

**SUNLINK HEALTH SYSTEMS, INC. ANNOUNCES  
FISCAL 2008 ANNUAL AND FOURTH QUARTER  
RESULTS**

Amounts in 000's, except per share amounts

**CONSOLIDATED STATEMENTS OF EARNINGS**

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2008	2007	2008	2007
Net Revenues	\$43,819	\$37,596	# \$158,431	\$143,645
Costs and Expenses:				
Cost of Goods Sold	4,571		4,571	
Salaries, wages and benefits	19,495	17,564	73,852	70,475
Provision for bad debts	5,142	4,880	22,013	19,580
Supplies	3,272	3,539	14,615	15,479
Purchased services	2,476	2,410	9,961	9,081
Other operating expenses	5,164	5,150	19,872	17,424
Rents and leases	349	717	2,630	2,792
Depreciation and amortization	1,671	1,181	5,512	4,400
Operating Profit	1,679	2,155	5,405	4,414
Loss on early repayment of debt	(267)	-	(267)	-
Interest Income	25	48	72	69
Interest Expense	(850)	(444)	(2,114)	(1,462)
Earnings from Continuing Operations before Income Taxes	587	1,759	3,096	3,021
Income Tax Expense	8	799	1,087	1,444
Earnings from Continuing Operations	579	960	2,009	1,577
Loss from Discontinued Operations, net of income taxes	(152)	(79)	(393)	(181)
Net Earnings	\$427	\$881	\$1,616	\$1,396
Earnings Per Share from Continuing Operations:				
Basic	\$0.07	\$0.13	\$0.26	\$0.21
Diluted	\$0.07	\$0.12	\$0.26	\$0.20
Loss Per Share from Discontinued Operations:				
Basic	\$(0.02)	\$(0.01)	\$(0.05)	\$(0.02)
Diluted	\$(0.02)	\$(0.01)	\$(0.05)	\$(0.02)
Net Earnings Per Share:				
Basic	\$0.05	\$0.12	\$0.21	\$0.19
Diluted	\$0.05	\$0.11	\$0.21	\$0.18
Weighted Average Common Shares Outstanding:				
Basic	7,850	7,509	7,605	7,397
Diluted	8,049	7,804	7,855	7,810

**SUMMARY BALANCE SHEETS**

	June 30, 2008	June 30, 2007
<b>ASSETS</b>		
Cash and Cash Equivalents	\$1,716	\$814
Other Current Assets	33,456	24,965
Property Plant and Equipment, net	51,220	47,323
Long-term Assets	25,232	4,741
	<u>\$111,624</u>	<u>\$77,843</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities	\$27,069	\$26,655
Long-term Debt and Other Noncurrent Liabilities	44,311	15,164
Shareholders' Equity	40,244	36,024
	<u>\$111,624</u>	<u>\$77,843</u>