



FOR IMMEDIATE RELEASE

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HEALTH FITNESS CORPORATION ANNOUNCES SECOND QUARTER 2005 RESULTS

MINNEAPOLIS, August 8, 2005 — Health Fitness Corporation (OTC Bulletin Board: HFIT) today announced financial results for the second quarter and six months ended June 30, 2005.

For the second quarter 2005, revenue grew 4.2% to \$13,678,615, from \$13,129,715 for the same period last year. Gross profit during the quarter increased 0.2% to \$3,450,616, from \$3,442,358 for the same quarter last year. Net earnings applicable to common shareholders increased 5.8% to \$498,183, from \$470,754 for the same quarter last year. Net earnings per diluted share of \$0.03 remained unchanged from \$0.03 for the same quarter last year.

For the six months ended June 30, 2005, revenue grew 5.2% to \$27,143,716, from \$25,796,089 for the same period last year. Gross profit increased 5.6% to \$6,892,418, from \$6,529,295 for the same period last year. Net earnings applicable to common shareholders increased 39.5% to \$1,126,117, from \$807,461 for the same period last year. Net earnings per diluted share of \$0.07 increased 40% from \$0.05 for the same period last year.

“Our revenue growth of 4.2% for the second quarter compared to the same period last year was attributed to a 1.5% increase from our Fitness Management area of business, and a 14.8% increase from our Health Management area of business,” said Jerry Noyce, Health Fitness Corporation CEO and President. “For the first six months, our revenue growth of 5.2% over the same period last year was attributed to a 2.4% increase from our Fitness Management area of business, and a 16.0% increase from our Health Management Services area of business. We believe the recent realignment of our business into Fitness and Health Management Services was the right strategic move for us. It definitely has allowed us to more closely focus on our expansion efforts in the rapidly growing Corporate Health Management market.”

Revenue Data**Three Months Ended
June 30,****Six Months Ended
June 30,**

	2005	2004	% Change	2005	2004	% Change
Fitness Management Revenue						
Staffing Services	\$ 9,671,877	\$ 9,892,295	(2.2%)	\$ 19,297,301	\$ 19,480,786	(0.9%)
Program Services	875,258	532,520	64.4%	1,580,660	940,848	68.0%
Consulting Services	98,267	63,765	54.1%	112,717	71,265	58.2%
	10,645,402	10,488,580	1.5%	20,990,678	20,492,899	2.4%
Health Management Revenue						
Staffing Services	2,868,171	2,581,181	11.1%	5,846,914	5,200,791	12.4%
Program Services	156,650	54,761	186.1%	291,693	92,918	213.9%
Consulting Services	8,392	5,193	61.6%	14,431	9,481	52.2%
	3,033,213	2,641,135	14.85	6,153,038	5,303,190	16.0%
Total Revenue						
Staffing Services	12,540,048	12,473,476	0.5%	25,144,215	24,681,577	1.9%
Program Services	1,031,908	587,281	75.7%	1,872,353	1,033,766	81.1%
Consulting Services	106,659	68,958	54.7%	127,148	80,746	57.5%
	13,678,615	13,129,715	4.2%	27,143,716	25,796,089	5.2%

Financial Highlights for Three and Six Months Ended June 30, 2005

The decrease in Fitness Management Staffing revenue for the second quarter and year-to-date is attributed to higher-than-normal revenue attrition from contracts that were acquired in December 2003. Since contract attrition can be unpredictable, the Company generally does not view short-term changes in contract revenue to be indicative of future results, or a trend in the business. New contracts the Company secures may take 90 to 180 days to generate full revenue. On the other hand, many of the Company's contracts can be terminated with a 30 day notice. Because this timing difference can temporarily sway revenue results one way or another, the Company generally evaluates prospective revenue trends over a 12 to 18 month period.

Fitness Management Program Services are fee-for-service revenues we earn at managed fitness centers for services such as personal training, massage therapy, weight loss programs and specialty fitness classes. The increase in this revenue category for the second quarter and year-to-date is attributed to higher utilization of these services by fitness center members.

The growth of Health Management Staffing Services revenue for the second quarter and year-to-date is due primarily to new contracts to manage corporate wellness programs and growth of existing programs.

Health Management Program Services include revenue derived from providing employee health risk assessments, biometric screening services, health data collection and management and electronic health education platform. The increase in this revenue category for the second quarter and year-to-date is attributed to higher utilization of these services by existing customers as well as new customers.

Gross profit as a percent of revenue decreased to 25.2% for the second quarter, from 26.2% for the same period last year. This decrease is due primarily to contract terminations and business pricing pressures. Year to date gross profit as a percent of revenue increased to 25.4%, from 25.3% for the same period last year. This increase is primarily due to lower medical costs for full-time employees in the first quarter, which were offset by contract terminations and business pricing pressures in the second quarter.

Interest expense decreased \$112,019 and \$234,347 for the second quarter and six months ended June 30, 2005. This decrease is primarily due to the repayment of our 12%, \$2 million Senior Subordinated Note in December 2004.

