

NEWS RELEASE



Dynatronics

Contact: Bob Cardon, Dynatronics Corp.
800-874-6251 or 801-568-7000

Dynatronics Announces Financial Results for Fiscal 2009 Major Improvements Reported Over Prior Year

Salt Lake City, Utah (September 25, 2009) – Dynatronics Corporation (NASDAQ: DYNT) today announced results for its fiscal fourth quarter and its fiscal year ended June 30, 2009.

Net income for the fiscal fourth quarter was \$46,101 (\$.00 per share), compared to a net loss of \$6,764,001 (\$.50 per share) for the fourth quarter of fiscal year 2008. Net income for the year ended June 30, 2009, was \$103,324 (\$.01 per share), compared to a net loss of \$8,443,771 (\$.62 per share) for the prior year. The loss for fiscal year 2008 included a charge of approximately \$6,600,000 related to the impairment of goodwill.

Sales for the fiscal fourth quarter of 2009 were \$8,058,431, compared to \$8,057,572 for the fourth quarter of fiscal year 2008. Sales for the year ended June 30, 2009 were \$32,406,891, compared to \$32,592,507 for the prior year.

“It should be reassuring to our stakeholders that we showed significant improvement in bottom-line results especially given the deterioration of general economic conditions,” stated Kelvyn H. Cullimore Jr., chairman and president of Dynatronics. “Two important contributors to the success we achieved during the year were maintaining sales despite recessionary pressures and reducing selling, general and administrative expenses by over \$2,800,000. Over the past two years, we have undertaken aggressive cost-reduction campaigns to improve efficiencies. These efforts have led to sustainable earnings improvements, which we believe will benefit the company for many years.

“Our cost-reduction efforts were accentuated with the help of Vici Capital Partners,” Cullimore added. “Together, we uncovered a number of additional opportunities to save money, improve operational efficiencies, strengthen margins and reduce manufacturing and other costs. These changes were specifically targeted at lowering transaction costs, obtaining better pricing and terms from vendors and service providers, streamlining customer service and production processes, and improving our sales support functions. We believe that we will realize additional benefits from these efforts over the next 12 months as we begin to implement an e-commerce solution for selling our products more efficiently.”

In September 2008, Dynatronics introduced customers to its new 2009–2010 product catalog, containing thousands of new products. This sales tool boosted the company’s medical supply sales, offsetting a softening of capital equipment sales during the year.

“We introduced the new V-Force vibration therapy device in June 2009,” stated Larry K. Beardall, executive vice president of sales and marketing. “This new unit employs powerful, whole-body vibration technology, which provides neuromuscular training to increase strength, improve balance and enhance flexibility. Additional new products for 2010 are in development.”

Over the past year, the company expanded its direct sales team to 50 sales representatives, including 27 direct sales employees and 23 independent sales representatives. “Dynatronics has emerged as one of only two companies in our industry with a direct sales force marketing a broad line

of proprietary and non-proprietary products,” Beardall added. “The new catalog and the introduction of the V-Force helped us sustain sales at or near fiscal year 2008 levels.”

“By continuing to build our sales force, streamlining operations through e-commerce and capitalizing on evolving market opportunities, we believe we’re well-positioned for continued improvements – particularly as general economic conditions improve,” concluded Cullimore.

Dynatronics has scheduled a conference call for investors on Friday, September 25, 2009, at 12:30 p.m. ET. Those wishing to participate should call 800-839-9416 and use passcode 9321818.

A summary of the financial results for the three months and year ended June 30, 2009, follows:

Summary Selected Financial Data Statement of Operations Highlights

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net sales	\$8,058,431	\$8,057,572	\$32,406,891	\$32,592,507
Cost of sales	<u>5,001,599</u>	<u>5,022,123</u>	<u>19,996,436</u>	<u>20,450,570</u>
Gross profit	3,056,832	3,035,449	12,410,455	12,141,937
SG&A expenses	2,648,843	3,232,380	10,709,712	13,473,190
R&D expenses	218,298	283,749	993,338	1,354,743
Goodwill impairment	-	6,636,466	-	6,636,466
Other expense, net	<u>116,824</u>	<u>147,953</u>	<u>522,145</u>	<u>593,093</u>
Net income (loss) before income taxes	72,867	(7,265,099)	185,260	(9,915,555)
Income tax provision (benefit)	<u>26,766</u>	<u>(501,098)</u>	<u>81,936</u>	<u>(1,471,784)</u>
Net income (loss)	<u>\$ 46,101</u>	<u>\$ (6,764,001)</u>	<u>\$ 103,324</u>	<u>\$ (8,443,771)</u>
Net income (loss) per diluted share	<u>\$.00</u>	<u>\$ (.50)</u>	<u>\$.01</u>	<u>\$ (.62)</u>

Balance Sheet Highlights

	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
Cash	\$ 141,714	\$ 288,481
Accounts receivable	4,739,727	5,151,235
Inventories	6,199,251	6,283,068
Total current assets	12,003,068	12,981,686
Total assets	17,087,289	18,427,819
Accounts payable	1,795,520	1,423,839
Accrued expenses	446,327	500,145
Line of credit	4,602,651	5,818,320
Total current liabilities	7,785,881	8,660,803
Total liabilities	10,667,540	12,162,180
Total liabilities and equity	\$ 17,087,289	\$ 18,427,819

Dynatronics manufactures, markets and distributes advanced-technology medical devices, orthopedic soft goods and supplies, treatment tables and rehabilitation equipment for the physical

therapy, sports medicine, chiropractic, podiatry, plastic surgery, dermatology and other related medical, cosmetic and aesthetic markets. More information regarding Dynatronics is available at www.dynatronics.com.

This press release contains forward-looking statements. Those statements include references to the company's expectations and similar statements such as the statement regarding expected improvement in economic conditions, additional benefits to be obtained from the launch of the e-commerce system, and the anticipated continuing benefits in future periods from the cost-reduction initiative. Actual results may vary from the views expressed in the forward-looking statements contained in this release. The development and sale of the company's products are subject to a number of risks and uncertainties, including, but not limited to, changes in the regulatory environment, competitive factors, inventory risks due to shifts in market demand, market demand for the company's products, availability of financing at cost effective rates, and the risk factors listed from time to time in the company's SEC reports including, but not limited to, the report on Form 10-KSB for the year ended June 30, 2008, and its subsequent quarterly reports on Form 10-Q.