

Press Release

Dialysis Corporation of America Reports Third Quarter 2009 Results

Linthicum, Maryland, Wednesday, November 4, 2009 – Dialysis Corporation of America (NASDAQ-DCAI) announced its financial results for the third quarter of 2009.

- Quarter end patient census was approximately 2,050.
- Quarterly Results included:
 - Operating revenues were \$25.1 million compared to \$21.9 million for the same period last year, a 15% increase.
 - Operating income was \$2.0 million compared to \$1.5 million for the same period last year, a 30% increase.
 - Net income was \$940,000 or \$0.10 per basic and diluted share compared to \$875,000 or \$0.09 per basic and diluted share for the same period last year.
- Results for the first nine months of 2009 included:
 - Operating revenues were \$73.3 million compared to \$63.2million for the same period last year, a 16% increase.
 - Operating income was \$4.5 million compared to \$4.0 million for the same period last year, a 13% increase.
 - Net income was \$1.8 million or \$0.19 per basic and diluted share compared to \$2.0 million or \$0.21 per basic and diluted share for the same period last year.

Stephen Everett, President and Chief Executive Officer, commented, “Our third quarter results were as we had expected, with very solid performances on all financial fronts. Our two newest centers in Ohio remain on track for opening within the next few months, subject to state licensure timing. On the corporate support front, our clinical information system is slightly ahead of schedule with expectations of completing our rollout close to this year’s end, nearly four months ahead of plan. Finally, our development activities are active, with certain of those opportunities with physician partners being well advanced.”

Financial results for the period included:

- Pre-tax costs associated with opening new centers were \$10,000 for the 3rd quarter of 2009 compared to \$339,000 for the same period last year, and \$204,000 for the first nine months of 2009 compared to \$577,000 for the same period last year.
- Non-cash stock compensation expense was \$70,000 for the third quarter of 2009 compared to \$82,000 for the same period last year, and \$217,000 for the first nine months of 2009 compared to \$239,000 for the same period last year.

Dialysis Corporation of America will be hosting a conference call in conjunction with its earnings release for the third quarter of 2009. The conference call will be held on Thursday, November 5, 2009 at 10:00 a.m. EST. The call is accessible either by dialing 1-866-814-8476 (enter attendee code: 1405582), or through simulcast on the internet at <http://www.startconference.com>, using conference ID 2135668. Participants may be asked to provide the title of the conference call, which is “Dialysis Corporation of America Third 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 owns and operates freestanding kidney hemodialysis centers located in Georgia, Maryland, New Jersey, Ohio, Pennsylvania, South Carolina, and Virginia, and provides in-hospital dialysis services on a contract basis to certain hospitals located in the those states. The company provides patients with their choice of a full range of quality in-center, acute or at-home hemodialysis 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, increases in interest rates, the possible need for and availability of additional financing, the company satisfying the covenants and conditions of its credit facility, certain 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, 2008. The historical results contained in this press release are not necessarily indicative of future performance of the company.

Other Dialysis Corporation of America press releases, corporate profile, corporate governance materials, quarterly and current reports, and other filings with the Securities and Exchange Commission are available on Dialysis Corporation of America's internet home page: <http://www.dialysiscorporation.com>.

CONTACT: For additional information, you may contact Dialysis Corporation of America, 1302 Concourse Drive, Suite 204, Linthicum, MD 21090; Telephone Number (410) 694-0500; Attention: Investor Relations.

