ALEGRO HEALTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT NOVEMBER 11, 2008

The following is a discussion of the Interim Consolidated Financial conditions and the results of operations of Alegro Health Corp. (the "Company") for the periods indicated and of certain factors that the Company believes may affect its prospective financial condition, cash flows and results of operation. This discussion and analysis should be read in conjunction with the unaudited financial statements of the Company and the notes thereto for the three and nine-month periods ended September 30, 2008 as well as the audited consolidated financial statements for the year ended December 31, 2007, including the notes thereto.

The interim consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") for interim financial statements and all amounts are presented in Canadian dollars. The following interim MD&A is the responsibility of management as at November 11, 2008. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee has reviewed and approved the disclosure.

Forward Looking Statements and Caution

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in our regulatory filings and in this MD&A. Those risks and uncertainties include changes in the regulatory and competitive environments. Many of these risks and uncertainties can affect our actual results and could cause our actual results to differ materially from those expressed or implied in any forward-looking statement made by us or on our behalf. All forward-looking statements in this MD&A are qualified by these cautionary statements. These statements are made as of the date of this MD&A and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Alegro, its financial or operating results or its securities.

Highlights

Highlights in the three months ended September 30, 2008 and subsequent events to the date of this MD&A:

- Revenue increased 13% to $3,635,347
- Net income before taxes increased by 76%
- EPS remained stable at $0.01
- CanAm was engaged for administration of two clinical drug research trials. The contracts were consummated with a major pharmaceutical company that initiated enrolment in September

On October 16, 2008, the Company announced that Dr. Martin Barkin has been appointed Chairman of Alegro's Board of Directors.

Dr. Barkin's extensive experience in both the public health care sector with the Ontario Ministry of Health and the private sector with DRAXIS Pharma provides a unique insight into the business model and growth opportunities of Alegro.

Dr. Barkin currently serves as a director for Allon Therapeutics, a TSX listed biotechnology company and sits on the Advisory Board for Viventia Biotech. Dr. Barkin is also a professor in the Faculty of Medicine at the University of Toronto, in the Department of Surgery as well as the Department of Health Administration. From 1993 to 2007 Dr. Barkin was the President and CEO of DRAXIS Health Inc., as well as a Director of several TSX and NASDAQ listed companies. Dr. Barkin served as the Deputy Minister of Health, Ontario, from 1987 to 1991 and received the Queen Elizabeth II Silver Jubilee Award.

Corporate Profile

Alegro and its subsidiaries (collectively "the Group") are leading providers of medical and surgical services, medical assessment, multidisciplinary rehabilitation, case management, and drug trial management services to an extensive and diverse customer base. Alegro's current operational subsidiary holdings include Alegro Health Partners Inc. ("AHP"), Work Able Centres Inc. ("Work Able"), Direct Health Solutions Inc. ("Direct Health"), Don Mills Surgical Unit ("DMSU") and CanAm Research Corp. ("CanAm").

In 2003, Alegro acquired 100% of the outstanding common shares of Work Able in a reverse takeover transaction.

In 2004, the Company entered into a 25-year management services contract covering all aspects of the operations of DMSU. Shortly thereafter the management services contract was cancelled with the simultaneous acquisition of all the outstanding shares of DMSU.

In late 2005, through Direct Health, the Company completed the acquisition of certain assets and contracts of the Canadian division of Concentra Integrated Services of Burlington, Massachusetts. This transaction increased the scope of Alegro's disability and case management operations in Ontario and Atlantic Canada.

On May 23, 2007, Alegro entered into an agreement with Cincero Inc. ("Cincero") to form a clinical site management division operating as CanAm. Alegro holds 60% of CanAm with Cincero holding the remainder of the common shares.

On July 13, 2007 Alegro concluded a significant strategic alliance with Global Healthcare Investments & Solutions Inc. ("GHIS") as detailed in news releases of May and July 2007. GHIS committed to assist Alegro in achieving its goal of rapid expansion and significant growth. Under the terms of the strategic alliance, GHIS provides both corporate finance expertise and M&A advisory services to Alegro.

On the same date, as part of the strategic alliance, the Company completed a private placement of 6,250,000 units at a price of $0.20 per unit for gross proceeds of $1,250,000. A "unit" consists of one common share, a series "A" warrant entitling the holder to acquire 5,000,000 common shares in the Company at $0.20 per share prior to December 31, 2007 as well as a series "B" warrant entitling them to acquire 1,250,000 common shares in the Company at $0.43 per share prior to December 31, 2008.

