



THE CENTER FOR
WOUND HEALING, INC.

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**THE CENTER FOR WOUND HEALING, INC. ANNOUNCES
FISCAL YEAR 2009 FINANCIAL RESULTS**

Tarrytown, NY – October 13, 2009 – The Center for Wound Healing, Inc. (OTC Bulletin Board: CFWH.OB) (CFWH), a leading manager of comprehensive wound care treatment centers that offer wound care and hyperbaric oxygen therapy (HBO), today announced financial results for the fiscal year ended June 30, 2009.

Financial highlights for fiscal 2009 include the following (all comparisons with fiscal 2008):

- Total revenue of \$29.2 million, up 10.6 percent
- HBO revenue up 7.3 percent
- Wound care revenue up 34.2 percent
- Gross margin of 49.1 percent
- EBITDA of \$7.5 million
- Cash flow from operations of \$6.5 million

“I am pleased with our ability to continue to grow revenue and treatment volume in the face of a challenging economic environment. Our performance, particularly with respect to the substantial increase in wound care treatments, which now account for approximately 16 percent of our revenue, demonstrates the quality and consistency of our hospital relationships, staffing and community education efforts in the hospital markets we serve,” commented Andrew G. Barnett, The Center for Wound Healing’s Chief Executive Officer. “Our operational restructuring and financial turnaround is complete, and by virtually every measure our company is in the strongest financial position it has ever enjoyed. During the year, our company generated \$6.5 million of cash from operations and retired \$3.5 million of bank debt. We are well positioned financially and operationally to accelerate the expansion of our portfolio of hospital partnerships and are actively doing so.

“Throughout the year, we made significant investments in corporate and center personnel and systems to solidify controls, information flow and performance, and laid the foundation to support future growth. In addition to strengthening our current organization and portfolio management, we are building our national business development capability. The quality and experience of our hospital-

based staff has never been better, and I believe this is demonstrated by our year-over-year increase in the number of both HBO and wound care treatments. Also, we have rolled-out WoundDocs, our web-based EMR, which will contribute to our ability to improve patient service and recordkeeping, increase utilization of resources, and substantially improve the flow of patient information to the patient and his or her health care provider,” continued Barnett. “As a result of these investments, we are well positioned to increase the number hospital partnerships under management and continue to improve profit contribution per center.”

Full-Year Fiscal 2009 Financial Results

Total treatment revenue for the fiscal year ending June 30, 2009 was \$29.2 million, a 10.6 percent increase compared with total revenue of \$26.4 million for fiscal 2008.

Gross margin for the fiscal year was 49.1 percent, compared with gross margin of 50.1 percent in fiscal 2008. The reduced margin reflects investments in personnel, systems and equipment, along with increases in medical and commercial insurance costs.

The Company generated EBITDA of \$7.5 million in fiscal 2009, compared with EBITDA of \$8.6 million in the fiscal 2008. The lower EBITDA is due to the reduced gross margin (as stated above) plus substantial increases in the bad debt reserve, including approximately \$600 thousand in the write-off of receivables balances from two hospitals that filed bankruptcy during the year, and a cautious view to the more difficult economic environment. The Company’s EBITDA margin was 25.5 percent. The company generated \$6.5 million of cash from operations in fiscal 2009 compared with \$2.0 million from operations in fiscal 2008.

The net loss in fiscal 2009 was \$4.2 million, or (\$0.18) per share, compared with a net loss of \$3.9 million or (\$0.17) per share for fiscal 2008.

About The Center for Wound Healing, Inc.

The Center for Wound Healing, Inc. is a leading manager of comprehensive wound care treatment centers that offer hyperbaric oxygen therapy (HBO) as well as traditional wound care treatment modalities. The Company manages 35 wound care centers in the eastern United States in partnership with local acute care hospitals. CFWH was founded by physicians in 1997 with a focus on establishing in-hospital centers of excellence to treat the growing incidence of severe grade diabetic wounds of the lower extremities and wounds that are unresponsive to general wound care treatments. The Company’s centers have consistently achieved high treatment success rates, resulting in a dramatic increase in patient quality of life and significant cost savings to the healthcare system.

