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**HEALTH FITNESS CORPORATION ANNOUNCES SECOND QUARTER 2003  
FINANCIAL RESULTS; ACHIEVES 14% YEAR-OVER-YEAR REVENUE GROWTH**

**MINNEAPOLIS, MN — August 6, 2003** — Health Fitness Corporation (OTC BB: HFIT) today announced financial results for the second quarter and six months ended June 30, 2003.

For the quarter ended June 30, 2003, revenue was \$7,732,626, up \$1,045,818 or 15.6% over revenue of \$6,686,808 for the same quarter last year. Earnings before income taxes for the quarter were \$356,039, an increase of \$113,323 or 46.7% from \$242,716 for the same quarter last year. Net earnings for the quarter were \$217,333, down \$553,855 or 71.8% from \$771,188 for the same quarter last year. The decline in net earnings is primarily due to the second quarter of 2002 including a \$625,300 deferred tax benefit related to the reversal of a deferred tax asset valuation allowance.

For the six months ended June 30, 2003, revenue increased \$1,876,629, or 14.0%, to \$15,250,831, compared to \$13,374,202 for the same period in 2002. Earnings before income taxes were \$806,049, up \$267,640 or 49.7% from \$538,409 for the same period last year. Net earnings decreased \$1,073,196 or 69.0% to \$485,313 compared to \$1,558,509 for the same period in 2002. The decline in net earnings is primarily due to the first six months of 2002 including a \$1,250,600 deferred tax benefit related to the reversal of a deferred tax asset valuation allowance.

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CEO and President Jerry Noyce said the revenue growth over last year is primarily the result of new management contracts obtained during 2002 and 2003. He also stated the Company is beginning to see ancillary revenue growth from its branded Health Enhancement Programs, which promotes personal training, massage therapy, weight management and other health and wellness programs and services.

The Company began marketing its suite of Health Enhancement Program services to existing customers at the beginning of 2003.

“Contract gross profit as a percent of revenue fell about 1.3% for the quarter and 0.7% year to date compared to the same periods last year,” Noyce said.

“This decrease is primarily due to start-up costs for two new corporate fitness centers where we agreed to assume full profit and loss responsibility. As membership revenues increase at these centers, we will experience a positive change in this profit measurement. Operating expenses, which increased on a dollar basis as a result of strategic headcount additions to improve our sales and marketing capabilities, are decreasing as a percent of revenue. This trend is expected to continue as we leverage the cost of our management infrastructure over additional contracts.

“In addition,” Noyce concluded, “lower debt levels and interest rates has resulted in substantial interest expense reductions over last year, which has contributed to our significant improvement in earnings before taxes. Most importantly, we continue to be on track with our revenue growth and market share goals, as well as our profitability objectives.”

Health Fitness Corporation is the leading provider of results-oriented fitness, assessment, wellness, and occupational health services to corporations, hospitals, universities and communities. HFC has been serving clients since 1975 and manages approximately 200 sites across the United States and Canada. For more information about HFC, visit [www.hfit.com](http://www.hfit.com).

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This press release contains forward-looking statements within the meaning of federal securities laws. These statements include statements regarding intent, belief, or current expectations of the Company and its management and specifically include the statement regarding the Company's objective for the remainder of 2003. These forward-looking statements are not guarantees of the future performance and involve a number of risks and uncertainties that may cause the Company's actual results to differ materially from the results discussed in these statements. These statements should be read in conjunction with the various factors affecting the Company's operations and financial condition discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained within the Company's Annual Report on Form 10-K for the year ended December 31, 2002, as well as the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003. There is no assurance that the Company will be able to capitalize on any of these forward-looking statements.

Financial tables follow.

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**HEALTH FITNESS CORPORATION**  
**CONSOLIDATED STATEMENT OF EARNINGS**  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
REVENUE	\$ 7,732,626	\$ 6,686,808	\$ 15,250,831	\$ 13,374,202
COST OF REVENUE	6,151,484	5,233,271	12,015,290	10,446,374
GROSS PROFIT	1,581,142	1,453,537	3,235,541	2,927,828
OPERATING EXPENSES				
Salaries	789,216	690,096	1,572,758	1,356,077
Selling, general, and admin.	421,605	417,686	830,919	829,934
Total Operating Expenses	1,210,821	1,107,782	2,403,677	2,186,011
OPERATING INCOME	370,321	345,755	831,864	741,817
OTHER INCOME (EXPENSE)				
Interest Expense	(13,451)	(99,504)	(23,956)	(198,126)
Other, net	(831)	(3,535)	(1,859)	(5,282)
EARNINGS BEFORE INCOME TAXES	356,039	242,716	806,049	538,409
Income Tax Expense (Benefit)	138,706	(528,472)	320,736	(1,020,100)
NET EARNINGS	<u>\$ 217,333</u>	<u>\$ 771,188</u>	<u>\$ 485,313</u>	<u>\$ 1,558,509</u>
NET EARNINGS PER SHARE				
Basic	\$ 0.02	\$ 0.06	\$ 0.02	\$ 0.06
Diluted	0.02	0.06	0.02	0.06
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	12,322,908	12,265,250	12,315,655	12,265,250
Diluted	12,467,821	12,486,488	12,436,254	12,439,384

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**HEALTH FITNESS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)

	June 30, 2003	June 30, 2002
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 334,022	\$ 91,658
Trade and other accounts receivable, less allowance for doubtful accounts of \$91,200 and \$88,900	4,168,078	4,036,888
Prepaid expense and other	261,006	266,734
Deferred tax asset	731,500	731,500
Total current assets	5,494,606	5,126,780
PROPERTY AND EQUIPMENT, net	238,060	176,206
OTHER ASSETS		
Goodwill	5,308,761	5,308,761
Deferred tax asset	1,978,717	2,254,876
Other	306,421	89,188
	\$ 13,326,565	\$ 12,955,811
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES		
Note payable	\$ 744,227	\$ 304,589
Trade accounts payable	245,035	409,150
Accrued salaries, wages and payroll taxes	1,107,608	1,072,982
Other accrued liabilities	273,405	415,856
Accrued self-funded insurance	158,701	267,042
Deferred revenue	1,222,161	1,407,437
Total current liabilities	3,751,137	3,877,056
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value; 25,000,000 shares authorized; 12,322,908 and 12,297,661 shares issued and outstanding	123,229	122,977
Additional paid-in capital	17,008,475	16,997,367
Accumulated deficit	(7,556,276)	(8,041,589)
	9,575,428	9,078,755
	\$ 13,326,565	\$ 12,955,811