On December 31, 2007, GHIS indicated their further commitment to the Company by exercising their "A" series warrants for gross proceeds of $1,000,000.

Subsidiary Overview

The operational subsidiaries have the following functions

(i) Work Able and Direct Health

Work Able provides specialized medical assessment and rehabilitation services to individuals disabled as a result of work-related or motor vehicle injuries, as well as those suffering short and long term disabilities that affect their ability to function and work.

Work Able has positioned itself as a premier provider of disability management services. Work Able pioneered the use of work-simulated facilities in Canada to support functional recovery and promote return to work and over the past three years has created a formidable catastrophic injury assessment division. Work Able presently has four facilities currently occupying a total of 28,795 square feet of leased space in Toronto, Barrie and Mississauga, Ontario as well as Halifax, Nova Scotia. The facilities are equipped with state of the art assessment, rehabilitation and work simulation tools and systems.

Direct Health provides medical assessment and rehabilitation services to the insurance industry and employers primarily in Ontario and Eastern Canada. It maintains leased offices in Halifax, Nova Scotia, Fredericton, New Brunswick and Toronto, Ontario. Direct Health will continue to provide vocational assessment and rehabilitation services and expand its client base of insurance, corporate and government entities in its current localities.

Work Able and Direct Health employ approximately 300 full-time staff and consultants including physicians from across a number of speciality practice areas, psychologists, occupational health nurses, physiotherapists, occupational therapists, cognitive behavioural therapists, kinesiologists and vocational evaluators.

(ii) DMSU

DMSU is an accredited, Toronto-based hospital operating since 1966 under Ontario's Private Hospitals Act and licensed by the Ontario Ministry of Health and Long-Term Care ("MOH").

As at September 30, 2008, DMSU specializes in a mix of ambulatory surgical services including:

- Ophthalmology – cataract extraction and lens implants;
- Orthopaedics – arthroscopic procedures on knees, rotator cuff repair and forefoot reconstruction;
- Plastic Surgery – reconstructive and cosmetic surgeries.

Affiliated surgeons maintain active practices within their specialty areas and are members of the Royal College of Physicians and Surgeons. DMSU provides services from a 7,381 square foot Toronto-based facility that includes two fully equipped operating theatres, one procedure room, 20 overnight stay beds, a central nursing station and physicians` offices. DMSU retains full-time, part-time and casual nursing and administrative staff of 21 people.

DMSU services are funded in three ways:

- Government – money received from the MOH as part of global funding to perform surgical procedures covered by the Ontario Health Insurance Plan ("OHIP");
- Third party – surgical procedures and services paid for by corporations and insurance companies that do not fall under the Canada Health Act, such as Workers Compensation Board;
- Direct pay – surgical procedures and services not covered by OHIP and paid for by Ontario residents and surgical procedures and services paid for by residents of national and international jurisdictions.

(*iii) CanAm*

CanAm offers Phase I through Phase IV site management services to the pharmaceutical and medical device industries with emphasis on comprehensive, pre-approval Phase III trials. The venture leverages the capacity, facilities and capabilities of DMSU in order to offer comprehensive services to its growing client base, while using minimal additional resources.

Established during the course of the previous fiscal year, the venture is in its infancy and is currently funded from existing cash flow from Company operations.

Overall Financial Performance

RESULTS OF OPERATIONS

For the periods ended September 30 (unaudited)	Three Months			Nine Months		
	2008	**2007**	**Increase /(Decrease)**	**2008**	**2007**	**Increase /(Decrease**
	$	$		$	$	
Revenue	3,635,347	3,219,228	416,119	11,200,475	10,055,046	1,145,429
Expenses						
Direct costs	2,631,447	2,474,973	156,474	7,926,279	7,298,779	627,500
General and administrative	633,964	493,358	140,606	2,049,117	1,543,446	505,671
Stock-based compensation	21,500	11,630	9,870	35,456	90,080	(54,624)
Amortization of capital assets	40,153	64,573	(24,420)	131,267	208,147	(76,880)
Total expenses	3,327,064	3,044,534	282,530	10,142,119	9,140,452	1,001,667
Income before income taxes	308,283	174,694	133,589	1,058,356	914,594	143,762
Provision for income taxes:						
Current	83,121	75,968	7,153	370,021	380,068	(10,047)
Future	---	---	---	---	---	---
	83,121	75,968	7,153	370,021	380,068	(10,047)
Net income for the period	**225,162**	**98,726**	**126,436**	**688,335**	**534,526**	**153,809**
Basic and diluted earnings per common share	**0.01**	**0.01**	**---**	**0.01**	**0.01**	**---**
Retained earnings (deficit), beginning of period	**771,189**	**(10,870)**	**782,059**	**308,016**	**(446,670)**	**754,686**
Net income	**225,162**	**98,726**	**126,436**	**688,335**	**534,526**	**153,809**
Retained earnings, end of period	**996,351**	**87,856**	**908,495**	**996,351**	**87,856**	**908,495**

Comparative Consolidated Financial Statements

Certain comparative figures in the interim consolidated statements of operations; comprehensive income and retained earnings have been reclassified from statements previously presented to conform to the presentation of the September 30, 2008 interim financial statements.

