

**SUNLINK HEALTH SYSTEMS, INC. ANNOUNCES  
FISCAL 2009 SECOND QUARTER RESULTS**

Amounts in 000's, except per share amounts

CONSOLIDATED STATEMENTS OF EARNINGS	Three Months Ended December 31,		Six Months Ended December 31,	
	2008	2007	2008	2007
Net Revenues	\$50,129	\$36,969	\$96,867	\$75,205
Costs and Expenses:				
Cost of goods sold	9,231	-	15,295	-
Salaries, wages and benefits	19,511	17,589	39,601	35,414
Provision for bad debts	5,503	5,216	11,122	11,845
Supplies	3,387	3,745	7,113	7,525
Purchased services	2,870	2,472	5,922	5,023
Other operating expenses	5,460	5,425	10,894	9,856
Rents and leases	776	755	1,560	1,485
Depreciation and amortization	1,699	1,278	3,404	2,502
Operating Profit	1,692	489	1,956	1,555
Gain on sales of assets	180	-	180	-
Interest Expense	(1,272)	(436)	(2,526)	(846)
Interest Income	10	28	17	33
Earnings (Loss) from Continuing Operations before Income Taxes	610 #	81	(373)	742
Income Tax Expense (Benefit)	244	30	(251)	248
Earnings (Loss) from Continuing Operations	366	51	(122)	494
Loss from Discontinued Operations, net of income taxes	(103)	(84)	(164)	(134)
Net Earnings (Loss)	\$263	\$(33)	\$(286)	\$360
Earnings (Loss) Per Share from Continuing Operations:				
Basic	\$0.05	\$0.01	\$(0.02)	\$0.07
Diluted	\$0.05	\$0.01	\$(0.02)	\$0.06
Loss Per Share from Discontinued Operations:				
Basic	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)
Diluted	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)
Net Earnings (Loss) Per Share:				
Basic	\$0.03	\$(0.00)	\$(0.04)	\$0.05
Diluted	\$0.03	\$(0.00)	\$(0.04)	\$0.05
Weighted Average Common Shares Outstanding:				
Basic	7,990	7,515	7,963	7,514
Diluted	8,001	7,789	7,963	7,789

**SUMMARY BALANCE SHEETS**

	December 31, 2008	June 30, 2008
ASSETS		
Cash and Cash Equivalents	\$1,122	\$1,716
Other Current Assets	34,862	33,456
Property Plant and Equipment, net	48,630	51,220
Long-term Assets	24,585	25,232
	<u>\$109,199</u>	<u>\$111,624</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	\$27,321	\$27,069
Long-term Debt and Other Noncurrent Liabilities	41,332	44,311
Shareholders' Equity	40,546	40,244
	<u>\$109,199</u>	<u>\$111,624</u>

