already solid balance sheet. At fiscal year end, cash and cash equivalents were \$13.9 million, a 40% increase from \$9.9 million at June 30, 2008. Working capital at June 30, 2009, improved to \$25.5 million from \$20.3 million at the end of the prior fiscal year. Also, at June 30, 2009, the company had a working capital ratio of 5-to-1 and virtually no long-term debt.

Fiscal 2010 – A Strong Start to the New Year

We reached a significant milestone as we started the new fiscal year. The fiscal 2010 first quarter marked the 10th consecutive quarter of growth. Our strong performance continued as total revenue increased 17% to \$76.0 million from \$65.1 million a year ago. Income from operations more than doubled to \$8.6 million from \$4.0 million in the same period last year. Net income increased dramatically as well during the quarter, rising 113% to \$5.3 million, or \$0.09 per diluted share, from \$2.5 million, or \$0.04 per diluted share, in the first quarter of fiscal 2009.

By achieving these operating results we were able to further improve our financial position.



Richard C. Pfenniger, Jr., Chairman, President and Chief Executive Officer

Our cash position at September 30, 2009 increased to \$22.8 million, working capital rose to \$29.8 million, and our working capital ratio improved to 6-to-1.

We expect to report strong operating results for the first half of fiscal 2010; however, we are keeping a watchful eye on the second half of the fiscal year. The Centers for Medicare and Medicaid Services, the federal agency that administers Medicare, announced that premiums paid to Medicare Advantage (MA) plans will be reduced by approximately 5% effective January 1, 2010, before taking into account adjustments resulting from changes in patient acuity. Because the capitation payments we receive from MA plans are typically defined as a percentage of the premium the plan receives, our revenue per MA patient could decline by a corresponding amount.

Although our HMO affiliates have reduced 2010 plan benefits to mitigate the effect of premium reductions, we do not presently believe these benefit changes will fully offset capitation reductions. In an effort to further mitigate the effect of the reductions, we will seek to improve medical utilization, pursue other cost reduction strategies and seek to develop additional revenue sources.

While we cannot assure you how successful we will be in mitigating the effects of any MA capitation payment reductions and their impact on our profit margins, we have an extremely capable group of health care professionals and business managers prepared to meet these challenges.

Keys to Our Success

Benjamin Franklin's observation that "an ounce

of prevention is worth a pound of cure” is not just a clever quote, it is the very essence of comprehensive primary care, a model that we have long embraced and have effectively administered for years. Our commitment to, and practice of, comprehensive primary care has been a driving force behind our financial results.

In the midst of today’s national debate over health care reform, one certainty on which all sides agree is that the U.S. health care system is struggling. Increasing demands and expectations, and rapidly rising costs have created a challenging environment for patients and health care providers alike. Among the solutions offered to our collective challenge are better promotion of wellness and preventative care, expanding the role of primary care physicians and enhanced focus on coordination of care. These concepts, however, are not new at Continucare. Patient-centered health care has long been firmly entrenched within our organization.

The essence of our approach is comprehensive health care that responds to the needs of each individual. At Continucare, everything starts with a strong primary care relationship, which depends on having access to highly skilled, committed and caring primary care physicians, supported by dedicated health care professionals who place the patient’s health as their principal objective.

Evidence of our commitment to high quality primary care and our focus on wellness, prevention and coordination of care is the number of outpatient physician visits our Medicare patients have annually. Nationally, Medicare participants average six outpatient visits per year, including specialist visits, many of which are not coordinated with a primary care physician. Over the past year, our Medicare patients averaged 10.5 outpatient physician visits (6.9 with primary care physicians and 3.6 with specialists, all coordinated with our primary care physicians), exceeding the national average by 75%.

Evidence of the value of our approach to health care comes in the form of outstanding inpatient utilization outcomes. We believe that our focus on intensive well-coordinated outpatient care results in fewer and shorter hospital stays. For example, at 1,535 per thousand patients, inpatient bed days in the past fiscal year for our Medicare patients were approximately 30% lower than the national average of approximately 2,200. Breaking this down further, the average length of a hospital stay for our Medicare patients was 4.4 days which compares to a national Medicare average of 5.6, and our readmission rate within 30 days of hospital discharge was 12%, 40% lower than the national Medicare average of 20%.