Revenue

In total, the quarterly revenue for the company increased by 13% over the same period last year. On a year to date basis, the increase was 11%. This increase was due to increased revenue from Work Able and Direct Health, which combined, had a 42% increase of $970,370 compared to the same quarter the previous year. The increase in Work Able's Q3 2008 revenue, as compared to Q3 2007, is primarily related to growth in serious and catastrophic injury services. The increase in Direct Health's Q3 2008 revenue, as compared to Q3 2007, is primarily related to growth in medical assessment and disability management services. Work Able and Direct Health continue to capture greater market share by offering services across expanded geographic locations. A continued focus on clinical quality and responsive customer service across preferred provider relationships and business channels has also contributed to the steady growth in disability management business.

General and Administrative

General and administrative expenses consist of payroll and related expenses for executive and administrative personnel, facilities expenses, professional services expenses and other general corporate expenses. General and administrative expenses increased by $140,606 for the three months ended September 30, 2008 to $633,964 compared to $493,358 for the three months ended September 30, 2007.

For the nine months ended September 30, 2008, professional fees have increased by $57,350. With respect to corporate communications there was an increase of approximately $46,000 over the prior year. This was mainly due to a service contract with the Equicom Group to provide Alegro with ongoing investor relations services.

Amortization

Amortization expense for the quarter amounted to $40,153 compared to $64,573 in Q3 2007. This was primarily due to the discontinuance of depreciation of Work Sym equipment which was fully depreciated. On a year to date basis the depreciation has been reduced from $208,147 to $131,267 for a net decrease of $76,880. The change was also the result of less capital asset investment over the prior years and the lower depreciable asset base.

Interest

Interest income for the current period increased $9,557 for the current quarter over the same quarter of the prior year. This was due to earlier collection of accounts receivable which resulted from changes in provincially mandated billing procedures.

Balance Sheet

	Sept 30 2008 $ (unaudited)	Dec 31 2007 $ (audited)	Increase/ (Decrease)
ASSETS			
Current			
Cash	**3,975,574**	4,028,927	(53,353)
Accounts receivable	**1,667,794**	1,953,549	(285,755)
Accrued receivables	**836,439**	668,446	167,993
Prepaid expenses	**63,618**	25,409	38,209
Future income taxes	**20,080**	20,080	0
	6,563,505	6,696,411	(132,906)
Long Term			
Due from related party	**---**	40,000	(40,000)
Deferred financing costs	133,934	83,224	50,710
Property and equipment, net	291,508	426,521	(135,013)
Goodwill	46,863	46,863	---
Intangible asset	1,146,815	1,146,815	---
Future income taxes	214,903	214,903	---
	8,397,528	8,654,737	(257,209)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accruals	**1,670,578**	2,104,338	(433,762)
Income taxes payable	**10,386**	518,250	(507,864)
	1,680,964	2,622,588	(941,626)
Minority interest	**626,519**	665,894	(39,375)
Shareholders' equity			
Share capital	**3,914,050**	3,914,050	---
Contributed surplus	**1,268,215**	1,246,715	21,500
Deferred stock-based compensation	**(88,571)**	(102,526)	13,955
Retained earnings	**996,351**	308,016	688,335
	6,090,045	5,366,255	723,791
	8,397,528	8,654,737	(257,209)

