

Alegro Health Corp.

TSX VENTURE: **AGO**



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Alegro Health Corp Reports 2005 First Quarter Results And Restated 2004 First Quarter Results

TORONTO, ONTARIO--(CCNMatthews - May 30, 2005) - Alegro Health Corp. (TSX VENTURE:AGO), a Canadian health services provider today reported its fiscal 2005 first quarter results. Revenue for the three months ended March 31, 2005 was \$1,649,000 compared to \$1,735,000 recorded for the same period in the prior year. The Company recorded a net loss of \$112,000 for the three-month period compared to a restated net income of \$139,000 for the same period in 2004. Uncertainty relating to proposed changes in provincial legislation resulted in a decline in revenue at the Company's disability management centers during the first fiscal quarter of this year, compared to the same period in the prior year.

The Company's surgical center had revenues of \$315,000 and incurred operating costs of \$377,000 during the period ended March 31, 2005. On May 19, 2005, the Company announced that it had completed an agreement to provide Ablatherm[®] prostate cancer treatments through its surgical center. Revenues from this agreement are expected to commence during the Company's 2005 second quarter with a positive contribution to operating results.

"Although first quarter revenues were adversely affected by industry-wide uncertainty relating to the proposed legislation, cost reductions partially offset the effect of the reduced revenues. We see continued auto insurance related pressure on the disability assessment industry revenues for the next few months. However, we anticipate growing revenues at our surgical center as the Ablatherm[®] prostate cancer treatments commence. As the only current provider of this treatment in North America, we expect significant upside from the surgical center division." said Brenda Rasmussen, President and CEO. "We will continue to focus on expanding our core disability management business as well as pursuing additional leading edge opportunities for our surgical centre. In addition, we continue to assess suitable acquisition candidates", Ms. Rasmussen added.

Financial results

	Three Months ended March 31,	
	2005	2004 (restated)
Revenue		
Disability management center	\$ 1,334,227	\$ 1,743,707
Surgical center	315,104	-
Total Revenue	\$ 1,649,331	\$ 1,743,707
EBITDA	\$ (74,506)	\$ 214,910
Net Income (Loss)	\$ (112,063)	\$ 138,676
Earnings (Loss) per Share	\$ (0.00)	\$ 0.01
Weighted Average Shares Outstanding	25,185,306	17,175,762

Restatements

The Company has restated the March 31, 2004 bank indebtedness, income taxes payable, general and administrative expense and the tax provision for the three months ended March 31, 2004 to reflect adjustments made to correct an error discovered during the fourth quarter of 2004 and to correct the tax provision previously reported. The restatements resulted in a net income decrease of \$130,619 or \$0.01 per share.

A copy of the Quarterly Report is available through SEDAR (www.sedar.com) and the Company's website (www.alegrohealth.com).

The TSX Venture Exchange has neither approved nor disapproved of the contents of this press release.

For more information, please contact

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