



***Dynatronics***

***Company Overview***

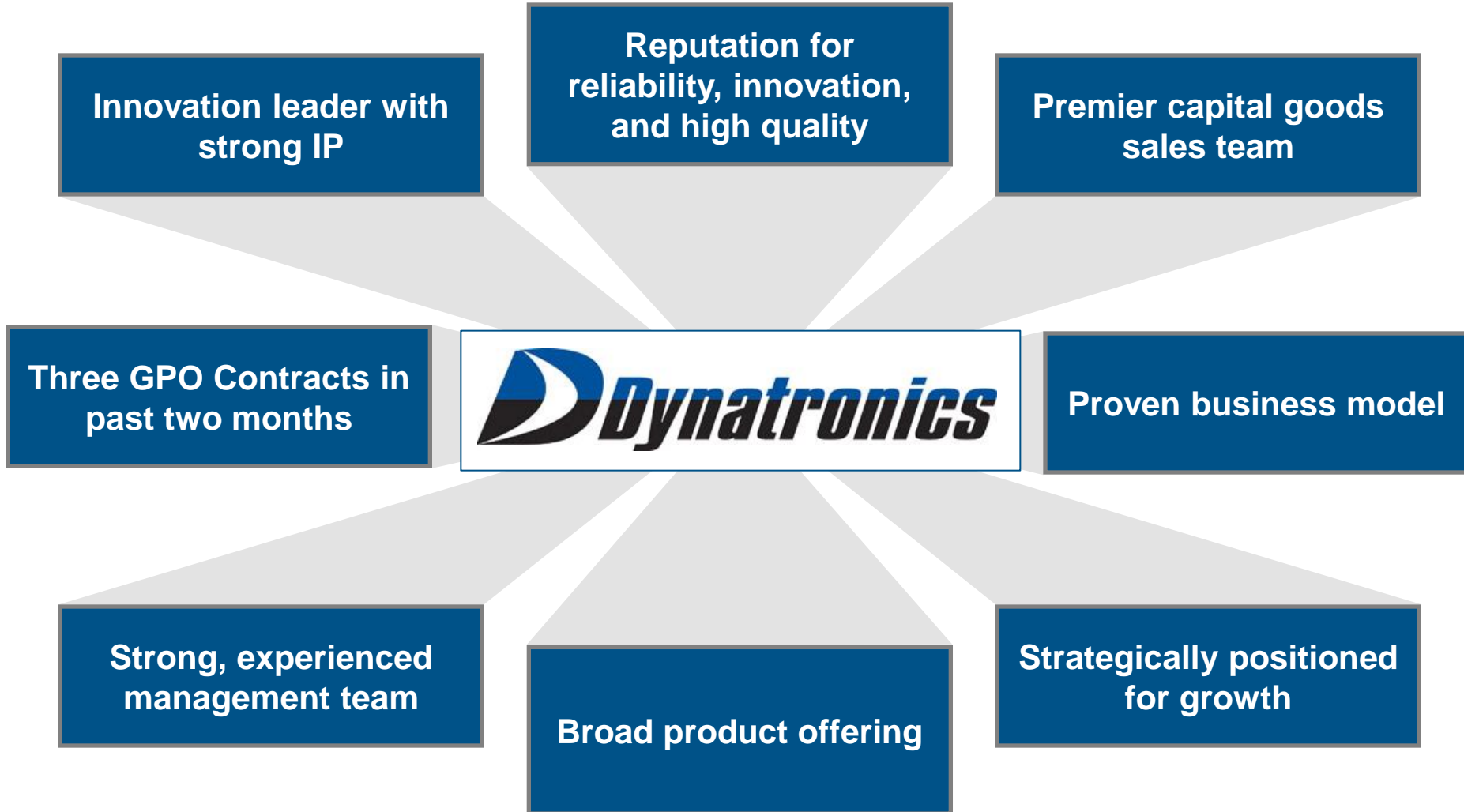
# Safe Harbor Statement

Statements in this presentation concerning future revenues, margins, results from operations, financial position, economic conditions, product releases and any other statement that may be construed as a prediction of future performance or events are forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements. These factors include uncertainties as to levels of orders, technological obsolescence, government regulation, health care reform, product liabilities, risks associated with manufacturing, reliance on information technology, market acceptance of new products, changes in economic conditions and market demand, pricing and other activities by competitors, and other risks including those described from time to time in the Company's filings on Forms 10K and 10Q with the Securities and Exchange Commission (SEC), press releases and other communications. The accuracy and completeness of forward-looking statements should not be unduly relied upon. Dynatronics is under no duty to update any of these forward-looking statements.

