

**ARCADIA RESOURCES ANNOUNCES FISCAL 2010 FOURTH QUARTER
AND YEAR END RESULTS**

INDIANAPOLIS, IN – June 11, 2010 – Arcadia Resources, Inc. (NYSE Amex: KAD), a leading provider of innovative consumer health care services under the Arcadia HealthCareSM brand, today announced fourth quarter revenues of \$25.5 million and a net loss of \$19.2 million, or \$0.11 per share, which compares to revenue of \$25.9 million and a net loss of \$36.7 million, or \$0.27 per share for the same period in the fiscal 2009. For the fiscal year ended March 31, 2010, the Company reported revenues of \$103.6 million and a net loss of \$31.1 million, or \$0.19 per share, which compares to revenues of \$106.1 million and a net loss of \$46.5 million, or \$0.35 per share for fiscal 2009.

“We achieved a number of important milestones this year, which set the foundation for continued growth for both our businesses and enhanced profitability in our DailyMed business,” said Marvin R. Richardson, President and Chief Executive Officer of Arcadia. “We sold off non-strategic business units to improve our focus, grew our DailyMed business by over 150% annually to 15% of total Company revenues and maintained consistent year-over-year profitability in the Services segment despite a decline in medical staffing revenue of over \$10 million for the fiscal year.”

Fourth-Quarter and Recent Highlights

- Pharmacy revenues increased 103.5% over prior year quarter and 7.7% over the third quarter
- DailyMed launched by Alliance Healthcare Partners to Medicare Advantage and high risk commercial members in Illinois and Iowa
- New prime vendor agreement and \$5 million line of credit established with H.D. Smith

For the fourth quarter of fiscal 2010, Arcadia reported revenues of \$25.5 million, compared with revenues of \$25.9 million for the same period last year. In its Pharmacy segment, Arcadia reported revenues of \$4.4 million, or a 103.5% increase for its DailyMed medication management system for the fiscal 2010 fourth quarter, compared with the same period a year ago. Revenue in the Services segment was \$20.7 million, a decrease of \$2.5 million, or 10.9%, compared to the same quarter last year due primarily to a decline in medical staffing revenue.

Arcadia reported a net loss from continuing operations of \$19.4 million, or \$0.11 per share, in the fourth quarter of fiscal 2010, compared to a net loss from continuing operations of \$32.7 million, or \$0.24 per share, in the same period in fiscal 2009. The consolidated net loss, including discontinued operations, was \$19.2 million, or \$0.11 per share, in the fiscal fourth quarter in 2010 compared to a net loss of \$36.7 million, or \$0.27 per share, in the fiscal fourth quarter in 2009. In the fourth quarter of fiscal 2010, Arcadia reported a one-time impairment charge to goodwill of \$14.6 million related to the Company's Services segment which compares to a one-time impairment charge of \$23.5 million in the fourth quarter of fiscal 2009 related to the Company's Pharmacy and Catalog segments.

Commenting further on important achievements Richardson continued. “In our Pharmacy operations, we established a new prime vendor agreement with H.D. Smith which has already resulted in significant reductions in our branded and generic drug costs as well as the opportunity to participate in group purchase programs which also lowers our costs. We moved into our new headquarters in May and will move our Indianapolis pharmacy operations into this same facility this month which will allow for greater capacity and efficiency for our pharmacy operations. Finally, we have undertaken a number of new enrollment programs designed to streamline our new member acquisition capabilities.”

Fiscal 2010 Fourth Quarter Results

Arcadia reported \$25.5 million in revenue from continuing operations during the quarter, down slightly from \$25.9 million during the same period a year ago. The Company's gross margin from continuing operations was 27.1% during the fourth quarter, a decline of 2.0% from the same period a year ago. The reduction in gross margin was driven by a shift in mix towards Pharmacy revenue, which has lower margins than the Company's Services segment.

Pharmacy: Pharmacy segment revenues increased 103.5% to \$4.4 million for the fourth quarter of fiscal 2010, compared to \$2.2 million in revenues for the fourth quarter of fiscal 2009. This growth was driven by the Company's DailyMed program and the continued roll-out of the program to high-risk Medicaid members. The program was launched in Virginia in August 2009 and was rolled out to California members late in fiscal fourth quarter 2010.