These achievements distinguish Continucare as a health care provider that delivers quality care in an efficient, cost effective manner, and are a testament to the physicians who work collaboratively with other medical professionals to provide outstanding care for our patients.

Seredor – Sleep Diagnostic Opportunity

In August 2009, we added a new dimension to our business with the launch of Seredor Corporation. Seredor – the name is derived from a combination of the roots to the Spanish words for “serene” and “sleep” – is a wholly-owned subsidiary of Continucare that currently operates and manages sleep diagnostic centers at 15 locations in seven states. The centers conduct sleep studies to determine whether patients suffer from sleep disorders and, if so, the severity of the condition. Seredor clinical staff are expertly

trained in sleep disorders and work in cooperation with physicians, respiratory therapists and other clinicians utilizing state-of-the-art equipment to effectively diagnose and treat patients.

The most common sleep disorder, obstructive sleep apnea (OSA), is a serious and often undiagnosed health condition that afflicts more than 18 million adults in the United States. Those with OSA repeatedly stop breathing during sleep in intervals that may last 10 seconds to a minute or longer. Sufferers are at increased risk for hypertension and heart disease as well as mood and memory problems. Key symptoms of OSA include daytime sleepiness, which increases the risk of automobile crashes and other accidents, loud snoring, gasping or choking during sleep, and depression and irritability. OSA is most common among people who are obese.



Continucare Receives Humana Five Star Awards for Fourth Consecutive Year

For the fourth consecutive year, Continucare has been recognized by Humana for providing the highest standards of health care. Humana, one of the nation's leaders in health benefits innovation, has presented three Continucare Medical Centers with the prestigious Humana Five Star Award for 2009.

Once again,
we are
proud to
announce
that the



honor has been given to Continucare Kendall, Continucare Margate and Continucare Sunrise. Continucare has won 17 Humana Five Star Awards since 2006.

Humana presents the award annually to affiliated medical centers that exemplify excellence in health care. Among other criteria, patients are surveyed by Humana regarding their satisfaction with their medical care. The medical centers receiving the highest scores are given the award.

At Continucare, we are dedicated to understanding our patients' needs and ensuring the well-being of our communities. We have committed ourselves to this mission, offering the finest care on a timely and regular basis. This continuing theme throughout the entire Continucare organization has helped secure our latest Humana Five Star Awards, and embodies our commitment to quality care and patient satisfaction.

We see promising characteristics in the sleep diagnostic field and, through Seredor, we expect to become a leader over time. Sleep medicine is an important and growing discipline. Currently, the market for sleep diagnostic centers is about \$4 billion annually in the United States, highly fragmented and growing at a double digit pace.

We have appointed David Neel President of Seredor. David is a talented executive who comes to us with more than 20 years of health care management experience, with a particularly strong focus in sales and marketing. To date, we have made two acquisitions, Professional Sleep Diagnostics in August, which has operations in South Carolina, North Carolina, West Virginia, Virginia, Colorado and Ohio, and Sleep Disorders Solutions in October, which has operations in Florida. We are also currently evaluating several potential acquisition candidates.

In addition to its appealing growth prospects, the sleep diagnostic business is strategically attractive because we believe it will broaden our revenue, profit and cash flow base.

Stock Repurchase Program

We generated significant cash flow from operations in fiscal 2009, a portion of which was used to repurchase shares of our common stock. The repurchase program demonstrates our continu-