Long-Term Obligations decreased \$1,551,014 to \$22,774 for the quarter ended June 30, 2005, from \$1,573,788 for the quarter ended March 31, 2005.

About the Company

Health Fitness Corporation is a leading provider of results-oriented health improvement management services to corporations, hospitals, universities and communities. Serving clients since 1975, the Company provides fitness and health improvement services at more than 400 sites across the United States and Canada. For more information about Health Fitness Corporation, go to www.hfit.com.

Forward-Looking Statements

Certain statements in this release, including, without limitation, those relating to management's belief that the investment in additional sales and marketing resources will help the Company reach a larger number of companies and their employees, are forward-looking statements. Any statements that are not based upon historical facts, including the outcome of events that have not yet occurred and our expectations for future performance, are forward-looking statements. The words "believe," "estimate," "expect," "intend," "may," "could," "will," "plan," "anticipate," and similar words and expressions are intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of our management. Actual results may vary materially from those contained in forward-looking statements based on a number of factors including, without limitation, our inability to meet the growing demands of major corporations and other factors disclosed from time to time in our filings with the U.S. Securities and Exchange Commission. You should take such factors into account when making investment decisions and are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update any forward-looking statements.

Financial tables follow.

HEALTH FITNESS CORPORATION
CONSOLIDATED STATEMENT OF EARNINGS

(Not Audited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
REVENUE	\$ 13,678,615	\$ 13,129,715	\$ 27,143,716	\$ 25,796,089
COST OF REVENUE	10,227,999	9,687,357	20,251,298	19,266,794
GROSS PROFIT	3,450,616	3,442,358	6,892,418	6,529,295
OPERATING EXPENSES				
Salaries	1,406,562	1,429,569	2,794,485	2,772,278
Other selling, general, administration	942,631	823,504	1,679,497	1,653,610
Amortization of acquired intangible assets	219,754	219,583	439,337	439,167
Total Operating Expenses	2,568,947	2,472,656	4,913,319	4,865,055
OPERATING INCOME	881,669	969,702	1,979,099	1,664,240
OTHER INCOME (EXPENSE)				
Interest Expense	(16,325)	(128,344)	(28,249)	(262,596)
Other, net	(340)	469	(1,990)	1,390
EARNINGS BEFORE INCOME TAX EXPENSE	865,004	841,827	1,948,860	1,403,034
Income Tax Expense	345,221	342,873	779,543	552,373
NET EARNINGS	519,783	498,954	1,169,317	850,661
Dividend to preferred shareholders	21,600	28,200	43,200	43,200
NET EARNINGS APPLICABLE TO COMMON SHAREHOLDERS	\$ 498,183	\$ 470,754	\$ 1,126,117	\$ 807,461
Basic	\$ 0.05	\$ 0.04	\$ 0.09	\$ 0.06
Diluted	\$ 0.03	\$ 0.03	\$ 0.07	\$ 0.05
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	12,652,370	12,783,979	12,636,465	12,447,374
Diluted	16,618,997	16,066,003	16,617,853	16,054,0417

See notes to consolidated financial statements.

HEALTH FITNESS CORPORATION
CONSOLIDATED BALANCE SHEETS

(Not Audited)

	<u>JUNE 30, 2005</u>	<u>December 31, 2004</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 20,155	\$ 241,302
Trade and other accounts receivable, less allowance for doubtful accounts of \$208,500 and \$210,700	8,092,592	8,147,430
Prepaid expense and other	427,353	213,954
Deferred tax asset	911,549	1,660,100
Total current assets	9,451,649	10,262,786
PROPERTY AND EQUIPMENT, net	145,993	150,308
OTHER ASSETS		
Goodwill	9,022,501	9,022,501
Customer contracts, less accumulated amortized of \$1,279,900 and \$875,700	450,139	854,306
Trademark, less accumulated amortization of \$111,000 and \$75,800	246,080	274,167
Other intangible assets, less accumulated amortization of \$84,600 and \$81,300	13,448	61,493
Deferred tax assets	306,700	221,400
Other	66,307	87,015
	\$ 19,702,817	\$ 20,933,976
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	595,321	840,155
Accrued salaries, wages and payroll taxes	2,356,395	2,768,734
Other accrued liabilities	550,743	495,770
Accrued self-funded insurance	137,143	225,500
Deferred revenue	1,826,490	1,977,093
Total current liabilities	5,466,092	6,307,252
LONG-TERM OBLIGATIONS	22,774	1,612,759
COMMITMENTS AND CONTINGENCIES	—	—
CUMULATIVE CONVERTIBLE PREFERRED STOCK, 10,000,000 shares authorized, 1,093,699 and 1,063,945 issued and outstanding	1,542,896	1,530,232
STOCKHOLDERS' EQUITY		
Common stock, \$0.01 par value; 50,000,000 shares authorized; 12,652,370 and 12,582,170 shares issued and outstanding	126,524	125,822
Additional paid-in capital	17,895,457	17,836,675
Accumulated comprehensive income	4,180	2,459
Accumulated deficit	(5,355,106)	(6,481,223)
	12,671,055	11,483,733
	\$ 19,702,817	\$ 20,933,976