# Overview of Dynatronics

- Dynatronics designs, manufactures and distributes products used in the physical therapy, sports medicine, rehabilitation, chiropractic, and aesthetic markets
- The Company operates manufacturing and distribution facilities in Salt Lake City, Utah and Chattanooga, Tennessee; a distribution facility and sales office in Pleasanton, California; and sales offices with warehouse storage in Houston, Texas, Youngstown Ohio and Detroit, Michigan
- Products are sold via 51 direct sales representatives, through a Company-owned catalog, and through third-party dealers and distributors
- 150 employees
- Publicly-listed on the NASDAQ under ticker symbol DYNT
- 2010 revenue of \$33 million and EBITDA of \$1.1 million

# Key Investment Considerations



# Experienced Management Team

**Kelvyn H. Cullimore Jr.**  
*Chairman / CEO / President*  
 Age: 54  
 29 years industry exp.

**Kelvyn H. Cullimore Sr.**  
*Founder*  
*Chattanooga and Synergie Operations*  
 Age: 75  
 31 years industry exp.

**Larry K. Beardall**  
*Executive VP Sales & Marketing*  
 Age: 55  
 25 years industry exp.

**Douglas G. Sampson**  
*VP R&D and Operations*  
 Age: 57  
 30 years electronics manuf. exp.

**Terry M. Atkinson**  
*Chief Financial Officer*  
 Age: 58  
 17 years industry exp.

**Bob Cardon**  
*VP Administration*  
*Secretary / Treasurer*  
 Age: 47  
 22 years industry exp.

**Chris Clarkson**  
*General Manager*  
*Chattanooga Operations*  
 Age: 37  
 16 years industry exp.

**John Rajala**  
*Sales Manager*  
*Region 1 (Pleasanton, CA)*  
 Age: 66  
 32 years industry exp.

**Pete Rajala**  
*Regional Manager*  
*Region 1 (Pleasanton, CA)*  
 Age: 38  
 22 years industry exp.

**Guy Whittington**  
*Regional Manager*  
*Region 2 (Houston, TX)*  
 Age: 48  
 29 years industry exp.

**Andy Moore**  
*Regional Manager*  
*Region 3 (Minneapolis, MN)*  
 Age: 49  
 17 years industry exp.

**Steve Cyman**  
*Regional Manager*  
*Region 4 (Detroit, MI)*  
 Age: 54  
 32 years industry exp.

**Tony Trolio**  
*Regional Manager*  
*Region 5 (Girard, OH)*  
 Age: 59  
 33 years industry exp.

*Senior management team with over 300 years of industry experience*

# Physical Medicine Devices

- Electronic devices used in therapeutic physical medicine procedures
- 30% of revenues
- Marketed under the Dynatron, Solaris, and STS brand names
- Therapeutic benefits delivered several modalities
  - Electrotherapy
  - Therapeutic Ultrasound
  - Infrared Light Therapy
  - Oscillation Therapy
  - Iontophoresis
  - Traction/Decompression
  - Vibration Therapy
  - All are FDA approved devices and most are CE Marked

*Solaris 708 3-Channel Combination Unit*



# Medical Supplies and Soft goods – Manufactured/Private Labeled

- Medical supplies and equipment used for therapeutic procedures in physical therapy, rehabilitation, and chiropractic markets
- 18% of revenue
- Over 3,500 SKU's
- Consumables and durables
- Basic or complex products