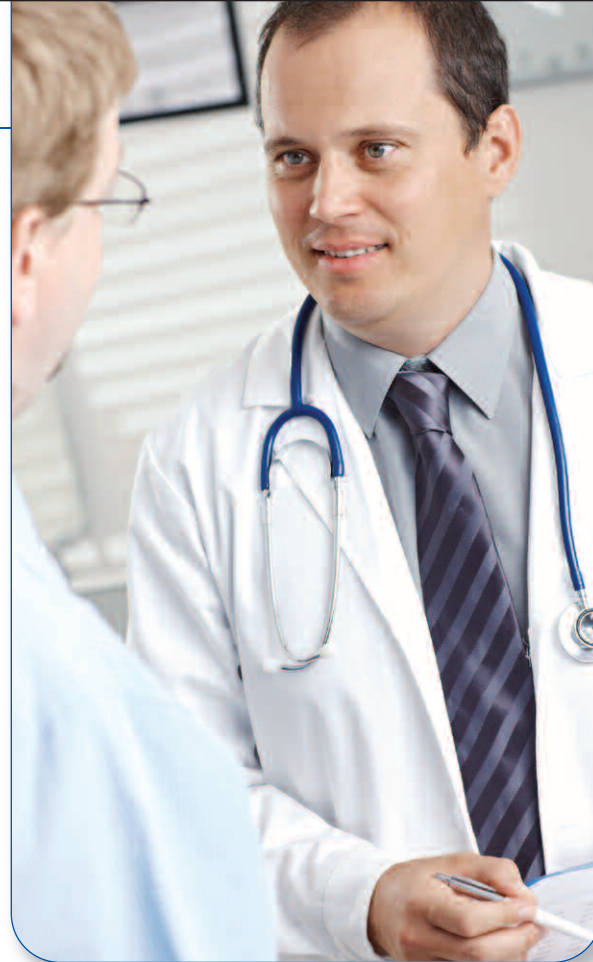
ing confidence in our business and effectively represents a tax efficient return of capital to our shareholders. The plan authorizes management, at its discretion, to repurchase shares from time to time in the open market or in privately negotiated transactions.

In March 2009, our Board of Directors approved a 2.5 million share increase to our stock repurchase program, bringing the total number of shares of common stock authorized for repurchase under the program to 15 million shares. In fiscal 2009, we repurchased 5.4 million shares at an aggregate cost of \$10.6 million, or an average of \$1.96 per share. Since the inception of the repurchase program, we have repurchased 11.9 million shares at a total cost of approximately \$25.0 million, or an average of \$2.10 per share. Approximately 3.1 million shares remain available for repurchase under the program.

Health Care Reform

As this letter is being written, the debate over comprehensive health care reform continues in Congress and the end result may not be known for some time. As a health care provider we, not surprisingly, have views on this critically important topic and believe it would be worthwhile to briefly share some of these.

We strongly support responsible reform, includ-



ing initiatives directed to improving access to health care for all Americans. As the national health care reform debate has progressed however, we increasingly believe that as a country we are heading down a path of missed opportunity. We believe that the fundamental problem is the high cost of health care. Costs are increasing at an unsustainable rate and American families and businesses simply cannot continue to shoulder the resulting financial burden.

We believe that the health care reform debate should be refocused on our most compelling need – lowering costs. To be fair, some of the proposed



legislation does address cost. The problem is that the currently proposed legislation does not do enough to control costs and portions of currently proposed legislation are counter-productive and would likely increase costs.

We believe that much can be done to control costs. In addressing this compelling need however, it is important to bear in mind that health care reform is a complex topic and there are no quick fixes. The problem is indeed fixable; but, it requires focus, discipline and patience. With these thoughts in mind we offer a few non-exclusive propositions to better control the cost of health care.

First, we believe that one of the most powerful methods for controlling costs (and one that is

absent from the currently pending Congressional bills) is meaningful tort reform. It is well known that the fear of malpractice lawsuits and liability leads to needless medical tests and procedures. In a 2005 survey published in the Journal of the American Medical Association, more than 90% of doctors said they practiced defensive medicine and admitted to having ordered unnecessary referrals, tests and procedures.

Defensive medicine is extremely costly. Estimates vary but some place the cost at almost 10% of total health care costs or more than \$200 billion annually.

Though requiring some fortitude, the solution is simple: put an end to frivolous lawsuits by enacting meaningful tort reform. There are many ways

to do this, but in our view the most effective would be to adopt the “English Rule” and require the loser in any lawsuit to reimburse the prevailing party for costs incurred.

Another solution plays on the old adage, “If it ain’t broke, don’t fix it.” An element of virtually all proposed health care reform legislation is the reduction of Medicare funding, with a particular focus on MA spending. Medicare Advantage is under attack for two basic reasons. First, proponents of certain reform initiatives need to find a way to pay for their proposals and taking money from the MA program is one way to do that. Second, MA is a popular target because critics deride the program as too costly, noting that, on average, it exceeds the per capita cost of traditional fee-for-service (FFS) medicine. As is often the case with broad assertions however, there is much more to the story than meets the eye.



