

NEWS RELEASE



Dynatronics

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Dynatronics' Acquisitions Boost Sales 80 Percent in Third Quarter

Salt Lake City, Utah (May 14, 2008) – Dynatronics Corporation (NASDAQ: DYNT) today announced results for its third fiscal quarter ended March 31, 2008.

Sales for the quarter increased 80 percent to \$7,781,871, compared to \$4,330,440 in the prior year period. For the nine months ended March 31, 2008, sales increased 90 percent to \$24,534,934, compared to \$12,897,679 in the prior year period. The increase in sales was due primarily to the acquisition of six of the company's top independent distributors on June 30, 2007, and July 2, 2007. Dynatronics now has 40 direct sales reps covering 30 states across the country in addition to its well-established domestic and international dealer network.

"In the face of major competitors' consolidation strategies in our industry, acquiring these distributors was essential to preserving our channels of distribution and allowing us to compete more effectively," stated Kelvyn H. Cullimore Jr., chairman and president of Dynatronics. "Though we met our sales objectives through the first six months after the acquisitions, the current quarter fell short of achieving our sales goals largely as a result of the recent slowdown in the economy and clinic expansions. Also, the final integration of these acquisitions has taken a quarter longer than expected. These factors, along with final integration costs incurred during the quarter, contributed to a larger third quarter loss than expected."

Net loss for the quarter ended March 31, 2008 was \$628,775 (\$.05 per share), compared to a net loss of \$81,389 (\$.01 per share) in the prior year period. For the nine months ended March 31, 2008, net loss totaled \$1,679,770 (\$.12 per share), compared to a net loss of \$299,984 (\$.03 per share) in the prior year period.

The company reports that assimilation of the six distributor operations is now substantially complete. Eight distribution facilities have been consolidated into three distribution warehouses. The consolidation of facilities has enabled reductions in labor and overhead expenses expected to save the company approximately \$1.9 million annually.

"These expense reductions were put into place by the end of the fiscal third quarter and included over \$100,000 in severance costs related to the labor reductions," reported Cullimore. "We believe that this reduction in expenses, together with our recently introduced products and the sales tools we plan to introduce in the next few months will help us reach our goal of returning to profitability. In addition, we are considering strategic partnerships to further enhance our competitive position in the market."

Dynatronics has scheduled a conference call for investors Wednesday, May 14, 2008, at 2:30 p.m. ET. Those wishing to participate should call 800-839-9416 and use passcode 9321818.

The company also noted the unexpected passing of Dr. E. Keith Hansen, a member of Dynatronics' board of directors, on Saturday, May 10, 2008. "We are saddened by this loss," said Cullimore. "Keith has been a director and supporter of Dynatronics since the company's inception. His insight and contribution to the development of the company were invaluable and he will be greatly missed." No immediate plans were announced for a replacement.

A summary of the financial results for the three and nine months ended March 31, 2008, follows:

**Summary Selected Financial Data
Statement of Operations Highlights**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net sales	\$7,781,871	\$4,330,440	\$24,534,934	\$12,897,679
Cost of sales	<u>4,946,912</u>	<u>2,719,548</u>	<u>15,428,447</u>	<u>8,163,440</u>
Gross profit	2,834,959	1,610,892	9,106,487	4,734,239
SG&A expenses	3,325,765	1,368,680	10,240,809	3,938,693
R&D expenses	368,994	328,980	1,070,993	1,153,736
Other expense, net	<u>159,757</u>	<u>45,570</u>	<u>445,141</u>	<u>129,588</u>
Net loss before income taxes	(1,019,557)	(132,338)	(2,650,456)	(487,778)
Income tax benefit	<u>(390,782)</u>	<u>(50,949)</u>	<u>(970,686)</u>	<u>(187,794)</u>
Net loss	\$ <u>(628,775)</u>	\$ <u>(81,389)</u>	\$ <u>(1,679,770)</u>	\$ <u>(299,984)</u>
Net loss per share (diluted)	\$ <u>(.05)</u>	\$ <u>(.01)</u>	\$ <u>(.12)</u>	\$ <u>(.03)</u>

Balance Sheet Highlights

	<u>March 31,</u>	<u>June 30,</u>
	<u>2008</u>	<u>2007</u>
Cash	\$ 212,670	\$ 1,301,105
Accounts Receivable	5,513,805	3,757,484
Inventories	6,952,979	5,313,984
Total current assets	14,159,509	11,651,927
Total assets	\$25,903,513	\$ 18,567,616
Accounts payable	\$ 2,380,281	\$ 1,241,030
Accrued expenses	395,275	287,773
Line of credit	5,704,823	250,000
Total current liabilities	9,429,807	3,535,536
Total liabilities	12,984,602	7,496,972
Total liabilities and equity	\$ 25,903,513	\$ 18,567,616

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. 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, 2007, and its subsequent quarterly reports on Form 10-QSB.