Statement of Cash Flows

For the period ended September 30	Three Months			Nine Months		
(unaudited)	**2008**	**2007**	**Increase/ (decrease)**	**2008**	**2007**	**Increase/ (decrease)**
	$	$		$	$	
Increase (decrease) in cash						
OPERATING ACTIVITIES						
Net income for the period	**225,162**	**98,726**	**126,436**	**688,335**	**534,526**	**153,809**
Add (deduct) items not involving cash						
Amortization	**40,153**	**64,573**	**(24,420)**	**131,267**	**208,147**	**(76,880)**
Future income taxes						
Stock-based compensation	**21,500**	**11,630**	**9,870**	**35,456**	**90,080**	(54,624)
Changes in non-cash working capital items						
Receivables	**438,897**	**(102,802)**	**541,699**	**285,754**	**(237,159)**	**522,913**
Accrued receivables	**115,882**	**316,021**	**(200,139)**	**(167,993)**	**116,6845**	**(284,677)**
Prepaid expenses	**13,256**	**(186,185)**	**199,441**	**(38,209)**	**(192,515)**	**154,306**
Payables and accruals	**(26,088)**	**(377,723)**	**351,635**	**(368,982)**	**(653,428)**	**284,446**
Income taxes payable	**(47,676)**	**(44,400)**	**3,276**	**(507,864)**	**147,281**	**(655,145)**
	781,086	**(220,160)**	**1,001,246**	**57,764**	**13,616**	**44,148**
INVESTING ACTIVITIES						
Proceeds from sale of property and equipment	**(5,698)**	**(48,686)**	**42,988**	**(21,032)**	**(101,762)**	**80,730**
	(5,698)	**(48,686)**	**42,988**	**(21,032)**	**(101,762)**	**80,730**
FINANCING ACTIVITIES						
Proceeds from convertible debentures	**---**	**736,875**	**(736,875)**	**---**	**736,875**	**(736,875)**
Proceeds from exercise of warrants	**----**	**----**	**---**	**----**	**---**	**---**
Increase in deferred financing costs	**(33,501)**	**----**	**33,501**	**(50,710)**	**---**	**50,710**
Decrease in minority interest	**(13,125)**	**----**	**13,125**	**(39,375)**		**39,375**
Proceeds from private placement	**---**	**1,250,000**	**(1,250,000)**	**---**	**1,250,000**	**(1,250,000)**
	(46,626)	**1,986,875**	**(2,033,501)**	**(90,085)**	**1,986,875**	**(2,076,960)**
Net increase (decrease) in cash	**728,762**	**1,718,029**	**(989,267)**	**(53,353)**	**1,898,729**	**(1,952,082)**
Cash, beginning of period	**3,246,812**	**731,100**	**2,515,712**	**4,028,927**	**550,400**	**3,478,527**
Cash, end of period	**3,975,574**	**2,449,129**	**1,526,445**	**3,975,574**	**2,449,129**	**1,526,445**

Segmented Reporting

Three months ended September 30, 2008

	Work Able	DMSU	Direct	AHP	Corporate	Total
	$	$	$	$	$	$
Revenues	2,109,484	337,390	1,183,138	3,847	1,488	3,635,347
Operating Expenses	1,485,695	301,452	861,360	13,125	665,432	3,327,064
Net income (loss) Before income taxes	623,789	35,938	321,778	(9,278)	(663,944)	308,283
Total Assets	2,991,703	182,994	1,285,721	737,287	3,199,823	8,397,528

Three months ended September 30, 2007

	Work Able	DMSU	Direct	AHP	Corporate	Total
	$	$	$	$	$	$
Revenues	1,804,571	889,602	517,681		7,374	3,219,228
Operating Expenses	1,305,668	868,137	418,452		452,277	3,044,534
Net income (loss) before income taxes	498,903	21,465	99,229	0	(444,903)	174,694
Total Assets	2,072,950	50,566	720,113		3,564,619	6,408,248

Nine months ended September 30, 2008

	Work Able	DMSU	Direct	AHP	Corporate	Total
	$	$	$	$	$	$
Revenues	6,807,662	1,033,357	3,331,366	14,600	13,490	11,200,475
Operating Expenses	4,698,977	1,055,276	2,248,254	39,405	2,100,207	10,142,119
Net income (loss) Before income taxes	2,108,685	(21,919)	1,083,112	(24,805)	(2,086,717)	1,058,356
Total Assets	2,991,703	182,994	1,285,721	737,287	3,199,823	8,397,528

Nine months ended September 30, 2007

	Work Able	DMSU	Direct	AHP	Corporate	Total
	$	$	$	$	$	$
Revenues	5,767,895	2,412,436	1,866,849		7,866	10,055,046
Operating Expenses	4,550,475	2,234,210	1,226,241		1,129,526	9,140,452
Net income (loss) Before income taxes	1,217,420	178,226	640,608		(1,121,660)	914,594
Total Assets	2,072,950	50,566	720,113		3,564,619	6,408,248

Divisional Analysis and Business Outlook

(i) Work Able

For the three month period ended September 30, 2008 Work Able generated a 17% increase in revenue to $2,109,484 from $1,804,571 for the same quarter in 2007. Work Able also had an increase in net income before tax to $623,789 compared to $498,903 for the same quarter of last year.

