



FOR IMMEDIATE RELEASE

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HEALTH FITNESS CORPORATION ANNOUNCES FOURTH QUARTER AND YEAR-END 2002 FINANCIAL RESULTS; ACHIEVES 7.5% YEAR-OVER-YEAR REVENUE GROWTH

MINNEAPOLIS, MN — April 8, 2003 — Health Fitness Corporation (OTC BB: HFIT) today announced financial results for the fourth quarter and year ended December 31, 2002.

FOURTH QUARTER PERFORMANCE

For the fourth quarter of 2002, revenue increased \$1,007,720 or 15.4% to 7,556,037, from \$6,548,317 for the same period in 2001. This increase is attributed to the addition of new management contracts and the expansion of services under existing contracts.

Net earnings for the fourth quarter of 2002 were \$664,697, a decrease of \$278,792 from \$943,489 for the same period of 2001. This decrease is primarily attributed to the \$199,634 decrease in income tax benefit related to the Company's reduction of its remaining deferred tax valuation allowance in the fourth quarter of 2002. Also contributing to the decrease was a \$113,312 increase in interest expense, which is attributed to the payment of loan termination fees when the Company refinanced its note payable in October 2002. The refinancing of the Company's note payable will result in a significant reduction in future interest expense.

YEAR-END PERFORMANCE

For 2002, revenue increased \$1,955,019 or 7.5% to \$27,864,997, from \$25,909,978 for 2001. Fitness center management fees, consulting revenue and ancillary program fees increased \$1,760,878 or 7.1%, while occupational health services revenue increased \$194,133 or 23.1%. These increases are attributed to the addition of new management contracts and the expansion of services under existing contracts.

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Net earnings increased \$1,194,670 or 66.2% to \$3,000,671 for 2002, from \$1,806,001 for 2001. This increase is primarily attributed to a \$1,505,358 increase in income tax benefits related to the reduction of the Company's remaining deferred tax valuation allowance. A \$121,773 increase in gross profit from the growth in revenue also contributed to the increase in net earnings.

Offsetting these net earnings increases is a \$174,438 increase in operating expenses. This increase is due to a \$748,793 increase in salary expense, which was partially offset by a \$574,355 decrease in selling, general and administrative expenses. The increase in salaries expense is primarily attributed to an investment in additional sales and marketing staff and increased employee benefits costs. The decrease in selling, general, and administrative expenses is due to lower contract employee and professional service expenses, as well as the adoption of SFAS 142, which eliminated amortization expense of \$401,000 associated with goodwill and intangible assets with indefinite lives. A \$228,613 decrease in the gain from the sale of the Company's IFCN subsidiary in January 2001 and a \$57,067 increase in interest expense also had a negative impact on 2002 net earnings.

Jerry Noyce, President and Chief Executive Officer, said, "We made significant progress in a number of areas during 2002. The most significant achievements include the following:

- We increased our revenue 7.5% for 2002 compared to flat or decreasing revenue for prior years. This growth affirms the decision we made at the beginning of 2002 to invest additional resources to improve our sales and marketing capabilities.
- Through the addition of new contracts and expansion of existing contracts, we increased the number of managed fitness center sites from 163 to 197.
- We launched a suite of ancillary health and wellness services through our Health Enhancement Program, which allowed us to increase our ancillary program revenues by 113%.
- We decreased our note payable balance by \$1,137,715 to \$304,589. Because of the continuing improvement in our financial position, we were able to refinance our note payable during the fourth quarter of 2002, which will result in a significant reduction in future interest expense.

- We improved working capital to \$1,249,724 for 2002, compared to \$381,095 for 2001.
- Our deferred tax assets increased \$2,209,076 as a result of our continued profitability and the resulting recognition of our remaining deferred tax valuation allowance.”