# Medical Supplies and Soft goods – Distributed

- Medical supplies and equipment used for therapeutic procedures in physical therapy, rehabilitation, and chiropractic markets
- 50% of revenue
- Over 8,500 SKU's
- Consumables and durables
- Basic or complex products



# Group Purchasing Organizations (GPO)

- Recent contracts signed with:
  - Premier – 70,000 member facilities
  - Amerinet – 50,000 member facilities
  - FirstChoice – 20,000 members/facilities
- With the recent signing of these important contracts, the Company can now sell to these Group Purchasing Organizations (GPOs) and large chains of hospitals and clinics that purchase only on contract



# Comparison with Primary Competitor

## Sammons Preston

(division of Patterson Co)

## Dynatronics

**Sales**

\$500,000,000

\$33,000,000

**Target market**

GPO/National Acct.

Private practitioner/GPO/  
National Acct.

**Manuf/Distrib.**

Distributor only

Manuf/Distributor

# Endorsements and Sponsorships

Dynatronics provides products to many of the leading collegiate and professional athletes and organizations in the United States



1. Via Pittsburgh Penguins, New York Rangers, St. Louis Blues, Philadelphia Flyers, and others

2. Via Florida State University, University of Oregon, University of Colorado, University of Utah, DePaul University, and others

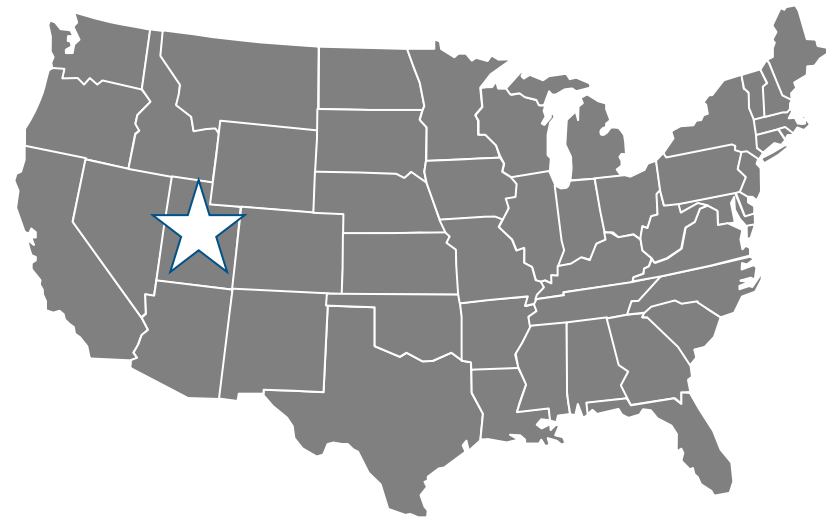
# Research & Development

- Four full-time R&D employees based in Salt Lake City office plus three outside consultants developing software plus two contract design companies
- R&D spending – \$1.4 million budgeted in 2011
- Several new products being developed with target introduction date of December 2011
- Dynatronics currently holds six patents with two patents pending and one expired patent related to the Company's target feature that is still proprietary:
  - Multi-frequency ultrasound
  - MDA device patent
  - Combination AMS/MDA patent
  - STS patent
  - Two design patents on MDA device
  - Light Therapy patent pending
  - Traction/light therapy patent pending
  - Target Electrotherapy feature

- Introduced E-commerce website in July 2010
  - Powerful sales tool that strengthens direct sales reps' sales efforts
  - Over 25% of orders now taken over website
  - Enhances distribution channel