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DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Operating revenues:				
Sales:				
Medical services revenue	\$24,798	\$21,586	\$72,427	\$62,300
Product sales	<u>323</u>	<u>274</u>	<u>864</u>	<u>881</u>
Total sales revenues	<u>25,121</u>	<u>21,860</u>	<u>73,291</u>	<u>63,181</u>
Operating costs and expenses:				
Cost of sales revenues:				
Cost of medical services	15,315	12,805	44,839	37,825
Cost of product sales	<u>175</u>	<u>158</u>	<u>490</u>	<u>493</u>
Total cost of sales revenues	15,490	12,963	45,329	38,318
Selling, general and administrative expenses:				
Corporate	2,631	2,764	8,517	7,602
Facility	<u>3,446</u>	<u>3,312</u>	<u>10,525</u>	<u>9,390</u>
Total	6,077	6,076	19,042	16,992
Stock compensation expense	70	82	217	239
Depreciation and amortization	759	709	2,241	2,050
Provision for doubtful accounts	<u>738</u>	<u>500</u>	<u>1,952</u>	<u>1,579</u>
	<u>23,134</u>	<u>20,330</u>	<u>68,781</u>	<u>59,178</u>
Operating income	1,987	1,530	4,510	4,003
Other (expense) income, net	<u>3</u>	<u>---</u>	<u>(22)</u>	<u>(28)</u>
Income before income taxes	1,990	1,530	4,488	3,975
Income tax provision	<u>631</u>	<u>511</u>	<u>1,531</u>	<u>1,196</u>
Net income	1,359	1,019	2,957	2,779
Less: net income attributable to noncontrolling interests	<u>419</u>	<u>144</u>	<u>1,129</u>	<u>792</u>
Net income attributable to the company	<u>\$ 940</u>	<u>\$ 875</u>	<u>\$1,828</u>	<u>\$1,987</u>
Earnings per share:				
Basic	<u>\$.10</u>	<u>\$.09</u>	<u>\$.19</u>	<u>\$.21</u>
Diluted	<u>\$.10</u>	<u>\$.09</u>	<u>\$.19</u>	<u>\$.21</u>
Weighted average shares outstanding:				
Basic	<u>9,600,433</u>	<u>9,579,743</u>	<u>9,596,030</u>	<u>9,579,868</u>
Diluted	<u>9,626,308</u>	<u>9,614,084</u>	<u>9,618,833</u>	<u>9,614,162</u>

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DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	<u>September 30,</u> <u>2009</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,035	\$ 6,543
Accounts receivable, net	21,997	21,494
Inventories, net	2,947	2,919
Deferred income tax asset	1,185	1,185
Other current assets	<u>2,333</u>	<u>2,978</u>
Total current assets	<u>31,497</u>	<u>35,119</u>
Property and equipment	33,687	32,987
Less: accumulated depreciation and amortization	<u>15,657</u>	<u>14,452</u>
	<u>18,030</u>	<u>18,535</u>
Goodwill	16,492	16,492
Other assets	<u>851</u>	<u>933</u>
Total other assets	<u>17,343</u>	<u>17,425</u>
	<u>\$66,870</u>	<u>\$71,079</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,902	\$14,717
Income taxes payable	313	61
Current portion of long-term debt	<u>76</u>	<u>74</u>
Total current liabilities	13,291	14,852
Deferred income taxes	1,275	1,275
Long-term debt, less current portion	<u>9,718</u>	<u>14,276</u>
Total liabilities	<u>24,284</u>	<u>30,403</u>
Commitments and Contingencies		
Equity:		
Common stock	96	96
Additional paid-in capital	16,238	16,001
Retained earnings	20,995	19,167
Treasury stock at cost	<u>(14)</u>	<u>---</u>
Total company stockholders' equity	37,315	35,264
Noncontrolling interests	<u>5,271</u>	<u>5,412</u>
Total equity	<u>42,586</u>	<u>40,676</u>
	<u>\$66,870</u>	<u>\$71,079</u>

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DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

**SUPPLEMENTAL OPERATING DATA
(Unaudited)**

	<u>Three Months Ended September 30,</u>		Period-to-Period
	<u>2009</u>	<u>2008</u>	<u>Change %</u>
Operating data:			
Treatments	75,985	68,925	10.2%
Patient revenue per treatment	\$326.34	\$313.18	4.2%
Same center growth data:			
Same center treatment growth	3%	6%	
Same center revenue per treatment change	6%	5%	
Same center patient revenue growth	9%	11%	

	<u>Nine Months Ended September 30,</u>		Period-to-Period
	<u>2009</u>	<u>2008</u>	<u>Change %</u>
Operating data:			
Treatments	221,402	202,176	9.5%
Patient revenue per treatment	\$327.13	\$308.15	6.2%
Same center growth data:			
Same center treatment growth	3%	6%	
Same center revenue per treatment change	10%	3%	
Same center patient revenue growth	13%	9%	

	<u>3rd Quarter</u>	<u>2nd Quarter</u>
	<u>2009</u>	<u>2009</u>
Key clinical metrics:		
Treatment adequacy (% of pts with Kt/V greater than 1.2)	97%	98%
Anemia management (% of pts with Hgb greater than 11)	79%	81%
Venous access (% of pts with AVF)	61%	60%

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