Continuicare Introduces Century Club

At Continuicare our core mission is to improve the lives of others by providing high quality health care services. In pursuing our mission, we strive to provide a true “medical home” for our patients, placing a strong emphasis on wellness and prevention.

Through the talented and caring physicians and support staff, we provide care to patients of all ages – from infants to seniors. Among these patients are a number who have reached an important life milestone, 100 years of age. Although we cannot, in all fairness, take full credit for their long lives, we are proud to be able to serve members of this exclusive group, and we recently initiated a program to pay special tribute to them. We call this group of patients our “*Century Club*” and periodically celebrate and honor these individuals on our website (see www.continucare.com/centuryclub.cgi).

Rebecca “Becky” Bethal is 102 and our first featured member. Born in the Bahamas and a resident of Miami for more than 96 years, Becky has been a patient of Dr. Carmen Andux-Gonzalez (*both pictured on this page*) and our medical center in Hialeah, Florida since 2003.

State-of-the-Practice Facilities

In fiscal 2009, we invested more than \$2.5 million as part of our continuing program to improve and upgrade our facilities.



On a typical day, more than 1,000 patients visit Continucare medical centers. We believe our patients, physicians, other health care professionals and administrative staff deserve modern equipment and facilities as well as a warm, friendly and inviting environment.

In addition, better appointed facilities support good business outcomes. Happy,

satisfied employees are more likely to provide the stellar customer service we strive for, which results in improved patient retention.

Our medical centers offer full service primary care and numerous on-site medical specialty services, including physical therapy, cardiology, nephrology, ophthalmology, optometry, gynecology and gastroenterology, as well as alternative medicine therapies such as acupuncture and massage therapy.



In the past year, three of our facilities in Miami-Dade County – the Flagler, Parkway and Perrine medical centers – were completely remodeled. The Flagler facility (pictured on this page) serves more than 4,600 patients and is our second largest office in terms of patient volume. This facility serves all age groups, with separate offices for the pediatric and adult populations.

In many parts of the nation, private MA plans receive no federal support in the way of subsidies and offer their plans at costs to the federal government that do not exceed local FFS costs. Moreover, efficiencies developed by private MA plans in these markets permit the plans to offer participants benefits not available to traditional FFS Medicare participants.

One of many examples of these markets is South Florida, where private plans offer significant benefit enhancements, including no co-payments or deductibles for a vast range of services; an extensive array of wellness and preventative care services, including routine physicals, immunizations and pap smears; and expanded pharmaceutical coverage with the elimination of deductibles and co-payments.

Through these enhancements, the MA plans in which our patients participate promote wellness and prevention, strong primary care relationships, chronic disease management and coordination of care – essential aspects of any good health care plan. When combined with the capitation arrangements we are able to negotiate with the MA plans, we are able to make the investments necessary to create integrated health care networks and offer our patients a level of care not typically found in traditional FFS Medicare. Simply put, we provide our patients a true “medical

home,” a concept we embraced long before it became in vogue.

The proactive outpatient care and the outstanding inpatient utilization outcomes cited in the Keys to Our Success section of this letter are important examples of the benefit and value of our care. If proposed MA funding cuts take place (particularly those contained in the currently proposed Senate bill which could result in funding some MA markets at below local FFS cost levels), our ability to sustain these outcomes would be threatened. Therefore, we strongly recommend that any cuts be enacted on a basis that protects those MA market places that have “broken the code” on high health care costs and urge that more be done to encourage and support comprehensive primary care.

Lastly, we recommend that any health care reform plan require personal responsibility. In saying that we take note of the words of author and satirist P. J. O’Rourke who once said, “If you think health care is expensive now, wait until you see what it costs when it’s free.”

We agree. We believe that individuals should accept some personal responsibility for the cost of their health care, and have successfully applied the concept to our group employee medical plan. Like most responsible employers, we offer a

comprehensive group medical benefit to our employees. The basic design of our plan is similar to others, with employees making a small contribution to the cost of the plan and Continucare paying for the lion's share of the program, currently approximately 75%.

All employers, large and small struggle with the rising cost of health care, typically experiencing annual increases that well exceed the rate of inflation. Continucare is no different.

