

Press Release

**Dialysis Corporation of America
Reports
Third Quarter 2008 Results**

Linthicum, Maryland, Wednesday, November 5, 2008 – Dialysis Corporation of America (NASDAQ-DCAI) announced its financial results for the third quarter of 2008. Operating revenues for the third quarter were \$21,860,000 compared to \$19,173,000 for the same period last year, a 14% increase, and \$63,181,000 for the first nine months of 2008 compared to \$54,549,000 for the same period last year, a 16% increase. Net income for the quarter was \$875,000 or \$.09 per share (\$.09 diluted per share) compared to \$927,000 or \$.10 per share (\$.10 diluted per share) for the same period last year, and \$1,986,000 or \$.21 per share (\$.21 diluted per share) for the first nine months of 2008 compared to \$2,064,000 or \$.22 per share (\$.21 diluted per share) for the same period last year.

Stephen Everett, President and Chief Executive Officer, commented, “Our company’s third quarter performance was directly in line with financial expectations and slightly ahead of plan on a clinical outcomes basis. On the development front, we are on track with our planned expansion through the next several years, which was further secured by the initial increase in our credit facility to \$25,000,000, as was announced earlier today. Finally, also within the spectrum of DCA’s continued growth, we have completed a company marketing ‘makeover’ and reaffirmation of our corporate principals. Key to this is the introduction of a new logo, complete revision of our website, and all new corporate literature. We finished the process with the development of a new ‘corporate statement’ which we believe says everything ... A Commitment to Caring.”

Financial results included: (i) pre-tax costs associated with the opening of new centers of \$339,000 for the third quarter of 2008 compared to \$82,000 for the same period last year, and \$577,000 for the first nine months of 2008 compared to \$400,000 for the same period last year; and (ii) non-cash stock and option compensation expense of \$82,000 for the third quarter of 2008 compared to \$53,000 for the same period last year and \$239,000 for the first nine months of 2008 compared to \$254,000 for the same period last year.

While the company does not provide routine guidance, given the aggressive growth strategy that DCA has put in place, the intent of which is to approximately double the size of the company over the next few years, management believes the following key data points will help shareholders understand what the company should look like assuming the company successfully completes the growth plan:

Patient census	4,000 - 4,400
Revenues	\$175MM - \$195MM
Operating Income	\$25MM - \$27MM

Dialysis Corporation of America will be hosting a conference call in conjunction with its earnings release for the third quarter of 2008. The conference call will be held on Thursday, November 6, 2008 at 10:00 a.m. EST. The call is accessible either by dialing 1-866-238-0826 (enter conference ID: 1298061), or by simulcast on the internet at <http://www.startconference.com>, conference ID 2135668. Participants may be asked to provide the title of the conference call, which is “Dialysis Corporation of America 2008 3rd Quarter Earnings Call.” 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 payors, 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.

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

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Operating revenues:				
Sales:				
Medical services revenue	\$21,586,004	\$18,819,993	\$62,300,228	\$53,534,708
Product sales	<u>273,831</u>	<u>272,029</u>	<u>880,934</u>	<u>803,620</u>
Total sales revenues	21,859,835	19,092,022	63,181,162	54,338,328
Other income	<u>---</u>	<u>80,910</u>	<u>---</u>	<u>210,319</u>
	<u>21,859,835</u>	<u>19,172,932</u>	<u>63,181,162</u>	<u>54,548,647</u>
Operating costs and expenses:				
Cost of sales revenues:				
Cost of medical services	12,805,376	11,167,118	37,825,082	32,463,826
Cost of product sales	<u>158,311</u>	<u>162,990</u>	<u>492,792</u>	<u>488,695</u>
Total cost of sales revenues	12,963,687	11,330,108	38,317,874	32,952,521
Selling, general and administrative expenses:				
Corporate	2,764,026	2,130,059	7,602,061	5,671,979
Facility	<u>3,311,688</u>	<u>2,715,047</u>	<u>9,389,930</u>	<u>8,307,960</u>
Total	6,075,714	4,845,106	16,991,991	13,979,939
Stock compensation expense	82,393	52,509	238,878	253,984
Depreciation and amortization	708,626	672,873	2,050,029	1,963,835
Provision for doubtful accounts	<u>499,897</u>	<u>450,254</u>	<u>1,579,040</u>	<u>1,159,434</u>
	<u>20,330,317</u>	<u>17,350,850</u>	<u>59,177,812</u>	<u>50,309,713</u>
Operating income	1,529,518	1,822,082	4,003,350	4,238,934
Other income (expense), net	<u>488</u>	<u>(46,770)</u>	<u>(28,722)</u>	<u>(83,978)</u>
Income before income taxes and minority interest	1,530,006	1,775,312	3,974,628	4,154,956
Income tax provision	<u>510,899</u>	<u>580,885</u>	<u>1,195,807</u>	<u>1,447,306</u>
Income before minority interest	1,019,107	1,194,427	2,778,821	2,707,650
Minority interest in income of consolidated subsidiaries	<u>(144,162)</u>	<u>(267,010)</u>	<u>(792,305)</u>	<u>(643,886)</u>
Net income	<u>\$ 874,945</u>	<u>\$ 927,417</u>	<u>\$1,986,516</u>	<u>\$2,063,764</u>
Earnings per share:				
Basic	<u>\$.09</u>	<u>\$.10</u>	<u>\$.21</u>	<u>\$.22</u>
Diluted	<u>\$.09</u>	<u>\$.10</u>	<u>\$.21</u>	<u>\$.21</u>
Weighted average shares outstanding:				
Basic	<u>9,579,743</u>	<u>9,573,596</u>	<u>9,579,868</u>	<u>9,572,656</u>
Diluted	<u>9,614,084</u>	<u>9,604,278</u>	<u>9,614,162</u>	<u>9,609,136</u>