Revenue and business referrals are expected to continue to increase consistent with prior periods as a result of maintaining and extending preferred service provider relationships with national insurers. Work Able is examining opportunities to expand the Company's geographic scope to better service customer requirements.

(ii) Direct Health

Direct Health experienced increased volumes of medical and rehabilitation assessments compared to the same period last year. For the three-month period ended September 30, 2008, Direct Health generated a 128% increase in revenue to $1,183,138 compared to $517,681 for the same quarter in 2007. Direct Health recorded a 224% increase in net income before tax of $321,778 compared to $99,229 for the same period of last year.

Management expects that the revenue will continue to grow as a result of extended coverage in new geographic regions and the development of new business contracts.

(iii) DMSU

DMSU's revenue decreased from $889,602 in the third quarter of 2007 to $337,390 in the current years' comparable quarter. This was as a result of the strategic decision to terminate the agreement to provide facilities for Ablatherm© prostrate cancer treatments three months prior to the expiry of the contract.

On a year to date basis there was net loss before tax of $21,919 compared to net income before tax of $178,226 for the prior year.

DMSU expects funding from the Ministry of Health for the remainder of the financial year to remain comparable to the amount received in fiscal 2007. DMSU will also continue to seek new opportunities to provide innovative services to further diversify its revenue.

(iv) CanAm

CanAm recorded a loss of $9,278 for the quarter related to consulting costs.

CanAm finalized its strategy, with an aggressive marketing campaign for its two business units. In addition to having received approval as a Site Management Organization

("SMO") for Orthopaedic drug trials, CanAm is planning further SMO's across the Greater Toronto Area and across southern Ontario.

CanAm's second business unit, the Clinical Research Centre, will be located at DMSU.

On September 9, 2008 Alegro announced that CanAm Research Corp., trial management division, had entered into separate contracts for the administration of two clinical drug research trials. The contracts have been consummated with a major pharmaceutical company. The tests are orthopaedic in nature.

Due to privacy issues related to the management of pharmacological clinical trials, we are unable to publish specific details of either the drugs in development or the precise terms of the contracts.

(v) GHIS Alliance

With the implementation of the strategic partnership, management from both companies are working diligently to move the agenda of growth and synergistic partnerships forward. The GHIS alliance has enabled Alegro to partner with individuals who have a proven track record of success in healthcare.

Growth Strategy

Given the significant acquisition and organic growth opportunities available to Alegro, we will selectively pursue acquisitions that are in accordance with strict criteria of enhancing our businesses. Organic growth opportunities, as the regulatory environment permits, will be pursued in areas that are supportive of our business strategies.

During the ongoing search and review of potential transactions to support Alegro's growth, management will be diligent in ensuring any proposed acquisitions and/or growth opportunity pursued will be in the best interest of shareholders.

Recently Adopted Accounting Policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA")

(a) Section 1535, Capital Disclosures, which requires additional information in the notes to the financial statement about the Company's capital and the manner in which it is managed. This additional disclosure, which includes quantitative and qualitative information regarding an entity's objectives.

(b) Section 3862 and 3863 Financial Instruments, which requires disclosure about the significance of financial instruments for an entity's financial position, the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The additional disclosures, required as a result of the adoption of these standards, have been included in the third quarter Interim Financial Statements.

Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces the existing standards. This revised standard establishes guidance for the recognition, measurement and disclosure of goodwill and intangible assets, including internally generated intangible assets. This standard is effective for 2009. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as of the date of the financial statements. Each of these required estimates varies in regard to the level of judgment involved and its potential impact on the Company's reported financial results. Estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial condition, changes in financial condition or results of operations.

Uncertainties and Main Risk Factors

Economic and sector related risks remain the same as those identified in the MD&A for the year ended December 31, 2007, available at www.sedar.com.

Disclosure controls and procedures

Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators requires Chief Executive Officers ("CEOs") and Chief Financial Officers ("CFOs") to certify that they are responsible for establishing and maintaining disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about the effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer. Under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the design of the Company's disclosure controls and procedures as at September 30, 2008 and have concluded that those disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the quarter then ended. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Internal controls over financial reporting

Multilateral Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting. There were no changes in internal controls during the second quarter or first half of 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Outstanding Share Data

As at the date of this report, the Company has 36,581,762 common shares issued and outstanding.