Pharmacy gross margin decreased to 12.3% in the fourth quarter of fiscal 2010 from 17.1% in the fourth quarter of fiscal 2009. Gross margins were negatively affected by changes in payer, member and product mix.

Services: The Company's Services segment, which includes Arcadia's home care and medical staffing business, reported revenues of \$20.7 million for the 2010 fiscal fourth quarter compared to revenues of \$23.2 million for the fourth quarter a year ago. Within the Services segment, home care revenues decreased by \$0.8 million, or 4.9%, to \$16.5 million from \$17.3 million in the same period last year. The primary driver of the decrease in the Services segment was a decline in per diem medical staffing and travel nursing staffing revenue to \$4.2 million in the current quarter, compared with \$5.9 million during the fourth quarter of fiscal 2009. Gross margins within the Services segment was essentially level with the same period last year.

Fiscal 2010 Annual Results

For the year ended March 31, 2010, revenues decreased to \$103.6 million from \$106.1 million in the prior year due to a decrease of \$10.9 million, or 11.2%, in the Company's Services revenues offset by an increase of \$9.1 million, or 151.8%, in the Company's Pharmacy revenues. Gross profits decreased to \$29.2 million, or 28.2% of revenue, for fiscal year 2010 from \$31.8 million, or 29.9% of revenue, for the fiscal year 2009. The reduction in gross margins was driven by a shift in mix towards Pharmacy revenue, which has lower margins than the Company's Services segment. Gross margins in the Services business were 30.5% for both fiscal 2010 and 2009. While the overall mix of higher margin home care business increased as a percentage of total revenues, this gross margin benefit was offset by several factors, including: a reduction in margins on several state-sponsored home care programs, such as Arizona, North Carolina, Washington and California; a reduction in the percentage of business generated in some of the Company's higher margin offices and markets, including the state of Michigan; and an overall decline in the margins in the medical staffing business due to changes in staffing business mix. Gross profits in the Company's Pharmacy segment increased to \$2.1 million for fiscal year 2010, an increase of 107.6% compared to fiscal year 2009. The increase in gross profit was due to higher Pharmacy revenues. Gross margins declined to 14.0% in fiscal 2010 compared to 17.0% in fiscal 2009. Gross margins were negatively affected by changes in payer, patient and product mix. Loss from continuing operations decreased to \$30.0 million, or \$0.18 per share, in fiscal 2010 from \$43.0 million, or \$0.32 per share in fiscal 2009. The decrease in the loss was primarily due to the higher impairment charge taken in fiscal 2009 compared with fiscal 2010. Net loss decreased to \$31.1 million, or \$0.19 per share, in fiscal 2010, from \$46.5 million, or \$0.35 per share in fiscal 2009.

Capital Resources and Liquidity

At March 31, 2010, the Company had total cash plus line-of-credit availability of \$5.8 million. As previously announced on April 26, 2010, the Company secured a \$5 million line of credit from H.D. Smith.

Arcadia reported negative cash flow from total operations of \$5.9 million during fiscal 2010, compared to positive cash flow of \$778,000 for fiscal 2009. The increase in negative cash flow during fiscal 2010 was primarily driven by the loss of cash generated by the businesses that were disposed of during fiscal first quarter 2010.

Conference Call Information

Arcadia will conduct a conference call and simultaneous Internet webcast to review these financial results on Friday, June 11, 2010, at 11:00 a.m. Eastern Time.

To access the webcast, visit the Company's website at www.arcadiahealthcare.com, 5-10 minutes prior to the start time and click on the webcast link. The Company's press release, which contains financial information to be discussed in the presentation, will also be available on Arcadia's website.

To participate in the live conference call, please dial 1-877-407-9205 (for U.S.-based callers) or 1-201-689-8054 (for international callers). The call can also be accessed (listen-only mode) via the Company's web site at www.arcadiahealthcare.com through the "Investors" page.

A replay of the webcast will be available approximately one hour after the completion of the call and will be accessible at www.arcadiahealthcare.com until June 25, 2010. A telephone replay will be available by dialing 1-877-660-6853 (for US-based callers) or 1-201-612-7415 (for international callers). For telephone replay, callers must use Account number 286 and Conference ID number 351716. The telephone replay will be available until June 25, 2010.

