

Press Release

**Dialysis Corporation of America
Reports
Fourth Quarter and Year Ended December 31, 2006 Results**

Linthicum, Maryland, Wednesday, February 28, 2007 – Dialysis Corporation of America (NASDAQ-DCAI) announced its financial results for the fourth quarter and year ended December 31, 2006. Year end chronic patient census approximated 1,600, resulting in operating revenues for the fourth quarter of 2006 of \$18,199,000 compared to \$12,157,000 for the same period last year, a 50% increase. Net income for the quarter was \$1,121,000 or \$.12 per share (\$.12 diluted per share) compared to \$594,000 or \$.06 per share (\$.06 diluted per share) for the same period last year, representing an 89% increase in net income. Operating revenues for 2006 were \$62,460,000 compared to \$45,392,000 for the same period last year, a 38% increase. Net income for 2006 was \$3,049,000 or \$.32 per share (\$.32 diluted per share) compared to \$1,900,000 or \$.22 per share (\$.20 diluted per share) for 2005, representing a 61% increase in net income.

Stephen Everett, President and Chief Executive Officer, commented, “We are very pleased with our company’s continued growth and performance throughout 2006. The hard work and dedication of our staff members and physicians have resulted in superior clinical and financial performance, as well as enhanced shareholder value. We acquired a Virginia center and two Maryland centers during 2006, in addition to opening two new centers, one in Georgia and one in Pennsylvania. We recently completed the acquisition of an Ohio center and are currently developing three additional centers. In addition, we have a solid pipeline of new opportunities that we anticipate will result in additional growth in the near future.”

Financial results for 2006 included (i) operating revenues of approximately \$1,054,000 during the fourth quarter and \$1,752,000 for 2006 for our Toledo, Ohio subsidiary, which has been consolidated for financial reporting purposes since August 1, 2006, and (ii) pre-tax costs associated with the opening of new centers of \$252,000 for the fourth quarter of 2006 and \$1,423,000 for 2006. Non-cash stock compensation expense of \$275,000 was included in our results of operations for 2006. Additionally, we incurred costs of approximately \$230,000 for review and implementation of processes related to our internal control over financial reporting and hired an employee to monitor and update our internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting.”

Dialysis Corporation of America currently owns or manages 33 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 in many of our markets.

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.

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

| | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|--------------------|--------------------|--------------------|
| Operating revenues: | | | |
| Sales | | | |
| Medical services revenue | \$61,138,963 | \$44,686,579 | \$40,449,562 |
| Product sales | <u>891,242</u> | <u>206,941</u> | --- |
| Total sales revenues | 62,030,205 | 44,893,520 | 40,449,562 |
| Other income | <u>430,033</u> | <u>498,257</u> | <u>536,434</u> |
| | <u>62,460,238</u> | <u>45,391,777</u> | <u>40,985,996</u> |
| Operating costs and expenses: | | | |
| Cost of sales | | | |
| Cost of medical services | 36,968,682 | 27,859,804 | 23,545,586 |
| Cost of product sales | <u>549,590</u> | <u>119,327</u> | --- |
| Total cost of sales revenues | 37,518,272 | 27,979,131 | 23,545,586 |
| Selling, general and administrative expenses | | | |
| Corporate | 6,460,309 | 4,674,367 | 4,870,851 |
| Facility | <u>8,988,078</u> | <u>7,032,596</u> | <u>5,718,683</u> |
| Total | 15,448,387 | 11,706,963 | 10,589,534 |
| Stock compensation expense | 275,438 | --- | --- |
| Depreciation and amortization | 2,319,070 | 1,748,738 | 1,498,987 |
| Provision for doubtful accounts | <u>1,198,995</u> | <u>571,016</u> | <u>1,197,905</u> |
| | <u>56,760,162</u> | <u>42,005,848</u> | <u>36,832,012</u> |
| Operating income | 5,700,076 | 3,385,929 | 4,153,984 |
| Other income (expense) | | | |
| Interest income on officer/director note | --- | 5,527 | 4,193 |
| Interest expense on note and advances payable to parent | --- | (157,591) | (55,996) |
| Other income, net | <u>100,968</u> | <u>217,821</u> | <u>86,753</u> |
| | <u>100,968</u> | <u>65,757</u> | <u>34,950</u> |
| Income before income taxes, minority and other equity interests and equity in affiliate earnings | 5,801,044 | 3,451,686 | 4,188,934 |
| Income tax provision | <u>2,085,874</u> | <u>1,426,552</u> | <u>1,576,292</u> |
| Income before minority and other equity interests and equity in affiliate earnings | 3,715,170 | 2,025,134 | 2,612,642 |
| Minority and other equity interests in income of consolidated subsidiaries | (919,739) | (454,214) | (681,385) |
| Equity in affiliate earnings | <u>253,765</u> | <u>328,732</u> | <u>282,946</u> |
| Net income | <u>\$3,049,196</u> | <u>\$1,899,652</u> | <u>\$2,214,203</u> |
| Earnings per share: | | | |
| Basic | <u>\$.32</u> | <u>\$.22</u> | <u>\$.27</u> |
| Diluted | <u>\$.32</u> | <u>\$.20</u> | <u>\$.25</u> |
| Weighted average shares outstanding: | | | |
| Basic | <u>9,484,926</u> | <u>8,769,399</u> | <u>8,256,282</u> |
| Diluted | <u>9,575,733</u> | <u>9,266,905</u> | <u>8,783,857</u> |

– more –

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

SUPPLEMENTAL OPERATING DATA

| | Year Ended December 31, | | |
|---|--------------------------------|--------------------|----------------------------|
| | <u>2006</u> | <u>2005</u> | <u>Y/Y Change %</u> |
| Operating data: | | | |
| Treatments: | | | |
| Consolidated | 205,750 | 163,689 | 25.7% |
| Managed | <u>14,343</u> | <u>15,483</u> | (7.4)% |
| Total treatments | 220,093 | 179,172 | 22.8% |
| | | | |
| Patient revenue per treatment | \$297.15 | \$273.00 | 8.8% |
| Non-acquired growth data: | | | |
| Non-acquired treatment growth | 10% | 3% | |
| Non-acquired revenue per treatment change | 8% | (9)% | |
| Non-acquired patient revenue growth | 19% | (6)% | |
| Key clinical metrics: | | | |
| Treatment adequacy (% of pts with Kt/V greater than 1.2) | 95.50% | 94.50% | |
| Anemia management (% of pts with Hgb greater than 11) | 81.20% | 80.50% | |
| Venous access (% of pts with AVF) | 47.50% | 43.00% | |

– end –