In accordance with the Company's Stock Option Plan, during the quarter a total of 600,000 options were issued to directors at an exercise price of $0.275 and 500,000 options to an officer of the Company at an exercise price of $0.34. These options are valid for a period of five years from date of issue. As at the date of this report, the Company has 3,150,000 options outstanding.

The Company also has warrants outstanding entitling warrant holders to purchase common shares at an exercise price of $0.43 per share with an expiry date of December 31, 2008.

INTERIM CONSOLIDATED BALANCE SHEETS

	September 30, 2008	December 31, 2007
	$	$
	(unaudited)	*(audited)*
ASSETS		
Current		
Cash	3,975,574	4,028,927
Accounts receivable	1,667,794	1,953,549
Accrued receivables	836,439	668,446
Prepaid expenses	63,618	25,409
Future income taxes	20,080	20,080
	6,563,505	**6,696,411**
Long Term		
Due from related party	----	40,000
Deferred financing costs	133,934	83,224
Property and equipment	291,508	426,521
Goodwill	46,863	46,863
Intangible asset	1,146,815	1,146,815
Future income taxes	214,903	214,903
Total Assets	**8,397,528**	**8,654,737**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,670,578	2,104,338
Income taxes payable	10,386	518,250
	1,680,964	**2,622,588**
Minority interest	626,519	665,894
Shareholders' Equity		
Share capital	3,914,050	3,914,050
Contributed surplus	1,268,215	1,246,715
Deferred stock-based compensation	(88,571)	(102,526)
Retained earnings	996,351	308,016
	6,090,045	**5,366,255**
Total Liabilities and Equity	**8,397,528**	**8,654,737**

See accompanying notes

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND RETAINED EARNINGS

For the periods ended September 30	Three Months		Nine Months	
(unaudited)	2008	2007	2008	2007
	$	$	$	$
Revenue	**3,635,347**	**3,219,228**	**11,200,475**	**10,055,046**
Expenses				
Direct costs	2,631,447	2,474,973	7,926,279	7,298,779
General and administrative	633,964	493,358	2,049,117	1,543,446
Stock-based compensation	21,500	11,630	35,456	90,080
Amortization of capital assets	40,153	64,573	131,267	208,147
Total expenses	**3,327,064**	**3,044,534**	**10,142,119**	**9,140,452**
Income before income taxes	**308,283**	**174,694**	**1,058,356**	**914,594**
Provision for income taxes:				
Current	83,121	75,968	370,021	380,068
Future	----	----	----	----
	83,121	**75,968**	**370,021**	**380,068**
Net income for the period	**225,162**	**98,726**	**688,335**	**534,526**
Basic and diluted earnings per common share	**0.01**	**0.01**	**0.01**	**0.01**
Retained earnings (deficit), beginning of period	**771,189**	**(10,870)**	**308,016**	**(446,670)**
Net income	**225,162**	**98,726**	**688,335**	**534,526**
Retained earnings, end of period	**996,351**	**87,856**	**996,351**	**87,856**
Weighted Average Number of Shares	#	#	#	#
Basic	**36,581,762**	**29,189,597**	**36,581,762**	**29,189,597**
Diluted	**40,150,512**	**29,974,524**	**40,150,512**	**29,974,524**

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods ended September 30 *(unaudited)*	Three Months		Nine Months	
	2008 $	**2007** $	**2008** $	**2007** $
Increase (decrease) in cash				
OPERATING ACTIVITIES				
Net income for the period	**225,162**	**98,726**	**688,335**	**534,526**
Add (deduct) items not involving cash				
Amortization of capital assets	40,153	64,573	131,267	208,147
Future income taxes				
Stock-based compensation	21,500	11,630	35,456	90,080
Changes in non-cash working capital items				
Receivables	438,897	(102,802)	285,754	(237,159)
Accrued receivables	115,882	316,021	(167,993)	116,684
Prepaid expenses	13,256	(186,185)	(38,209)	(192,515)
Payables and accruals	(26,088)	(377,723)	(368,982)	(653,428)
Income taxes payable	(47,676)	(44,400)	(507,864)	147,281
	781,086	**(220,160)**	**57,764**	**13,616**
INVESTING ACTIVITIES				
Purchase of capital assets	(5,698)	(48,686)	(21,032)	(101,762)
	(5,699)	**(48,686)**	**(21,032)**	**(101,762)**
FINANCING ACTIVITIES				
Proceeds from convertible debenture	----	736,875	----	736,875
Increase in deferred financing costs	(33,501)	----	(50,710)	-----
Decrease in minority interest	(13,125)	----	(39,375)	-----
Proceed from private placement	----	1,250,000	----	1,250,000
	(46,626)	**1,986,875**	**(90,085)**	**1,986,875**
Net increase (decrease) in cash	**728,762**	**1,718,029**	**(53,353)**	**1,898,729**
Cash, beginning of period	**3,246,812**	**731,100**	**4,028,927**	**550,400**
Cash, end of period	**3,975,574**	**2,449,129**	**3,975,574**	**2,449,129**

