

Alegro Health Corp.

TSX VENTURE: **AGO**



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Alegro Health Corp. Reports 54% Revenue Increase in Second Quarter 2006 Results

TORONTO, ONTARIO--(CCNMatthews - Aug. 29, 2006) - Alegro Health Corp. (TSX VENTURE:AGO), a Canadian health services provider today reported its fiscal 2006 second quarter results. Revenue for the three months ended June 30, 2006 was \$2,932,000 compared to \$1,905,000 recorded for the same period in the prior year an increase of 54%. Earnings before interest, taxes depreciation and amortization improved by \$642,000 compared to the same period in the prior year to \$330,000 for the three months ended June 30, 2006. The Company recorded net income of \$165,000 for the three-month period compared to a net loss of \$297,000 for the same period in 2005, an improvement of \$462,000. The improvement in net income for the three months compared to the same period in the prior year was attributable to increased volume in catastrophic injury assessments at the Company's disability management centers, improved results from the Company's surgical unit and a positive contribution from the Company's case management operations that commenced activity in August of 2005.

Revenue for the six months ended June 30, 2006 increased by \$2,835,000 to \$6,389,000 compared to \$3,554,000 recorded in the same period in the prior year. Earnings before interest, taxes depreciation and amortization improved by \$1,021,000 compared to the same period in the prior year to \$634,000 for the six months ended June 30, 2006. Net income for the six months improved by \$725,000 compared to the prior year, to \$316,000.

The Company's Catastrophic Injury Assessment Division led the growth in revenue at the Company's disability management centers, enabling these operations to record an improvement in profit before tax of \$315,000 for the three months ended June 30, 2006, compared to the same period in the prior year.

Prostate cancer treatments performed at the Company's surgical center provided a positive contribution to operating results as the surgical center recorded an increase in profit before tax of \$119,000 for the three months compared to the same period in the prior year.

The Company's wholly owned subsidiary, Direct Health Services Inc., that commenced operations in August, 2005, contributed \$105,000 in profit before tax during the quarter. The Company is continuing its efforts to expand Direct's business in Ontario as well as Eastern Canada.

"These results represent the fourth consecutive quarter of positive net income for Alegro Health. We are pleased with the early results of our new Catastrophic Injury Assessment Division and expect it will experience growth as a result of the changes in third-party insurance legislation," said Brenda Rasmussen, President and CEO. "We are also pleased that our Direct Health subsidiary is providing a positive contribution to earnings and anticipate that this contribution will continue to improve. We continue to focus on expanding our disability management and case management businesses as well as evaluating growth opportunities through acquisitions", Ms. Rasmussen added.

Financial results

Three Months ended June 30		Six Months ended June 30	
2006	2005	2006	2005

Revenue	\$ 2,932,047	\$ 1,904,675	\$ 6,388,699	\$ 3,554,006

Direct Costs	\$ 2,387,426	\$ 1,896,189	\$ 5,357,636	\$ 3,430,760

General and Administrative	\$ 214,804	\$ 321,086	\$ 397,042	\$ 388,352

EBITDA	\$ 329,817	\$ (312,600)	\$ 634,021	\$ (265,106)

Net Income (Loss)	\$ 165,278	\$ (297,237)	\$ 316,078	\$ (409,300)

Earnings (Loss) per Share	\$ (0.00)	\$ (0.01)	\$ 0.01	\$ (0.02)
Weighted Average Shares Outstanding	25,274,762	25,247,949	25,274,762	25,216,906

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

For more information, please contact

Alegro Health Corp.
Brenda Rasmussen
President & CEO
(416) 496-6166
(416) 499-3520 (FAX)
brasmussen@alegrohealth.com
www.alegrohealth.com