

Press Release

Dialysis Corporation of America Reports Second Quarter 2008 Results

Linthicum, Maryland, Wednesday, August 6, 2008 – Dialysis Corporation of America (NASDAQ-DCAI) announced its financial results for the second quarter of 2008. Operating revenues for the second quarter were \$20,836,000 compared to \$18,485,000 for the same period last year, a 13% increase, and \$41,321,000 for the first half of 2008 compared to \$35,376,000 for the same period last year, a 17% increase. Net income for the quarter was \$663,000 or \$.07 per share (\$.07 diluted per share) compared to \$753,000 or \$.08 per share (\$.08 diluted per share) for the same period last year, and \$1,112,000 or \$.12 per share (\$.12 diluted per share) for the first half of 2008 compared to \$1,136,000 or \$.12 per share (\$.12 diluted per share) for the same period last year.

Stephen Everett, President and Chief Executive Officer, commented, “With the exception of a few non-recurring expense items during the quarter, our financial performance was on target with company expectations. Additionally, DCA’s clinical quality results continue to rank well above industry averages, which is a critical component of both our short and long term goals. Our company’s technical and financial infrastructure continues to build with the recent addition of a clinical reporting software system, which will be deployed throughout the organization over the next couple of years. Finally, I am pleased to announce that our new center in Camp Hill Pennsylvania was certified by Medicare earlier this week and is in the process of bringing new patients into our system. We anticipate this center to be treating approximately 75 patients within its first full year of operation.”

Financial results included: (i) a non-recurring reserve of \$375,000 for patients with terminated benefits, reimbursement rates less than anticipated, and non-collectable receivables from a patient; (ii) pre-tax costs associated with the opening of new centers of \$62,000 for the second quarter of 2008 compared to \$112,000 for the same period last year, and \$238,000 for the first half of 2008 compared to \$318,000 for the same period last year; and (iii) non-cash stock and option compensation expense of \$82,000 for the second quarter of 2008 compared to \$88,000 for the same period last year and \$156,000 for the first half of 2008 compared to \$201,000 for the same period last year.

Dialysis Corporation of America will be hosting a conference call in conjunction with its earnings release for the second quarter of 2008. The conference call will be held on Thursday, August 7, 2008 at 10:00 a.m. EDT. The call is accessible either by dialing 1-800-930-7709 (enter pass-code 4743188), or by simulcast on the internet at <http://www.investorcalendar.com/IC/CEPage.asp?ID=132142>. Participants may be asked to provide the title of the conference call, which is “Dialysis Corporation of America 2nd Quarter Earnings.” A replay of the conference call will be available on the company’s website, www.dialysiscorporation.com, for a period of thirty days following the conference call.

Dialysis Corporation of America currently owns 36 free-standing operating kidney hemodialysis centers in Georgia, Maryland, New Jersey, Ohio, Pennsylvania, South Carolina and Virginia providing patients with a full range of quality in-center and at-home dialysis services, as well as providing in-hospital services.

This release contains forward-looking statements that are subject to risks and uncertainties that could affect the business and prospects of the company and cause actual results and plans to differ materially from those anticipated. Those factors include, but are not limited to, maintaining continued growth and profitability, delays beyond the company’s control with respect to future business events, the highly competitive environment in the establishment and operation of dialysis centers, the ability to develop or acquire additional dialysis facilities, whether patient bases of the company’s dialysis facilities can mature to provide profitability, the extensive regulation of dialysis operations, government rate determination for Medicare reimbursement, pricing pressure from private payers, and other risks detailed in the company’s filings with the SEC, particularly as described in the company’s annual report on Form 10-K for the fiscal year ended December 31, 2007. The historical results contained in this press release are not necessarily indicative of future performance of the company.

The company’s press releases, corporate profile, corporate governance materials, quarterly and current reports, and other filings with the SEC are available on Dialysis Corporation of America’s internet home page: <http://www.dialysiscorporation.com>.

CONTACT: For additional information, you may contact Stephen Everett, President and CEO of Dialysis Corporation of America, 1302 Concourse Drive, Suite 204, Linthicum, MD 21090; Telephone No. (410) 694-0500