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 (unaudited)

1. INCORPORATION AND NATURE OF BUSINESS

Alegro Health Corp. ["Alegro" or the "Company"] was incorporated under the Canada Business Corporations Act on February 2, 2001 and is a venture company on the TSX Venture Exchange ["TSX-V"]. The Company provides health care services through its wholly-owned subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the interim financial statements are the same as those described in the Company's 2007 Annual Report. The disclosures in the interim financial statements conform in all material respects to the requirements of the Canadian generally accepted accounting principles for the annual financial statements included in the Company's 2007 Annual Report. The interim consolidated balance sheet as at September 30, 2008, interim consolidated statements of operations, comprehensive income and retained earnings for the three months ended September 30, 2008 and 2007, and the interim consolidated statements of cash flows for the three and nine months ended September 30, 2008 and 2007 are unaudited, but include all adjustments (consisting of normal recurring adjustments) which in the opinion of management are considered necessary for a fair presentation of the position, results of operations and cash flows for the periods presented. The results of operations for the three and nine months ended September 30, 2008 shown herein are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

For more complete financial information, these financial statements, and notes thereto, should be read in conjunction with audited consolidated financial statements for the year ended December 31, 2007.

Basis of consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned legal subsidiaries; Work Able Centers Inc. and Work Able Centres North York Inc. (collectively ("Work Able"), Don Mills Surgical Unit Ltd. and Don Mills Surgical Centres Ltd. (collectively "DMSU"), Assessment Network Inc. (operating as "MedEval"), Direct Health Solutions Inc. and Direct Health Solutions (2) Inc. (collectively "Direct"), Alegro Health Partners Inc. ("AHP") as well as its 60% controlled subsidiary CanAm Research Corp. ("CanAm"). Although AHP is a wholly-owned subsidiary it has been effectively recorded at 75% (*see note 8*). In addition, a minority interest in respect of CanAm has not been recorded as the losses applicable to the non-controlling interest in CanAm exceed the non-controlling interest in the capital of CanAm. All inter-company balances and transactions have been eliminated on consolidation.

Revenue recognition

Revenue is recognized when services for independent medical assessments have been completed, the price is fixed or determinable, and collection is reasonably assured. Accrued receivables represent an accrual for revenue recognized on completed and unbilled assessments. The estimated costs incurred to complete the assessments are included in accrued liabilities. Other services, such as work conditioning treatments and case management services, are billed when these services are rendered, the price is fixed or determinable, and collection is reasonably assured.

September 30, 2008 (*unaudited)*

Goodwill

Goodwill is recorded when the cost of an acquisition exceeds the fair market value of the net tangible and identifiable intangible assets acquired. Goodwill is not amortized. Goodwill is tested for impairment on an annual basis or more frequently if warranted. Impairment losses are recorded when the carrying amount of goodwill exceeds its implied fair value. Such impairment losses are recorded as part of income from continuing operations.

DMSU follows the deferral method of accounting for unrestricted contributions from the Ministry of Health and Long-Term Care. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimate and collection is reasonably assured.

Capital Disclosures

Effective January 1, 2008, Alegro Health Corp. adopted the new recommendations of CICA Handbook Section 1535, “Capital Disclosures”. The new standard specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The Company considers its Shareholders Equity plus Minority Interest as capital, which at September 30, 2008 amounted to $6,716,564 (June 30, 2008 totaled $6,483,028).

The Company manages its capital structure in order to ensure sufficient resources are available to meet day to day operating requirements, to allow it to enhance existing healthcare services add to have the financial ability to expand the size of its operations by taking on new referrals. In managing its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the upfront cost of taking on new referrals.

The Company’s Board of Directors takes full responsibility for managing the Company’s capital and does so through quarterly board meetings, review of financial information, and regular communication with Officers and senior management.

Financial Instruments – Disclosures and Presentation

Effective January 1, 2008, Alegro Health Corp. adopted the new recommendations of CICA Handbook sections 3862, “Financial Instruments – Disclosures” and 3863 “Financial Instruments – Presentation”, which replaces Section 3861, “Financial Instruments – Disclosure and Presentation”. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included these disclosures in note 5 to these interim consolidated financial statements.

