

NEWS RELEASE

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Dynatronics Announces Fiscal 2005 Year-End Results

Salt Lake City, Utah (August 30, 2005) – Dynatronics Corporation (NASDAQ: DYNT) today announced results for its fourth quarter and fiscal year ended June 30, 2005. Sales for the quarter were \$5,114,759, compared to \$5,024,352 in the same period last year. Net income for the quarter ended June 30, 2005, was \$169,600 (\$.02 per share), compared to \$158,242 (\$.02 per share) in the fourth quarter of the previous year.

Sales for the year ended June 30, 2005, were \$20,404,368, compared to \$20,587,273 in 2004. Net income during the year was \$728,816 (\$.08 per share), compared to \$883,300 (\$.10 per share) achieved during the prior year.

“Sales for the year were within one percent of last year’s record results,” stated Kelvyn H. Cullimore Jr., company chairman and president. “Higher gross profit generated in 2005 was offset by higher selling and research and development (R&D) expenses. More specifically, we spent \$156,000 more for R&D during the year than we did last year because we’re developing nine new products. In addition, SG&A expenses increased \$219,700 primarily due to higher selling expenses and higher medical insurance premiums.”

At the company’s national dealer meeting, nine new products were introduced to distributors from across the country and internationally. “The highlight of the show was the introduction of the new Dynatron XP light pad,” reported Larry K. Beardall, Dynatronics’ executive vice president of marketing and sales. “The new light pad is 100 times larger than existing light probes and is 13 times more powerful. More importantly, this new light pad allows practitioners the ability to treat patients via unattended therapy, thus allowing the practitioner to treat multiple patients simultaneously.”

Other new products introduced at the show include newly designed treatment tables, new light probes, an innovative traction device and an iontophoresis device for non-invasive drug delivery.

“The response from distributors to these new products was very encouraging,” added Beardall. “We anticipate these important new products will significantly add to sales and profits going forward, and make fiscal year 2006 an all-time record year for the company.”

Cullimore noted that delays with initial shipments of our new products are expected to impact first quarter results. “However, we expect to see solid growth beginning in the second quarter ending December 31, 2005 based on the high interest in our new products,” he explained.

Dynatronics has scheduled a conference call for investors today at 1 p.m. EDT (11 a.m. MDT). Those wishing to participate should call 800-861-4084 and use passcode 9921511#.

A summary of the financial results for the three months and year ended June 30, 2005, follows:

Summary Selected Financial Data

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net sales	\$5,114,759	\$5,024,352	\$20,404,368	\$20,587,273
Cost of sales	<u>3,022,901</u>	<u>2,975,948</u>	<u>12,105,079</u>	<u>12,386,978</u>
Gross profit	2,091,858	2,048,404	8,299,289	8,200,295
SG&A expenses	1,419,889	1,381,584	5,748,529	5,528,835
R&D expenses	417,255	309,687	1,302,722	1,146,715
Other income (expense)	<u>(13,154)</u>	<u>(34,121)</u>	<u>(97,182)</u>	<u>(147,301)</u>
Income before income taxes	241,561	323,012	1,150,856	1,377,444
Income tax expense	<u>71,961</u>	<u>164,770</u>	<u>422,040</u>	<u>494,144</u>
Net income	<u>\$ 169,600</u>	<u>\$ 158,242</u>	<u>\$ 728,816</u>	<u>\$ 883,300</u>
Net income per share (diluted)	<u>\$.02</u>	<u>\$.02</u>		<u>\$.08</u>
	<u>\$.10</u>			

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, FDA clearance of new products, growth in the physical medicine industry, competitive factors, availability of third-party component parts and products, inventory risks due to shifts in market demand, changes in product mix, market demand for the company's products 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, 2004, and its subsequent quarterly reports on Form 10-QSB.

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