Forward-Looking Statements

Statements contained herein that are not historical facts may be forward-looking statements within the meaning of the Securities Act of 1933, as amended. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company and its management. Such statements are estimates only, as the Company has not completed the preparation of its financial statements for those periods, nor has its auditor completed the audit of those results. Actual revenue may differ materially from those anticipated in this press release. Such statements reflect management’s current views, are based on certain assumptions and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors. The

Center for Wound Healing undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in The Center for Wound Healing's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Factors that may impact The Center for Wound Healing's success are more fully disclosed in The Center for Wound Healing's most recent public filings with the U.S. Securities and Exchange Commission.

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended June 30,	
	2009	2008
REVENUE	\$ 29,206,208	\$ 26,357,619
<u>OPERATING EXPENSES</u>		
Cost of services	14,854,283	13,157,728
Sales and marketing	253,999	180,367
General and administration	9,849,924	8,466,779
Abandonment loss	133,589	189,992
Depreciation and amortization	1,082,914	443,581
Bad debts	2,111,499	796,027
TOTAL OPERATING EXPENSES	28,286,208	23,234,474
OPERATING INCOME	920,000	3,123,145
<u>OTHER EXPENSES (INCOME)</u>		
Interest expense	4,937,657	6,783,110
Interest income	(19,550)	(41,344)
Non-controlling interest in net (income) loss of consolidated subsidiaries	(10,418)	154,254
Loss on disposal of property and equipment	-	68,880
Other expenses	49,801	20,865
TOTAL OTHER EXPENSES	4,957,490	6,985,765
LOSS BEFORE PROVISION FOR INCOME TAXES	(4,037,490)	(3,862,620)
PROVISION FOR INCOME TAXES	130,222	20,065
NET LOSS	\$ (4,167,712)	\$ (3,882,685)
NET LOSS PER COMMON SHARE-BASIC AND DILUTED	\$ (0.18)	\$ (0.17)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES - BASIC AND DILUTED	23,548,029	22,997,476

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>	as at JUNE 30,	
	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash	\$ 339,859	\$ 55,139
Accounts receivable, net of allowance for doubtful accounts of \$2,969,974 and \$2,941,917 respectively	14,590,231	14,563,325
Notes receivable, net of allowance of \$118,298 and \$0 respectively	140,536	460,872
Income tax refunds receivable	-	2,090
Prepaid expenses and other current assets	<u>295,135</u>	<u>398,631</u>
Total current assets	15,365,761	15,480,057
Notes receivable	-	134,295
Property and equipment, net	7,585,373	8,886,005
Intangible assets, net	3,110,378	4,402,495
Goodwill	751,957	751,957
Other assets	<u>1,427,391</u>	<u>1,507,192</u>
TOTAL ASSETS	<u>\$ 28,240,860</u>	<u>\$ 31,162,001</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 3,080,796	\$ 4,105,548
Current maturities of obligations under capital leases	133,295	526,107
Current maturities of senior collateralized subordinated promissory note	532,227	-
Current maturities of notes payable	1,957,626	5,139,856
Payable to former majority members	<u>118,034</u>	<u>618,033</u>
Total current liabilities	5,821,978	10,389,544
Senior collateralized subordinated promissory note , net of current maturities	13,772,810	9,968,740
Notes payable, net of current maturities	1,323,629	782,133
Obligations under capital leases, net of current maturities	4,850	131,774
Non-controlling interest in consolidated subsidiaries	<u>315,150</u>	<u>580,558</u>
TOTAL LIABILITIES	<u>21,238,417</u>	<u>21,852,749</u>
COMMITMENTS AND CONTINGENCIES		
<u>STOCKHOLDERS' EQUITY</u>		
Common stock, \$0.001 par value; 290,000,000 shares authorized; 24,123,638 and 23,373,281 shares issued and outstanding at June 30, 2009 and 2008, respectively	24,123	23,373
Additional paid-in capital	31,625,135	29,764,982
Accumulated deficit	(24,646,815)	(20,479,103)
TOTAL STOCKHOLDERS' EQUITY	<u>7,002,443</u>	<u>9,309,252</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 28,240,860</u>	<u>\$ 31,162,001</u>