In an effort to combat this trend, we took decisive action four years ago to get a grip on our escalating costs, or as President Obama once put it, "bend the curve." The core principle we followed was to require more personal responsibility from our employees and we did this by providing incentives for them to maintain healthy lifestyles.

More specifically, in 2006 we increased the annual deductible that applied to each participant from zero to \$1,500 for individuals and \$3,000 for families. At the same time, we gave those employees who made healthy lifestyle choices the opportunity to, in effect, earn back their deductible. For example, our employees with family coverage are able to reduce their deductibles in \$600 increments if they do not use tobacco; maintain a body mass index under 30;

keep their blood pressure under 130/90; their LDL cholesterol levels under 160 per mg/DL; and their fasting blood glucose level under 125 per mg/DL. None of these goals are onerous and in most cases physicians would recommend more rigorous levels.

Our approach is simple. Individuals who make healthy choices pay less than those who make unhealthy choices. Our results have been extraordinarily successful. In the five years preceding the change, our health insurance cost per employee increased an average of 15% per year, well in excess of the inflation rate. Following the change three years ago, our costs per employee increased an average of 1% per year.

There are certainly other ways the same concept could be practiced, but we believe our experience demonstrates the value of requiring individuals to have a financial stake in their health care, and we encourage the adoption of other innovative programs directed to increasing personal responsibility.

With Sincere Appreciation

The past year has seen numerous financial and operational success stories, and we are proud of our accomplishments. However, as I said at the beginning of this letter, we are not inclined to rest on our laurels. Continucare has achieved

this high level of performance by looking toward the future, not dwelling on the past.

The dedication of our unrivaled team of doctors, nurses, support staff and administrators has kept Continucare moving in the right direction, despite challenging economic cycles and a changing health care landscape. We have remained on point, enhancing the level of the services we offer, improving the lives of our patients and ensuring that their needs always come first.

As we move forward, I express my sincere appreciation and admiration on behalf of management and our Board of Directors to our entire team of health care professionals and support

staff for their tireless efforts and unwavering allegiance to our patients. To our shareholders, thank you for the support your investment provides.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard C. Pfenniger, Jr.', written in a cursive style.

Richard C. Pfenniger, Jr.
Chairman, President
and Chief Executive Officer

December 9, 2009

For additional information on Continucare's business, markets, and strategies, we refer you to our Form 10-K for the fiscal year ended June 30, 2009 (particularly Item 1 – Business) which is included within this Annual Report to Shareholders.



Pictured above is Continucare's recently renovated Flagler facility.

Medical Offices

Continucare offers outpatient primary care services through a network of 18 medical offices throughout Miami-Dade County, Broward County and Hillsborough County, Florida. Each of our medical offices is a modern facility with a comprehensive staff organized to meet a diverse set of primary care medical needs.

Miami-Dade County

Hialeah
3233 Palm Avenue
Hialeah, FL 33012
305-557-1000

Flagler
2600 W. Flagler Street
Miami, FL 33135
305-643-1000

Kendall
11701 Mills Drive
Miami, FL 33183
305-270-2700

Perrine
18853 S.W. 117th Avenue
Miami, FL 33177
305-238-1111

Cutler Ridge
11000 S.W. 211th Street
Miami, FL 33189
305-254-1500

Parkway
16800 N.W. 2nd Avenue
Suite 103
North Miami Beach, FL 33162
305-651-8770

Westchester
8608 Bird Road
Miami, FL 33155
305-551-3200

Homestead
442 Washington Avenue
Homestead, FL 33030
305-245-0200

Broward County

Margate
5643 N.W. 29th Street
Margate, FL 33063
954-979-6900

Tamarac
7101 W. McNab Road
Suite 101
Tamarac, FL 33321
954-722-5600

Sunrise
2900 N. University Drive
Sunrise, FL 33322
954-748-8200

Plantation
6971 W. Sunrise Blvd.
Suite 201
Plantation, FL 33313
954-321-7700

Davie
4801 S. University Drive, Suite 113
Davie, FL 33328
954-434-8588

Pembroke Pines
460 N. University Drive
Pembroke Pines, FL 33024
954-437-4004

Hollywood
5201 Hollywood Blvd.
Hollywood, FL 33021
954-981-5200

Hillsborough County

Lutz
217 Crystal Grove Blvd. #101
Lutz, FL 33548
813-949-4224

Plant City
228 W. Alexander Street
Plant City, FL 33563
813-754-5480

South Tampa
3225 S. MacDill Avenue #117
Tampa, FL 33629
813-837-2814

Corporate Information

Corporate Headquarters

Continuicare Corporation
7200 Corporate Center Drive
Suite 600
Miami, FL 33126
Telephone: 305-500-2000
www.continucare.com