About Arcadia HealthCare

Arcadia HealthCare is a service mark of Arcadia Resources, Inc. (NYSE Amex: KAD), and is a leading provider of home care, medical staffing and pharmacy services under its proprietary DailyMed program. The Company, headquartered in Indianapolis, Indiana, has 70 locations in 18 states. Arcadia HealthCare's comprehensive solutions and business strategies support the Company's vision of "Keeping People at Home and Healthier Longer."

DailyMed™ Pharmacy dispenses a monthly cycle of a patient's prescriptions, over-the-counter medications and vitamins, and organizes them into pre-sorted packets clearly marked with the date and time the medications should be taken. In the dispensing process, a DailyMed pharmacist reviews each patient's medication profile and utilizes state-of-the-art medication therapy management tools in order to improve the safety and efficacy of the medications being dispensed. A DailyMed pharmacist provides routine communication with the patient, the primary care physician, caregivers and payers in order to maximize the pharmaceutical care administered. The DailyMed program improves patient care and drug utilization while reducing medical costs for private and government payers.

Forward Looking Statements

Any statements contained in this release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21A of the Securities Exchange Act of 1934, as amended and otherwise within the meaning of court opinions construing such forward-looking statements. The Company claims all safe harbor and other legal protections provided to it by law for all of its forward-looking statements. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, estimates, uncertainties and other factors, which could cause actual financial or operating results, performances or achievements expressed or implied by such forward-looking statements not to occur or be realized, including our estimates of consumer demand for our services and products, required capital investment, competition, and other factors. Actual events and results may differ materially from those expressed, implied or forecasted in forward-looking statements due to a number of factors. Important factors that could cause actual results, developments and business decisions to differ materially from forward-looking statements are described in the

Company's filings with the Securities and Exchange Commission from time to time, including the section entitled "Risk Factors" and elsewhere in the Company's most recent Annual Report on Form 10-K and subsequent periodic reports. Among the factors that could cause future results to differ materially from those provided in our press release are: (i) we cannot be certain of our ability to generate sufficient cash flow to meet our obligations on a timely basis; (ii) we may be required to make significant business investments that do not produce offsetting increases in revenue; (iii) we may be unable to execute and implement our growth strategy; (iv) we may be unable to achieve our targeted performance goals for our business segments; and (v) other unforeseen events may impact our business. The forward-looking statements speak only as of the date hereof. The Company disclaims any obligation to update or alter its forward-looking statements, except as may be required by law.

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FINANCIAL TABLES FOLLOW

ARCADIA RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

March 31,
2010 2009

ASSETS

Current assets:			
Cash and cash equivalents	\$	5,444	\$ 1,522
Accounts receivable, net of allowance of \$2,623 and \$3,386, respectively		12,366	15,679
Inventories, net		934	863
Prepaid expenses and other current assets		1,632	1,764
Current assets of discontinued operations		-	5,458
Total current assets		<u>20,376</u>	<u>25,286</u>
Property and equipment, net		1,738	2,308
Goodwill		2,500	17,053
Acquired intangible assets, net		7,670	8,305
Other assets		412	590
Restricted cash		500	-
Assets of discontinued operations		-	5,850
Total assets	<u>\$</u>	<u>33,196</u>	<u>\$ 59,392</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Lines of credit, current portion	\$	-	\$ 437
Accounts payable		3,159	2,765
Accrued expenses:			
Compensation and related taxes		3,191	2,986
Interest		82	89
Health insurance		463	545
Other		1,508	917
Payable to affiliated agencies		1,076	1,284
Fair value of warrant liability		1,499	-
Long-term obligations, current portion		939	596
Capital lease obligations, current portion		69	59
Current liabilities of discontinued operations		-	2,037
Total current liabilities		<u>11,986</u>	<u>11,715</u>
Lines of credit, less current portion		7,774	10,889
Long-term obligations, less current portion		25,192	26,918
Capital lease obligations, less current portion		19	37
Total liabilities	<u></u>	<u>44,971</u>	<u>49,559</u>

Commitments and contingencies

STOCKHOLDERS' EQUITY

Preferred stock, \$.001 par value, 5,000,000 shares authorized, none outstanding		-	-
Common stock, \$.001 par value, 300,000,000 shares authorized; 177,918,044 shares and 161,249,529 shares issued, respectively		178	161
Additional paid-in capital		145,381	135,920
Accumulated deficit		<u>(157,334)</u>	<u>(126,248)</u>
Total stockholders' equity		<u>(11,775)</u>	<u>9,833</u>
Total liabilities and stockholders' equity	<u>\$</u>	<u>33,196</u>	<u>\$ 59,392</u>

