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## **Dynasil Announces First Quarter 2010 Results**

WEST BERLIN, N.J. – February 16, 2010 – Dynasil Corporation of America (OTCBB: DYSL.OB), (“Dynasil” or the “Company”), a rapidly growing manufacturer of specialized instruments and products with applications in the homeland security/defense, medical and industrial sectors, today announced the results of operations for the first quarter of Fiscal Year 2010 ending December 31, 2009.

Revenues for the quarter ended December 31, 2009 increased by 13.3% to \$9.9 million compared to revenues of \$8.8 million for the quarter ended December 31, 2008. Income from Operations for the quarter increased by 63% to \$1,071,836 compared to \$657,370 for the quarter ended December 31, 2008. Net income for the quarter was \$613,769 or \$0.04 per share, an increase of 73% compared to \$355,639 or \$0.02 per share, for the quarter ended December 31, 2008.

These gains in profitability were spurred primarily by an increased demand for our products and services, which generated a 13.3% revenue increase, as well as improved profitability in the Products and Instruments businesses. Management has now essentially completed integration of the RMD acquisition and continues commercializing its promising innovations. Overall, Dynasil’s contract research segment continued to grow as interest in RMD’s extensive research capabilities increased. In addition, the Company continued revenue improvements in the Products and Instruments segment and more than doubled its operating margin as a percentage of revenues.

“We are pleased that we were able to continue our five year revenue and profitability track record,” said Craig T. Dunham, President and CEO. “The cost and efficiency improvements completed over the last year have paid off in increased profitability for our Products and Instruments segment. As we look toward future growth, commercializing RMD’s new technologies for Homeland Security’s detection of nuclear materials is our top priority. We believe that our current level of profitability will allow us to be more aggressive in developing the opportunities that result from RMD’s dynamic research results. We expect our revenues to continue to exceed prior year periods as we carry on our strategy of significant and profitable growth through organic development, commercialization of our broad research portfolio, complementary acquisitions, and increasing operating efficiencies.”

**About Dynasil:** *Founded in 1960, Dynasil is a manufacturer of specialized instruments and products for a broad range of applications markets in the medical, industrial and homeland security/ defense sectors. Its wholly owned subsidiaries are located in New Jersey, New York and Massachusetts.*

*This news release may contain forward-looking statements usually containing the words "believe," "expect," "plan", "target", "intend" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act. Future results of operations, projections, and expectations, which may relate to this release, involve certain risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, the factors detailed in the Company's Annual Report or Form 10-KSB and in the Company's other Securities and Exchange Commission filings, continuation of existing market conditions and demand for our products.*

**Dynasil Corporation of America and Subsidiaries**  
**Consolidated Balance Sheets**

<b>ASSETS</b>	<b>December 31 2009 (Unaudited)</b>	<b>September 30 2009</b>
Current assets		
Cash and cash equivalents	\$2,212,093	\$3,104,778
Accounts receivable, net	5,626,191	4,053,742
Inventories	2,162,265	2,371,516
Deferred tax asset	290,100	290,100
Other current assets	326,990	306,848
Total current assets	<u>10,617,639</u>	<u>10,126,984</u>
Property, plant and equipment, net	2,676,642	2,744,724
Other Assets		
Intangibles, net	7,098,230	7,232,035
Goodwill	11,054,396	11,054,396
Deferred financing costs, net	60,490	64,637
Total other assets	<u>18,213,116</u>	<u>18,351,068</u>
<b>Total Assets</b>	<u><u>\$31,507,397</u></u>	<u><u>\$31,222,776</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of long-term debt	1,775,585	1,749,524
Note payable to related party	2,000,000	-0-
Accounts payable	880,472	773,837
Billings in excess of cost	480,548	60,448
Income taxes payable	153,564	507,122
Dividends payable	131,400	149,150
Accrued expenses and other current liabilities	1,291,324	1,111,342
Total current liabilities	<u>6,712,893</u>	<u>4,351,423</u>
Long-term Liabilities		
Long-term debt, net	5,634,703	6,386,796
Note payable to related party	-0-	2,000,000
Total long-term liabilities	<u>5,634,703</u>	<u>8,386,796</u>
Stockholders' Equity	<u>19,159,801</u>	<u>18,484,557</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$31,507,397</u></u>	<u><u>\$31,222,776</u></u>

**DYNASIL CORPORATION OF AMERICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

	<b>Three Months Ended</b>	
	<b>December 31</b>	
	<b>2009</b>	<b>2008</b>
Revenues	\$9,936,767	\$8,767,275
Cost of Revenues	6,051,951	5,527,568
Gross Profit	3,884,816	3,239,707
Selling, general and administrative	2,812,980	2,582,337
Income from Operations	1,071,836	657,370
Interest expense – net	162,441	186,797
Income before Income Taxes	909,395	470,573
Income Tax expense	295,626	114,934
Net Income	<u>\$613,769</u>	<u>\$355,639</u>
Net Income per share		
Basic	\$0.04	\$0.02
Diluted	\$0.04	\$0.02
Weighted average shares outstanding		
Basic	11,791,820	11,349,404
Diluted	11,968,319	12,328,159