Comparative Consolidated Financial Statements

Certain comparative figures in the interim consolidated statements of operations, comprehensive income and retained earnings have been reclassified from statements previously presented to conform to the presentation of the September 30, 2008 interim financial statements.

3. RELATED PARTY TRANSACTIONS

Certain related parties provide services to the Company either directly or through companies, which they control. Fees charged by such related parties for consulting fees for the nine months ended September 30, 2008 were $461,002 (2007 - $324,000). These transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount of consideration established and agreed to the related parties.

A summary of transactions and balances with related parties is as follows:

	2008 **$**	2007 $
Expenses		
Real World Simulation Systems Inc.	18,000	54,000
Filmshot Inc.	40,002	------
Global Healthcare Investments & Solutions Inc.	135,000	30,000
Brenras Holdings Inc.	238,000	186,000
The Disability Management Group Inc.	30,000	54,000
	461,002	324,000
Amounts due from related parties		
Disability Management Group Inc.	-----	40,000

4. SEGMENTED REPORTING

Three months ended September 30, 2008

	Work Able $	DMSU $	Direct $	AHP $	Corporate $	Total $
Revenues	2,109,484	337,390	1,183,138	3,847	1,488	3,635,347
Operating Expenses	1,485,695	301,452	861,360	13,125	665,432	3,327,064
Net income (loss) Before income taxes	623,789	35,938	321,778	(9,278)	(663,944)	308,283
Total Assets	2,991,703	182,994	1,285,721	737,287	3,199,823	8,397,528

Three months ended September 30, 2007

	Work Able $	DMSU $	Direct $	AHP $	Corporate $	Total $
Revenues	1,804,571	889,602	517,681		7,374	3,219,228
Operating Expenses	1,305,668	868,137	418,452		452,277	3,044,534
Net income (loss) before income taxes	498,903	21,465	99,229	----	(444,903)	174,694
Total Assets	2,072,950	50,566	720,113		3,564,619	6,408,248

Nine months ended September 30, 2008

	Work Able $	DMSU $	Direct $	AHP $	Corporate $	Total $
Revenues	6,807,662	1,033,357	3,331,366	14,600	13,490	11,200,475
Operating Expenses	4,698,977	1,055,276	2,248,254	39,405	2,100,207	10,142,119
Net income (loss) before income taxes	2,108,685	(21,919)	1,083,112	(24,805)	(2,086,717)	1,058,356
Total Assets	2,991,703	182,994	1,285,721	737,287	3,199,823	8,397,528

Nine months ended September 30, 2007

	Work Able $	DMSU $	Direct $	AHP $	Corporate $	Total $
Revenues	5,767,895	2,412,436	1,866,849		7,866	10,055,046
Operating Expenses	4,550,475	2,234,210	1,226,241		1,129,526	9,140,452
Net income (loss) before income taxes	1,217,420	178,226	640,608		(1,121,660)	914,594
Total Assets	2,072,950	50,566	720,113		3,564,619	6,408,248

5. FINANCIAL RISK FACTORS

Alegro's risk exposure and the impact on its financial instruments are summarized below.

Credit Risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. The Company's exposure to concentrations of credit risk is limited. Accounts receivable are from the Work Place Safety and Insurance Board, government agencies, employers and insurance companies.

Liquidity Risk

Alegro's approach to managing liquidity risks is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2008, Alegro had a cash balance of $3,975,574 (December 31, 2007 – $4,028,927), to settle current liabilities of $1,680,964 (December 31, 2007 – $2,622,588).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

Interest Rate Risk

Alegro has cash balances and a $750,000 debenture bearing interest at a rate of 7% per annum. Alegro current policy is to invest excess cash in investment-grade short term deposit certificates issued by its banking institution.

Sensitivity Analysis

The Company's exposure to interest rate risk is minimal as the rate applicable to the convertible debenture is fixed at 7% per annum; if the market rate of interest moves by +-5% it would have an immaterial impact on the Company's cash flow (+-$9,375).

6. BANKING FACILITY

The Company has an existing operating credit facility to a maximum of $1,000,000, including letters of guarantee to a maximum of $250,000. Interests on the borrowing options available are at prime plus 0.5% and 2% per annum, respectively, with interest paid monthly. The credit facilities are collateralized by a general security agreement on the Company's assets.

As at September 30, 2008, the Company had not drawn on these credit facilities.

7. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 5 1-102 released by the Canadian Securities Administration, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended September 30, 2008 and September 30, 2007.