

**Press Release**

**For: Dialysis Corporation of America**

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**Contact: Stephen W. Everett  
President and CEO**

**For Immediate Release**

**Dialysis Corporation of America  
Reports  
Third Quarter 2005 Results**

Linthicum, Maryland, Wednesday, November 9, 2005 – Dialysis Corporation of America (NASDAQ-DCAI) announced financial results for the third quarter of 2005. Operating revenues for the third quarter of 2005 were \$11,481,000 compared to \$10,979,000 for the same period last year. Net income for the quarter was \$537,000 or \$.06 per share (\$.06 diluted per share) compared to \$776,000 or \$.09 per share (\$.09 diluted per share) for the same period last year, beating analyst estimates for the third quarter by \$.02. Operating revenues for the first three quarters of 2005 were \$33,235,000 compared to \$29,194,000 for the same period last year. Net income for the first three quarters of 2005 was \$1,306,000 or \$.15 per share (\$.14 diluted per share) compared to \$1,452,000 or \$.18 per share (\$.17 diluted per share) for the same period last year.

Stephen Everett, President and Chief Executive Officer, commented, “The third quarter of 2005 proved to be another highlight for our growing company. We opened two new dialysis centers, began construction on two more, and completed the merger with our former parent company, Medicore, Inc. Our financial health continues to be strong, even with the ongoing industry-wide reimbursement pressure from private payors and the costs associated with the opening of new centers, approximately \$291,000 for the quarter, which were the principal factors in the reduced earnings for the third quarter. As we enter the fourth quarter of 2005, the company has opened another new center in October, and completed the establishment of a \$15,000,000 revolving line of credit with Keybank. It is also gratifying to beat analyst estimates for our company as we continue to see increased institutional interest, and the recent recognition by Forbes Magazine as one of the top 20 small companies in the country.”

Separately, the company reiterates that its Vice President of Finance and Chief Financial Officer had requested a leave of absence to address personal private matters, which leave was granted by the company. The reasons for such request had nothing to do with the business or operations of the company.

Dialysis Corporation of America currently owns or manages 26 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. The company has four new centers under development in Georgia, Pennsylvania and South Carolina.

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, 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 our facilities can mature to provide profitability, 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 Securities and Exchange Commission, particularly as described in the company’s annual report on Form 10-K/A1 for the fiscal year ended December 31, 2004. 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, our corporate profile, corporate governance materials, quarterly and current reports, and the most recent annual report on Form 10-K/A1 for the year ended December 31, 2004, and other filings with the Securities and Exchange Commission are available through Dialysis Corporation of America's internet home page: <http://www.dialysiscorporation.com>.

**DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME  
(UNAUDITED)**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
Operating revenues:				
Medical service revenue	\$11,372,722	\$10,857,444	\$32,878,347	\$28,763,576
Other income	<u>108,321</u>	<u>121,173</u>	<u>356,618</u>	<u>430,828</u>
	<u>11,481,043</u>	<u>10,978,617</u>	<u>33,234,965</u>	<u>29,194,404</u>
Operating cost and expenses:				
Cost of medical services	7,178,936	6,051,469	20,446,406	16,951,870
Selling, general and administrative expenses	3,106,240	3,115,095	9,804,251	8,812,035
Provision for doubtful accounts	<u>222,130</u>	<u>303,416</u>	<u>674,773</u>	<u>651,753</u>
	<u>10,507,306</u>	<u>9,469,980</u>	<u>30,925,430</u>	<u>26,415,658</u>
Operating income	973,737	1,508,637	2,309,535	2,778,746
Other income (expense):				
Interest income on officer/director note	1,578	1,074	4,291	2,995
Interest expense to former parent	(67,780)	(17,180)	(157,591)	(27,956)
Other income, net	<u>50,857</u>	<u>17,717</u>	<u>127,250</u>	<u>61,817</u>
	<u>(15,345)</u>	<u>1,611</u>	<u>(26,050)</u>	<u>36,856</u>
Income before income taxes, minority interest and equity in affiliate earnings	958,392	1,510,248	2,283,485	2,815,602
Income tax provision	<u>352,202</u>	<u>554,311</u>	<u>971,110</u>	<u>1,048,084</u>
Income before minority interest and equity in affiliate earnings	606,190	955,937	1,312,375	1,767,518
Minority interest in income of consolidated subsidiaries	(128,230)	(302,129)	(280,631)	(488,571)
Equity in affiliate earnings	<u>59,024</u>	<u>122,375</u>	<u>273,822</u>	<u>172,770</u>
Net income	<u>\$536,984</u>	<u>\$776,183</u>	<u>\$1,305,566</u>	<u>\$1,451,717</u>
Earnings per share:				
Basic	<u>\$.06</u>	<u>\$.09</u>	<u>\$.15</u>	<u>\$.18</u>
Diluted	<u>\$.06</u>	<u>\$.09</u>	<u>\$.14</u>	<u>\$.17</u>