ARCADIA RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three-Month Period Ended		Year Ended	
	March 31,		March 31,	
	(Unaudited)			
	2010	2009	2010	2009
Services	\$ 20,683	\$ 23,202	\$ 86,635	\$ 97,537
Pharmacy	4,422	2,173	15,154	6,019
Catalog	366	568	1,813	2,576
Revenue, net	25,471	25,943	103,602	106,132
Cost of revenues	18,564	18,379	74,374	74,370
Gross profit	6,907	7,564	29,228	31,762
Selling, general and administrative	11,109	11,045	40,279	40,483
Depreciation and amortization	425	380	1,850	2,016
Goodwill and intangible asset impairment	14,599	23,511	14,599	23,511
Total operating expenses	26,133	34,936	56,728	66,010
Operating loss	(19,226)	(27,372)	(27,500)	(34,248)
Other expenses:				
Interest expense, net	753	1,031	3,371	4,072
Loss on extinguishment of debt	-	4,239	-	4,487
Change in fair value of warrant liability	(611)	-	(979)	-
Other	-	22	30	75
Total other expenses	142	5,292	2,422	8,634
Loss from continuing operations before income taxes	(19,368)	(32,664)	(29,922)	(42,882)
Income tax expense (benefit)	(88)	2	29	122
Loss from continuing operations	(19,280)	(32,666)	(29,951)	(43,004)
Discontinued operations:				
Loss from discontinued operations	(97)	(3,483)	(1,692)	(2,208)
Net gain (loss) on disposal	163	(563)	557	(1,258)
NET LOSS	\$ (19,214)	\$ (36,712)	\$ (31,086)	\$ (46,470)
Weighted average number of common shares outstanding	177,133	137,665	166,840	134,583
Basic and diluted net loss per share:				
Loss from continuing operations	\$ (0.11)	\$ (0.24)	\$ (0.18)	\$ (0.32)
Income from discontinued operations	-	(0.03)	(0.01)	(0.03)
Net loss per share	\$ (0.11)	\$ (0.27)	\$ (0.19)	\$ (0.35)

ARCADIA RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Year Ended	
	March 31,	
	2010	2009
Operating activities		
Net loss for the year	\$ (31,086)	\$ (46,470)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Provision for doubtful accounts	1,736	4,433
Depreciation of property and equipment	1,507	4,505
Amortization of intangible assets	722	1,850
Goodwill and intangible asset impairment	14,599	26,455
Loss on extinguishment of debt	-	4,487
Non-cash interest expense	2,397	2,215
(Gain) loss on business disposals	(557)	1,258
Loss on sale of property and equipment	-	75
Amortization of deferred financing costs and debt discounts	332	972
Change in fair value of warrant liability	(979)	-
Stock-based compensation expense	1,758	1,654
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	3,895	(856)
Inventories	546	(1,652)
Other assets	558	515
Accounts payable	(596)	1,278
Accrued expenses	(694)	7
Due to affiliated agencies	(19)	81
Deferred revenue	-	(29)
Net cash provided by (used in) operating activities	<u>(5,881)</u>	<u>778</u>
Investing activities		
Business acquisitions, net of cash acquired	(281)	(675)
Proceeds from business disposal	9,498	670
Increase in restricted cash	(500)	-
Purchases of property and equipment	(574)	(1,281)
Net cash provided by (used in) investing activities	<u>8,143</u>	<u>(1,286)</u>
Financing activities		
Proceeds from note payable, net of fees	2,142	2,800
Net advances (payments) on lines of credit	(3,550)	(6,416)
Payments on notes payable and capital lease obligations	(7,175)	(705)
Proceeds from equity financing, net of fees paid in cash of \$857	10,243	-
Net cash provided by (used in) financing activities	<u>1,660</u>	<u>(4,321)</u>
Net change in cash and cash equivalents	3,922	(4,829)
Cash and cash equivalents, beginning of period	1,522	6,351
Cash and cash equivalents, end of period	<u>\$ 5,444</u>	<u>\$ 1,522</u>