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Operating revenues:				
Sales:				
Medical services revenue	\$20,519,222	\$18,117,808	\$40,714,224	\$34,714,715
Product sales	<u>317,017</u>	<u>300,531</u>	<u>607,103</u>	<u>531,591</u>
Total sales revenues	20,836,239	18,418,339	41,321,327	35,246,306
Other income	<u>---</u>	<u>66,849</u>	<u>---</u>	<u>129,409</u>
	<u>20,836,239</u>	<u>18,485,188</u>	<u>41,321,327</u>	<u>35,375,715</u>
Operating costs and expenses:				
Cost of sales revenues:				
Cost of medical services	12,661,921	10,894,244	25,019,706	21,296,708
Cost of product sales	<u>173,746</u>	<u>182,244</u>	<u>334,481</u>	<u>325,705</u>
Total cost of sales revenues	12,835,667	11,076,488	25,354,187	21,622,413
Selling, general and administrative expenses:				
Corporate	2,449,491	1,893,397	4,838,035	3,541,920
Facility	<u>2,996,083</u>	<u>2,862,590</u>	<u>6,078,242</u>	<u>5,592,913</u>
Total	5,445,574	4,755,987	10,916,277	9,134,833
Stock compensation expense	81,884	87,505	156,485	201,475
Depreciation and amortization	678,831	655,226	1,341,403	1,290,962
Provision for doubtful accounts	<u>649,113</u>	<u>353,083</u>	<u>1,079,143</u>	<u>709,180</u>
	<u>19,691,069</u>	<u>16,928,289</u>	<u>38,847,495</u>	<u>32,958,863</u>
Operating income	1,145,170	1,556,899	2,473,832	2,416,852
Other income (expense), net	<u>12,857</u>	<u>(27,981)</u>	<u>(29,210)</u>	<u>(37,208)</u>
Income before income taxes and minority interest	1,158,027	1,528,918	2,444,622	2,379,644
Income tax provision	<u>305,170</u>	<u>520,649</u>	<u>684,908</u>	<u>866,421</u>
Income before minority interest	852,857	1,008,269	1,759,714	1,513,223
Minority interest in income of consolidated subsidiaries	<u>(190,198)</u>	<u>(255,142)</u>	<u>(648,143)</u>	<u>(376,876)</u>
Net income	<u>\$ 662,659</u>	<u>\$ 753,127</u>	<u>\$1,111,571</u>	<u>\$1,136,347</u>
Earnings per share:				
Basic	<u>\$.07</u>	<u>\$.08</u>	<u>\$.12</u>	<u>\$.12</u>
Diluted	<u>\$.07</u>	<u>\$.08</u>	<u>\$.12</u>	<u>\$.12</u>
Weighted average shares outstanding:				
Basic	<u>9,579,766</u>	<u>9,573,244</u>	<u>9,579,931</u>	<u>9,572,178</u>
Diluted	<u>9,613,663</u>	<u>9,611,096</u>	<u>9,614,819</u>	<u>9,611,599</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,692,475	\$ 2,447,820
Accounts receivable, net	20,951,827	20,159,926
Inventories, net	2,457,504	2,006,661
Deferred income tax asset	998,000	998,000
Other current assets	<u>2,412,264</u>	<u>3,313,406</u>
Total current assets	<u>30,512,070</u>	<u>28,925,813</u>
Property and equipment	30,573,834	28,766,423
Less accumulated depreciation and amortization	<u>13,337,405</u>	<u>12,264,029</u>
	<u>17,236,429</u>	<u>16,502,394</u>
Goodwill	10,549,501	8,576,893
Other assets	<u>681,580</u>	<u>841,092</u>
Total other assets	<u>11,231,081</u>	<u>9,417,985</u>
	<u>\$58,979,580</u>	<u>\$54,846,192</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$10,203,537	\$10,224,199
Income taxes payable	---	33,297
Current portion of long-term debt	67,000	56,000
Acquisition liabilities	<u>1,323,020</u>	<u>---</u>
Total current liabilities	11,593,557	10,313,496
Deferred income taxes	574,000	574,000
Long-term debt, less current portion	<u>7,820,156</u>	<u>7,009,419</u>
Total liabilities	<u>19,987,713</u>	<u>17,896,915</u>
Minority interest in subsidiaries	5,645,317	4,942,797
Commitments and Contingencies		
Stockholders' equity:		
Common stock	95,797	95,736
Additional paid-in capital	15,816,220	15,587,782
Retained earnings	<u>17,434,533</u>	<u>16,322,962</u>
Total stockholders' equity	<u>33,346,550</u>	<u>32,006,480</u>
	<u>\$58,979,580</u>	<u>\$54,846,192</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

**SUPPLEMENTAL OPERATING DATA
(Unaudited)**

	<u>Three Months Ended June 30,</u>		<u>Period-to-Period</u>
	<u>2008</u>	<u>2007</u>	<u>Change %</u>
Operating data:			
Treatments:			
Consolidated	68,021	60,235	12.9%
Managed	<u>--</u>	<u>2,771</u>	(100.0)%
Total treatments	68,021	63,006	8.0%
Patient revenue per treatment	\$301.66	\$300.79	.3%
Same center growth data:			
Same center treatment growth	5%	5%	
Same center revenue per treatment change	(1)%	4%	
Same center patient revenue growth	4%	9%	
	<u>Six Months Ended June 30,</u>		<u>Period-to-Period</u>
	<u>2008</u>	<u>2007</u>	<u>Change %</u>
Operating data:			
Treatments:			
Consolidated	133,342	117,082	13.9%
Managed	<u>--</u>	<u>5,461</u>	(100.0)%
Total treatments	133,342	122,543	8.8%
Patient revenue per treatment	\$305.34	\$296.50	3.0%
Same center growth data:			
Same center treatment growth	6%	7%	
Same center revenue per treatment change	2%	1%	
Same center patient revenue growth	8%	9%	
	<u>2nd Quarter</u>	<u>1st Quarter</u>	
	<u>2008</u>	<u>2008</u>	
Key clinical metrics:			
Treatment adequacy (% of pts with Kt/V greater than 1.2)	96%	96%	
Anemia management (% of pts with Hgb greater than 11)	82%	80%	
Venous access (% of pts with AVF)	55%	55%	

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