

Press Release

Dialysis Corporation of America Reports First Quarter 2006 Results

Linthicum, Maryland, Thursday, May 11, 2006 – Dialysis Corporation of America (NASDAQ-DCAI) announced financial results for the first quarter of 2006. Operating revenues for the first quarter were \$13,217,000 compared to \$10,612,000 for the same period last year, a 25% increase. Net income for the quarter was \$519,000 or \$.06 per share (\$.05 diluted per share) compared to \$324,000 or \$.04 per share (\$.04 diluted per share) for the same period last year, a 60% increase.

Stephen Everett, President and Chief Executive Officer, commented, “Our company continued to grow and thrive during the first quarter of 2006. We opened four new centers, including the acquisition of two Maryland centers and one Virginia center, and began, or continued, the construction of an additional four centers. Our financial performance continues to deliver as anticipated, despite first quarter costs of approximately \$468,000 associated with the opening of new centers. Additionally, non-cash stock compensation expense of \$135,000 was included in our results.

Dialysis Corporation of America currently owns or manages 30 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, 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, 2005. 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)**

	Three Months Ended	
	March 31,	
	<u>2006</u>	<u>2005</u>
Operating revenues:		
Sales		
Medical services revenue	\$12,871,653	\$10,484,101
Product sales	<u>239,462</u>	<u>---</u>
Total sales revenues	13,111,115	10,484,101
Other income	<u>105,868</u>	<u>128,395</u>
	<u>13,216,983</u>	<u>10,612,496</u>
Operating costs and expenses:		
Cost of sales		
Cost of medical services	7,837,957	6,542,601
Cost of product sales	<u>143,675</u>	<u>---</u>
Total cost of sales revenues	7,981,632	6,542,601
Stock compensation expense	134,516	---
Selling, general and administrative expenses	3,988,770	3,243,761
Provision for doubtful accounts	<u>155,414</u>	<u>247,994</u>
	<u>12,260,332</u>	<u>10,034,356</u>
Operating income	956,651	578,140
Other income (expense)		
Interest income on officer/director note	---	1,292
Interest expense on note and advances payable to parent	---	(34,936)
Other income, net	<u>66,981</u>	<u>31,855</u>
	66,981	(1,789)
Income before income taxes, minority interest and equity in affiliate earnings	1,023,632	576,351
Income tax provision	<u>416,974</u>	<u>308,803</u>
Income before minority interest and equity in affiliate earnings	606,658	267,548
Minority interest in income of consolidated subsidiaries	(180,281)	(63,270)
Equity in affiliate earnings	<u>92,406</u>	<u>120,109</u>
Net income	<u>\$518,783</u>	<u>\$ 324,387</u>
Earnings per share:		
Basic	<u>\$.06</u>	<u>\$.04</u>
Diluted	<u>\$.05</u>	<u>\$.04</u>