See notes to consolidated financial statements.

**DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

	<u>September 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004(A)</u>
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,411,895	\$ 601,603
Accounts receivable, less allowance of \$1,897,000 at September 30, 2005; \$1,636,000 at December 31, 2004	9,178,065	8,592,476
Inventories, less allowance for obsolescence of \$91,000 at September 30, 2005	1,581,817	1,297,782
Deferred income tax asset	838,000	720,000
Officer loan and interest receivable	115,987	111,696
Prepaid expenses and other current assets	1,324,168	1,164,110
Prepaid and refundable income taxes	<u>1,319,596</u>	<u>58,913</u>
Total current assets	<u>17,769,528</u>	<u>12,546,580</u>
Property and equipment:		
Land	1,369,697	376,211
Buildings and improvements	3,809,935	2,352,191
Machinery and equipment	9,543,371	8,087,349
Leasehold improvements	<u>6,364,637</u>	<u>4,674,704</u>
	21,087,640	15,490,455
Less accumulated depreciation and amortization	<u>8,129,343</u>	<u>6,496,571</u>
	<u>12,958,297</u>	<u>8,993,884</u>
Deferred income taxes	2,104,042	---
Goodwill	3,649,014	3,649,014
Other assets	<u>1,321,801</u>	<u>1,300,236</u>
Total other assets	<u>7,074,857</u>	<u>4,949,250</u>
	<u>\$37,802,682</u>	<u>\$26,489,714</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,413,751	\$ 1,625,930
Accrued expenses	5,455,996	4,921,769
Employment contract liability	1,960,000	---
Note payable and accrued interest payable to former parent	---	1,461,647
Current portion of long-term debt	1,029,000	513,000
Acquisition liabilities – current portion	<u>380,298</u>	<u>380,298</u>
Total current liabilities	10,239,045	8,902,644
Advances from former parent	---	449,117
Long-term debt, less current portion	669,310	1,585,936
Acquisition liabilities, net of current portion	380,297	380,297
Deferred income tax liability	---	<u>559,000</u>
Total liabilities	<u>11,288,652</u>	<u>11,876,994</u>
Minority interest in subsidiaries	1,677,827	1,282,924
Commitments and Contingencies		
Stockholders' equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares: 9,115,668 shares issued and outstanding at September 30, 2005; 8,485,815 shares issued and outstanding at December 31, 2004	91,157	84,858
Additional paid-in capital	15,151,688	4,957,146
Retained earnings	<u>9,593,358</u>	<u>8,287,792</u>
Total stockholders' equity	<u>24,836,203</u>	<u>13,329,796</u>
	<u>\$37,802,682</u>	<u>\$26,489,714</u>

(A) Reference is made to the company's Annual Report on Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission in March, 2005, and amended on Form 10-K/A1 dated August 9, 2005.

See notes to consolidated financial statements.

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