SEC Form 10-K

Continuicare's 2009 Annual Report on Form 10-K is included within this Annual Report to Shareholders. Additional copies are available free of charge by writing or calling Fernando Fernandez, Chief Financial Officer, at the corporate headquarters listed above.

Annual Meeting

Continuicare's annual meeting of shareholders will be held February 9, 2010 at 9:30 a.m. at the corporate headquarters listed above.

Transfer Agent

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
Telephone: 800-937-5449

Independent Registered Public Accounting Firm

Ernst & Young LLP
100 Northeast 3rd Avenue
Ft. Lauderdale, FL 33301

Board of Directors

Richard C. Pfenniger, Jr.
President, Chief Executive Officer and Chairman
Continuicare Corporation

Luis Cruz, M.D.
Private Investor

Phillip Frost, M.D.
Chairman and Chief Executive Officer
Opko Health, Inc.

Robert J. Cresci
Managing Director
Pecks Management Partners Ltd.

Neil Flanzraich
Private Investor

Jacob Nudel, M.D.
Founder
MDwerks, Inc.

A. Marvin Strait
Certified Public Accountant

Jacqueline M. Simkin
President
Simkin Management Inc.

Audit Committee

A. Marvin Strait, *Chairman*
Robert J. Cresci
Neil Flanzraich
Jacqueline M. Simkin

Compensation Committee

Robert J. Cresci, *Chairman*
Neil Flanzraich
Jacqueline M. Simkin
A. Marvin Strait

Nominating Committee

Phillip Frost, M.D., *Chairman*
Neil Flanzraich
Robert J. Cresci
Jacqueline M. Simkin
A. Marvin Strait

Officers

Richard C. Pfenniger, Jr.
President, Chief Executive Officer and Chairman

Gemma Rosello
Executive Vice President – Operations

Fernando L. Fernandez
Senior Vice President – Finance, Chief Financial Officer, Treasurer and Secretary

Sadita Bustamante
Senior Vice President – Center Operations

Luis H. Izquierdo
Senior Vice President – Marketing and Business Development

Dora Rodriguez-Duran
Senior Vice President – Support Services

Holly Lopez
Vice President – Support Services

Market Information

Our common stock is traded on the NYSE Amex under the symbol "CNU." The following table sets forth the high and low sale prices of our common stock as reported by the composite tape of the NYSE Amex for each of the quarters indicated.

	HIGH	LOW
Fiscal Year 2009:		
Quarter Ended 6/30/09	\$ 2.55	\$ 1.71
Quarter Ended 3/31/09	2.12	1.57
Quarter Ended 12/31/08	2.63	1.53
Quarter Ended 9/30/08	2.67	2.06
Fiscal Year 2008:		
Quarter Ended 6/30/08	\$ 2.79	\$ 1.04
Quarter Ended 3/31/08	2.68	1.70
Quarter Ended 12/31/07	2.90	2.16
Quarter Ended 9/30/07	3.10	2.08

As of the close of business on August 31, 2009, there were approximately 119 record holders of our common stock. We have not declared or paid dividends on our common stock and do not contemplate declaring or paying dividends in the foreseeable future.

Forward-Looking Statements

Certain statements and information set forth in this Annual Report to Shareholders, including statements regarding our business, financial condition, results of operations, cash flows and prospects, and the prevailing market price and performance of our common stock, constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in such Act. You should note that forward-looking statements in this document speak only as of the date of this Annual Report to Shareholders and we undertake no duty or obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that the expectations, plans, intentions and projections reflected in our forward-looking statements are reasonable, such statements are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The risks, uncertainties and other factors that our shareholders and prospective investors should consider include those set forth in our Annual Report on Form 10-K, which is included within this Annual Report to Shareholders, and in our other filings with the Securities and Exchange Commission.



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