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**SPAN-AMERICA REPORTS RESULTS
FOR SECOND QUARTER OF FISCAL 1999**

Declares Quarterly Dividend

GREENVILLE, S.C. (April 27, 1999) -- Span-America Medical Systems, Inc. (Nasdaq/NM:SPAN) today reported net sales of \$6.5 million for the second fiscal quarter ended April 3, 1999, and net income of \$30,600, or \$0.01 per diluted share.

The Company also announced a regular cash dividend of \$0.025 per share, payable on June 4, 1999, to shareholders of record on May 17, 1999.

Second Quarter Results

Net sales declined 12% to \$6,500,300 compared with \$7,379,100 for the second quarter of fiscal 1998. The sales decline was primarily due to lower sales in the custom products segment resulting from two discontinued lines of consumer foam mattress pads last year.

Sales in the custom products segment were \$2.4 million, down 26% from \$3.2 million in the second quarter of last fiscal year. The sales decline was due to the discontinued consumer product lines and lower sales of TerryFoam products. The weakness in consumer product sales was somewhat offset by record sales of industrial products, which grew 33% to \$1.3 million as a result of new customers and continued healthy demand from existing customers.

Sales in the medical segment were down 1% for the quarter to \$4.1 million compared with the second quarter of fiscal 1998. Mattress sales were up 28%; however, overlay sales, which comprise a larger percentage of total medical sales, were down 22%. Seating product sales were up 9% for the second quarter of fiscal 1999 compared with the same quarter last year.

Span-America reported income from continuing operations of \$30,600, or \$0.01 per diluted share, in the second quarter of fiscal 1999 compared with \$495,700, or \$0.16 per diluted share, in the second quarter of fiscal 1998. The earnings decline compared with that of the second quarter of last year was due mainly to the lower sales volume and slightly higher manufacturing costs. The Company's results for fiscal 1998 have been restated to reflect the sale of the contract packaging business as a discontinued operation. Span-America sold the packaging business on February 27, 1998.

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“Looking at sequential quarters, our sales improved by 26% compared with the first quarter of fiscal 1999 as we experienced growth in our core business,” stated Jim Ferguson, president and chief executive officer of Span-America Medical Systems, Inc. “Earnings were lower due to unexpectedly high material and labor costs and a planned increase in medical selling expenses. We have taken action to reduce manufacturing costs, and we expect those efforts to show results quickly.

“We are making progress on building strategic alliances to expand sales. During the second quarter, we formed a marketing partnership with Louisville Bedding Company to sell our high-end consumer mattress products to retailers throughout the U.S. We are enthusiastic about our relationship with Louisville Bedding, and we expect to see excellent sales growth in our consumer foam products beginning in our third and fourth quarters of fiscal 1999.

“Span-America also continues to expand its product lines with new and innovative products. In the second quarter, we introduced our newest medical mattress product, Geo-Mattress with Wings™. This new variation on Span-America’s popular Geo-Mattress® line includes raised safety bolsters around the perimeter of the mattress designed to gently guide the user away from the edge of the bed. The product is targeted at long-term care and acute-care facilities. We are pleased to report that sales of Geo-Mattress with Wings™ in the product launch month of March almost totaled our entire first year’s budget for this new product.

“Looking forward, we expect improved profitability over the next several quarters as we replace the lost consumer sales volume and continue to build the medical business. In addition to expected growth in our core businesses, we are pleased with the progress we are making in our business development initiatives announced in February,” concluded Mr. Ferguson.

Six Months Results

Net sales from continuing operations were \$11.7 million for the first six months of fiscal 1999 compared with \$13.7 million for the same period in fiscal 1998. Income from continuing operations was \$78,600, or \$0.03 per diluted share, compared with \$767,100, or \$0.24 per diluted share, in the first six months of fiscal 1998.

Span-America Medical Systems, Inc. manufactures and markets products to the health care industry for the prevention and treatment of pressure ulcers. The Company also is a manufacturer and marketer of custom foam and packaging products for the consumer and industrial markets. Span-America's stock is traded on The Nasdaq Stock Market's National Market under the symbol SPAN.

The Company has made forward-looking statements in this release, regarding management’s expectations for future sales and earnings performance. Management wishes to caution the reader that these statements are only predictions. Actual events or results may differ materially as a result of risks and uncertainties facing the Company including: (a) the loss of a major distributor of the Company’s products, (b) inability to achieve anticipated sales volumes, (c) changes in relationships with large customers, (d) the impact of competitive products and pricing, (e) government reimbursement changes in the medical market, (f) F.D.A. regulation of medical device manufacturing, (g) raw material and labor cost increases, (h) disruptions caused by the Company’s plant consolidation, and (i) other risks referenced in the Company’s Securities and Exchange Commission filings. The Company disclaims any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

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SPAN-AMERICA MEDICAL SYSTEMS, INC.
FINANCIAL HIGHLIGHTS
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>April 3,</u> <u>1999</u>	<u>March 28,</u> <u>1998</u>	<u>April 3,</u> <u>1999</u>	<u>March 28,</u> <u>1998</u>
From Continuing Operations⁽¹⁾:				
Net sales	\$ 6,500,300	\$ 7,379,100	\$ 11,676,700	\$ 13,733,400
Gross profit	1,699,900	2,400,700	3,200,100	4,367,100
Operating income (loss)	(35,600)	692,100	(52,400)	1,006,000
Income from continuing operations	30,600	495,700	78,600	767,100
Earnings per share:				
Basic	\$ 0.01	\$ 0.17	\$ 0.03	\$ 0.25
Diluted	\$ 0.01	\$ 0.16	\$ 0.03	\$ 0.24
From Discontinued Operations:				
Income from discontinued operations	\$ --	\$ 13,300	\$ --	\$ 153,500
Earnings per share:				
Basic	\$ --	\$ 0.00	\$ --	\$ 0.05
Diluted	\$ --	\$ 0.00	\$ --	\$ 0.05
Total:				
Net income	\$ 30,600	\$ 509,000	\$ 78,600	\$ 920,600
Net income per share:				
Basic	\$ 0.01	\$ 0.17	\$ 0.03	\$ 0.30
Diluted	\$ 0.01	\$ 0.16	\$ 0.03	\$ 0.29
Weighted average number of common shares outstanding:				
Basic	2,627,631	2,986,211	2,661,891	3,048,949
Diluted	2,657,496	3,097,568	2,700,989	3,160,590

Selected Balance Sheet Data

	April 3, 1999	Oct. 3, 1998
Cash and securities	\$ 3,649,800	\$ 3,723,500
Current assets	10,033,500	11,363,800
Total assets	17,967,100	19,412,300
Current liabilities	2,438,200	2,615,200
Total liabilities	3,534,900	3,715,900
Shareholders equity	\$ 14,432,200	\$ 15,696,400
Number of shares outstanding at quarter end	2,626,000	2,820,029

(1) Span-America sold its contract packaging business effective February 27, 1998. This business is treated as a discontinued operation for accounting purposes.