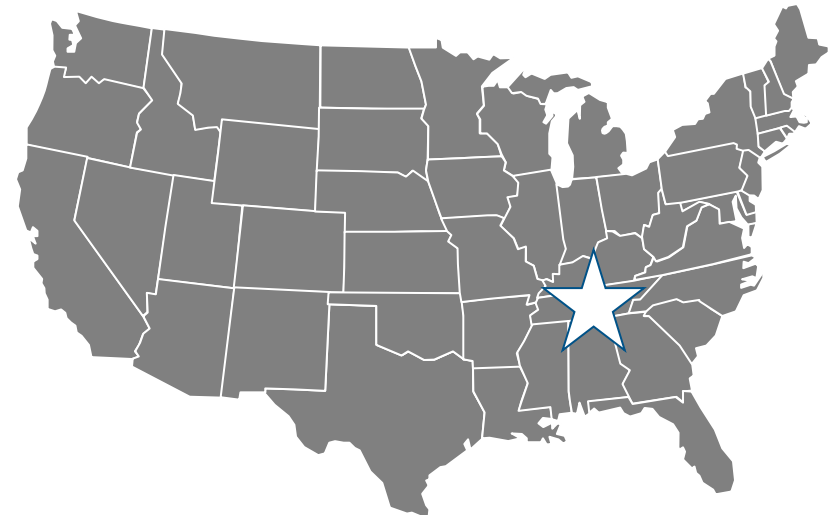
# Salt Lake City, UT – HQ, Device Manufacturing

- Corporate headquarters (DynaWest) are located in Salt Lake City, UT and have 70 employees
- 36,000 sq. ft. owned facility,
  - Built in 1993
  - 18,000 sq. ft. office
  - 18,000 sq. ft. manufacturing and warehouse
- Manufactures all electronic devices and Synergie products
- ISO Certified
- 3 FDA inspections in past 8 years



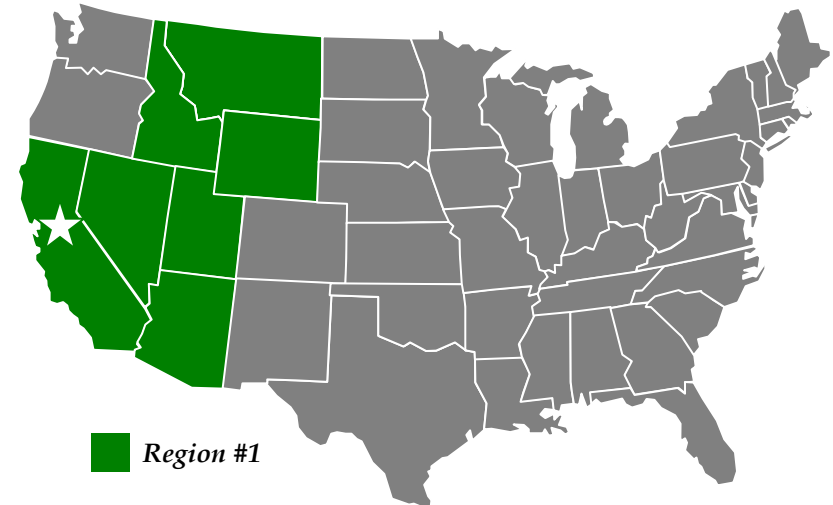
# Chattanooga, TN – Soft Goods Manufacturing

- DynaEast Operations are located in Chattanooga, TN and have 50 employees
  - Manager: Chris Clarkson
- Owned 50,000 sq. ft. facility
  - 5,000 sq. ft. office
  - 20,000 sq. ft. manufacturing
  - 25,000 sq. ft. warehouse
  - room to add another 10,000 sq. ft.
- Manufactures wood & metal treatment tables, hot & cold packs, orthopedic supports, and rehabilitation & exercise products
- Distributed products stocking location
- Drop ship products for 3<sup>rd</sup> party vendors
- 3 FDA inspections in 12 years



# Pleasanton, CA – Distribution Warehouse

- DynaPacific Operations are located in Pleasanton, CA and have 8 employees
  - Manager: Pete Rajala
- 10,000 sq. ft. rented space from Rajala Family Trust
  - 5,000 sq. ft. warehouse
  - 5,000 sq. ft. office
- Acquired in 2007 via Rajala Therapy Sales Associates acquisition





# ***Growth Strategies***



# Growth Strategies

- Group Purchasing Organization (“GPO”) Contracts
  - Contracts with Premier, Amerinet and First Choice
  - Plan to add more
- E-Commerce Initiative
- New Product Innovations
- Grow Direct Distribution Channel
  - Recruit reps
- Expand Global Sales by Adding New Distributors

# Thank You

