

## Dynasil Announces Second Quarter 2008 Results

WEST BERLIN, N.J. May 15, 2008

Dynasil Corporation of America (OTCBB: DYSL.OB), announced the results of operations for its 2008 second quarter ended March 31, 2008. Dynasil is a manufacturer of photonic products including optical materials, components, coatings and specialized instruments. Our capabilities support medical imaging technologies, quality inspection stems, and missile guidance systems, among others.

Revenues for the 3 months ended March 31, 2008 were \$3.04 million, an increase of 4% over revenues of \$3 million for the 3 months ended March 31, 2007. Net profit for the 3 months ended March 31, 2008 was \$145,976, or \$0.02 per share, an increase of 30% over net profit of \$112,229, or \$0.02 per share, for the 3 months ended March 31, 2007. Year to date performance shows a 5.6% increase in revenues to \$5.9 million and a 149% increase in net profit to \$336,262 versus last year's \$135,128. Improved execution and results for our EMF optical coatings business is the largest driver in the increases.

Our Optometrics business in Ayer, MA, completed its first months of operations with the optical filter product line acquired in January, 2008, which is projected to add approximately \$500,000 in annual revenues. The results met expectations and significant improvements in productivity were completed.

On December 20, 2007, we announced that we had entered into a Letter of Intent to acquire a privately-owned advanced instruments company which, if completed, is expected to more than triple our revenues and profitability. The targeted company makes high growth potential instruments which are sold into the medical, environmental sensing and quality instrumentation markets. It also has a significant research and development team performing a number of government contracts for Homeland Security and other government agencies. Management expects that the acquisition would be transformational for Dynasil in that it would move us from a predominantly component-based supply company to an instrumentation company with a considerable intellectual property portfolio and extensive technology capability as well as more than tripling expected revenues and profitability. Consummation of the transaction is contingent on completion of definitive agreements, due diligence, and obtaining financing. "The majority of due diligence has been completed and definitive agreements are in-process," states Craig T. Dunham, President and CEO. "Non-binding bank term sheets have been obtained for at least \$10 million of senior loan financing on favorable terms. We also are in the process of arranging required equity financing and closing is targeted for July 1, 2008." We continue to execute our strategy of significant profitable, growth through acquisitions as well as organic growth and effective execution in our businesses.

About Dynasil: Founded in 1960, Dynasil is a manufacturer of photonic products including optical materials, components, coatings, and instruments for a broad range of applications markets in the medical, industrial, and defense sectors. Its wholly-owned subsidiaries are located in New Jersey, Massachusetts, and New York.

This news release may contain forward-looking statements usually containing the words "believe," "expect," 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**

ASSETS		
	March 31 2008 (Unaudited)	September 30 2007 (Unaudited)
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Current assets		
Cash and cash equivalents	\$ 518,965	\$ 496,948
Accounts receivable, net	1,489,203	1,284,844
Inventories	1,790,567	1,832,720
Deferred tax asset	216,100	216,100
Other current assets	219,950	130,548
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Total current assets	4,234,785	3,961,160
Property, Plant and Equipment, net	2,606,824	2,436,517
Other Assets	164,346	88,698
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Total Assets	\$7,005,955	\$6,486,375
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Note payable to bank	\$760,070	\$311,870
Current portion long term debt	170,874	99,237
Accounts payable	393,115	684,208
Accrued expenses and other current liabilities	560,414	587,872
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Total current liabilities	1,884,473	1,683,187

Long-term Debt, net	1,482,850	1,626,980
Stockholders' Equity	3,638,632	3,176,208
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Total Liabilities and Stockholders' Equity	\$7,005,955	\$6,486,375
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DYNASIL CORPORATION OF AMERICA AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
(UNAUDITED)

	Three Months Ended March 31		Six Months Ended March 31	
	2008	2007	2008	2007
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Sales	\$3,045,974	\$3,003,216	\$5,860,880	\$5,539,512
Cost of Sales	2,070,418	2,144,767	3,971,438	4,028,630
Gross Profit	-----	-----	-----	-----
	975,556	858,449	1,889,442	1,510,882
Selling, general and administrative	777,348	695,633	1,456,756	1,280,435
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Income from Operations	198,208	162,816	432,686	230,447
Interest expense - net	42,062	39,001	75,584	74,664
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Income before Income Taxes	156,146	123,815	357,102	155,783
Income Tax expense	10,170	11,586	20,840	20,655
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Net Income	\$ 145,976	\$ 112,229	\$ 336,262	\$ 135,128
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Net Income per share				
Basic	\$0.02	\$0.02	\$0.05	\$0.02
Diluted	\$0.02	\$0.02	\$0.04	\$0.01
Weighted average shares outstanding	7,461,992	4,943,093	7,192,658	4,599,067