

Press Release

Dialysis Corporation of America Reports First Quarter 2008 Results

Linthicum, Maryland, Wednesday, May 7, 2008 – Dialysis Corporation of America (NASDAQ-DCAI) announced financial results for the first quarter of 2008. Revenues for the first quarter were \$20,485,000 compared to \$16,891,000 for the same period last year. Net income for the quarter was \$449,000 or \$.05 per share (\$.05 diluted per share) compared to \$383,000 or \$.04 per share (\$.04 diluted per share) for the same period last year.

Stephen Everett, President and Chief Executive Officer, commented, “We are pleased with the continued growth and financial performance of our company. We began the development of two new centers during the quarter, as well as opening two centers that were under development in 2007, and acquired one center in Georgia that we had previously been managing. We are also in negotiations pertaining to additional development opportunities in strategic locations, as well as potential acquisitions, all of which are in line with our expansion plans.”

Financial results for the first quarter of 2008 include: (i) pre-tax costs associated with the opening of new centers of \$176,000 for the first quarter of 2008 compared to \$206,000 for the same period last year; (ii) non-cash stock compensation expense of \$75,000 for the first quarter of 2008 compared to \$114,000 for the same period last year.

Dialysis Corporation of America will be hosting a conference call in conjunction with its earnings release for the first quarter of 2008. The conference call will be held on Thursday, May 8, 2008 at 10:00 a.m. EDT. The call is accessible either by dialing 1-800-260-6066 (enter pass-code 7002477), or by simulcast on the internet at <http://www.investorcalendar.com/IC/CEPage.asp?ID=128467>. Participants may be asked to provide the title of the conference call, which is “Dialysis Corporation of America 1st 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 currently owns 35 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.

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

	<u>Three Months Ended March 31</u>	
	<u>2008</u>	<u>2007</u>
Operating revenues:		
Sales:		
Medical services revenue	\$20,195,002	\$16,596,907
Product sales	<u>290,086</u>	<u>231,060</u>
Total sales revenues	20,485,088	16,827,967
Other income	<u>---</u>	<u>62,560</u>
	<u>20,485,088</u>	<u>16,890,527</u>
Operating costs and expenses:		
Cost of sales revenues:		
Cost of medical services	12,357,785	10,298,293
Cost of product sales	<u>160,735</u>	<u>247,632</u>
Total cost of sales revenues	12,518,520	10,545,925
Selling, general and administrative expenses:		
Corporate	2,388,544	1,648,523
Facility	<u>3,082,159</u>	<u>2,730,323</u>
Total	5,470,703	4,378,846
Stock compensation expense	74,601	113,970
Depreciation and amortization	662,572	635,736
Provision for doubtful accounts	<u>430,030</u>	<u>356,097</u>
	<u>19,156,426</u>	<u>16,030,574</u>
Operating income	1,328,662	859,953
Other expense, net	<u>(42,067)</u>	<u>(9,227)</u>
Income before income taxes and minority interest	1,286,595	850,726
Income tax provision	<u>379,738</u>	<u>345,772</u>
Income before minority interest	906,857	504,954
Minority interest in income of consolidated subsidiaries	<u>(457,945)</u>	<u>(121,734)</u>
Net income	<u>\$448,912</u>	<u>\$383,220</u>
Earnings per share:		
Basic	<u>\$.05</u>	<u>\$.04</u>
Diluted	<u>\$.05</u>	<u>\$.04</u>
Weighted average shares outstanding:		
Basic	<u>9,580,096</u>	<u>9,569,429</u>
Diluted	<u>9,614,591</u>	<u>9,612,101</u>

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

	March 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,334,134	\$ 2,447,820
Accounts receivable, net	20,272,678	20,159,926
Inventories, net	2,304,772	2,006,661
Deferred income tax asset	998,000	998,000
Other current assets	<u>2,569,683</u>	<u>3,313,406</u>
Total current assets	<u>29,479,267</u>	<u>28,925,813</u>
Property and equipment	29,649,256	28,766,423
Less accumulated depreciation and amortization	<u>12,839,276</u>	<u>12,264,029</u>
	<u>16,809,980</u>	<u>16,502,394</u>
Goodwill	10,549,502	8,576,893
Other assets	<u>847,452</u>	<u>841,092</u>
Total other assets	<u>11,396,954</u>	<u>9,417,985</u>
	<u>\$57,686,201</u>	<u>\$54,846,192</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,499,759	\$ 10,224,199
Income taxes payable	---	33,297
Current portion of long-term debt	66,000	56,000
Acquisition liabilities	<u>1,296,814</u>	---
Total current liabilities	10,862,573	10,313,496
Deferred income taxes	574,000	574,000
Long-term debt, less current portion	<u>7,837,541</u>	<u>7,009,419</u>
Total liabilities	<u>19,274,114</u>	<u>17,896,915</u>
Minority interest in subsidiaries	5,810,080	4,942,797
Commitments and Contingencies		
Stockholders' equity:		
Common stock	95,801	95,736
Additional paid-in capital	15,734,332	15,587,782
Retained earnings	<u>16,771,874</u>	<u>16,322,962</u>
Total stockholders' equity	<u>32,602,007</u>	<u>32,006,480</u>
	<u>\$57,686,201</u>	<u>\$54,846,192</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

**SUPPLEMENTAL OPERATING DATA
(Unaudited)**

	<u>Three Months Ended March 31,</u>		Quarter-to-Quarter
	<u>2008</u>	<u>2007</u>	<u>Change %</u>
Operating data:			
Treatments:			
Consolidated	65,321	56,847	14.9%
Managed	<u>--</u>	<u>2,690</u>	(100.0)%
Total treatments	65,321	59,537	9.7%
Patient revenue per treatment	\$309.17	\$291.96	5.9%
Same center growth data:			
Same center treatment growth	5%	9%	
Same center revenue per treatment change	9%	1%	
Same center patient revenue growth	15%	10%	
	1st Quarter	4th Quarter	
	2008	2007	
Key clinical metrics:			
Treatment adequacy (% of pts with Kt/V greater than 1.2)	96.3%	95.4%	
Anemia management (% of pts with Hgb greater than 11)	80.2%	78.7%	
Venous access (% of pts with AVF)	55.4%	53.0%	

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