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

	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,706,122	\$ 2,447,820
Accounts receivable, net	20,889,179	20,159,926
Inventories, net	2,466,817	2,006,661
Deferred income tax asset	998,000	998,000
Other current assets	<u>2,323,285</u>	<u>3,313,406</u>
Total current assets	<u>31,383,403</u>	<u>28,925,813</u>
Property and equipment	32,065,622	28,766,423
Less accumulated depreciation and amortization	<u>13,955,039</u>	<u>12,264,029</u>
	<u>18,110,583</u>	<u>16,502,394</u>
Goodwill	10,619,026	8,576,893
Other assets	<u>560,238</u>	<u>841,092</u>
Total other assets	<u>11,179,264</u>	<u>9,417,985</u>
	<u>\$60,673,250</u>	<u>\$54,846,192</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$11,653,254	\$10,224,199
Income taxes payable	---	33,297
Current portion of long-term debt	74,000	56,000
Acquisition liabilities	<u>1,349,226</u>	<u>---</u>
Total current liabilities	<u>13,076,480</u>	<u>10,313,496</u>
Deferred income taxes	574,000	574,000
Long-term debt, less current portion	<u>7,293,699</u>	<u>7,009,419</u>
Total liabilities	<u>20,944,179</u>	<u>17,896,915</u>
Minority interest in subsidiaries	5,425,183	4,942,797
Commitments and Contingencies		
Stockholders' equity:		
Common stock	95,797	95,736
Additional paid-in capital	15,898,613	15,587,782
Retained earnings	<u>18,309,478</u>	<u>16,322,962</u>
Total stockholders' equity	<u>34,303,888</u>	<u>32,006,480</u>
	<u>\$60,673,250</u>	<u>\$54,846,192</u>

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DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

**SUPPLEMENTAL OPERATING DATA
(Unaudited)**

	<u>Three Months Ended September 30,</u>		<u>Period-to-Period</u>
	<u>2008</u>	<u>2007</u>	<u>Change %</u>
Operating data:			
Treatments:			
Consolidated	68,925	61,290	12.5%
Managed	<u>--</u>	<u>2,829</u>	(100.0)%
Total treatments	68,925	64,119	7.5%
Patient revenue per treatment	\$313.18	\$307.06	2.0%
Same center growth data:			
Same center treatment growth	6%	3%	
Same center revenue per treatment change	5%	2%	
Same center patient revenue growth	11%	5%	
	<u>Nine Months Ended September 30,</u>		<u>Period-to-Period</u>
	<u>2008</u>	<u>2007</u>	<u>Change %</u>
Operating data:			
Treatments:			
Consolidated	202,176	178,372	13.3%
Managed	<u>--</u>	<u>8,290</u>	(100.0)%
Total treatments	202,176	186,662	8.3%
Patient revenue per treatment	\$308.15	\$300.13	2.7%
Same center growth data:			
Same center treatment growth	6%	6%	
Same center revenue per treatment change	3%	1%	
Same center patient revenue growth	9%	7%	
	<u>3rd Quarter</u>	<u>2nd Quarter</u>	
	<u>2008</u>	<u>2008</u>	
Key clinical metrics:			
Treatment adequacy (% of pts with Kt/V greater than 1.2)	97%	96%	
Anemia management (% of pts with Hgb greater than 11)	82%	82%	
Venous access (% of pts with AVF)	58%	55%	

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