

Alegro Health Corp.

TSX VENTURE: **AGO**



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Alegro Health Corp. Reports 2005 Second Quarter Results

TORONTO, ONTARIO--(CCNMatthews - Aug. 23, 2005) - Alegro Health Corp. (TSX VENTURE:AGO), a Canadian health services provider today reported its fiscal 2005 second quarter results. Revenue for the three months ended June 30, 2005 rose to \$1,905,000 compared to \$1,812,000 recorded for the same period in the prior year. The Company recorded a net loss of \$297,000 for the three-month period compared to a net income of \$113,000 for the same period in 2004.

The Company's surgical center had revenues of \$449,000 during the second quarter, an increase of \$134,000 or 42% over revenues recorded during first quarter of fiscal 2005. The increased surgical center revenues were largely attributable the commencement of Ablatherm prostate cancer treatments following an agreement completed on May 19, 2005.

"Our second quarter results reflect the continued adverse effect on revenues at our disability management centers due to uncertainty relating to changes in provincial legislation related to disability assessment centers. However, we are pleased to have been able to conclude the acquisition of Concentra's Canadian contracts and service arrangements relating to its case management, occupational therapy and medical assessment business, as announced on August 18, 2005. We expect on an annualized basis that these operations, operating under the name Direct Health Solutions Inc., will increase Alegro's total gross revenue by approximately \$5 million, based on current activity levels. Although we expect continued pressure on disability management center revenues for the next few months, we anticipate improved results due to the inclusion of the Direct Health operations. We are continuing to pursue corporate client services arrangements at our disability management centers and expect positive developments on that front in the very near future. In addition we continue to seek growth opportunities through acquisitions" stated Brenda Rasmussen, President and CEO of Alegro Health Corp.

Financial results

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
				(restated)
Revenue				
Disability management	\$ 1,455,504	\$ 1,812,388	\$ 2,789,731	\$ 3,547,095
Surgical	449,171	-	764,275	-
Total Revenue	\$ 1,904,675	\$ 1,812,388	\$ 3,554,006	\$ 3,547,095
EBITDA	\$ (389,237)	\$ 261,951	\$ (539,340)	\$ 420,265
Net Income (Loss)	\$ (297,237)	\$ 112,951	\$ (409,300)	\$ 251,265
Earnings (Loss) per Share Weighted Avg.	\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 0.02

Shares O/S	25,247,949	17,175,762	25,216,906	17,175,762
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Certain information included in this press release is forward-looking. This information represents our judgment as of this date and is subject to important risks and uncertainties. Such forward-looking information is not a guarantee of performance. The results or events predicted in these statements may differ materially from actual results or events. Consequently, investors should not place any undue reliance on such forward-looking information.

Factors which could cause results or events to differ from current expectations include, among other things, the ability of Alegro to maintain the contracts acquired in connection with the acquisition and to attract new corporate clients to its disability management centers, and general industry, economic and market conditions.

For additional information with respect to these and other factors, investors should consult Alegro's ongoing filings found on SEDAR at www.sedar.com. Unless otherwise required by applicable securities laws, Alegro disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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