“In light of current economic conditions,” Noyce concluded, “I am very pleased with our financial results for 2002. Many of our current and prospective customers have been hit by the economic downturn, but they continue to believe a first-class health and wellness program is important to their employees and company performance. Looking forward, we will continue to focus on revenue growth by increasing our customer base and improving the penetration of our Health Enhancement Program offerings. We will also focus on enhancing our profitability by improving contract pricing and controlling overhead costs. I believe the Company is well-positioned to improve upon its position as the leading provider of fitness management and health enhancement services.”

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 Health Fitness Corporation, go to www.hfit.com.

This press release contains forward-looking statements regarding management’s belief that the Company is well-positioned to improve on historical results and its position as the leading provider of results-oriented health and fitness solutions. 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. There is no assurance that the Company will be able to capitalize on any of its plans regarding future results of the Company.

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HEALTH FITNESS CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended December 31,		Years Ending December 31,	
	2002	2001	2002	2001
	<i>unaudited</i>	<i>unaudited</i>		
REVENUE	\$ 7,556,037	\$ 6,548,317	\$ 27,864,997	\$ 25,909,978
COST OF REVENUE	5,977,702	5,117,485	21,938,385	20,105,139
GROSS PROFIT	1,578,335	1,430,830	5,926,612	5,804,839
OPERATING EXPENSES				
Salaries	807,880	510,976	2,866,200	2,117,407
Selling, general and admin.	457,473	617,099	1,751,228	2,235,583
Total Operating Expenses	1,265,353	1,128,078	4,617,428	4,442,990
OPERATING INCOME	312,982	302,757	1,309,184	1,361,849
OTHER INCOME (EXPENSE)				
Interest Expense	(222,396)	(109,084)	(521,106)	(464,039)
Gain on sale of subsidiary	—	—	—	228,613
Other, net	9,204	(14,725)	950	(26,707)
EARNINGS BEFORE INCOME TAXES	99,790	178,948	789,028	1,099,716
Income Tax Benefit	(564,907)	(764,541)	(2,211,643)	(706,285)
NET EARNINGS	\$ 664,697	\$ 943,489	\$ 3,000,671	\$ 1,806,001
NET EARNINGS PER SHARE				
Basic	\$ 0.05	\$ 0.08	\$ 0.24	\$ 0.15
Diluted	0.05	0.08	0.24	0.15
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	12,297,661	12,265,250	12,284,364	12,232,283
Diluted	12,400,022	12,429,049	12,428,440	12,433,715

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**HEALTH FITNESS CORPORATION
CONSOLIDATED BALANCE SHEETS**

	September 30, 2002	December 31, 2001
	<hr/>	<hr/>
ASSETS		
CURRENT ASSETS		
Cash	\$ 91,658	\$ 221,008
Trade and other accounts receivable, less allowance for doubtful accounts of \$83,500 and \$84,700 at December 31, 2002 and 2001	4,036,888	3,388,856
Prepaid expense and other	266,734	130,090
Deferred tax asset	731,500	777,300
Total current assets	<hr/> 5,126,780	<hr/> 4,517,254
PROPERTY AND EQUIPMENT, net	176,206	174,912
OTHER ASSETS		
Goodwill	5,308,761	5,308,761
Intangible assets, less accumulated amortization of \$1,300 and \$619,100 at December 31, 2002 and 2001	6,380	186,737
Deferred tax asset	2,254,876	—
Other	82,808	11,410
	<hr/> \$ 12,955,811	<hr/> \$ 10,199,074
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Note payable	\$ 304,589	\$ 1,442,304
Trade accounts payable	409,150	141,736
Accrued salaries, wages and payroll taxes	1,072,982	915,379
Other accrued liabilities	682,898	392,794
Deferred revenue	1,407,437	1,243,946
Total current liabilities	<hr/> 3,877,056	<hr/> 4,136,159
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; 12,297,661 and 12,265,250 shares issued and outstanding	122,977	122,653
Additional paid-in capital	16,997,367	16,982,522
Accumulated deficit	(8,041,589)	(11,042,260)
	<hr/> 9,078,755	<hr/> 6,062,915
	<hr/> \$ 12,955,811	<hr/> \$ 10,199,074

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