

Contact:**Craig Dunham**

Dynasil Corporation of America

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WEST BERLIN, N.J. – August 13, 2008 – Dynasil Corporation of America (OTCBB: DYSL.OB), announced the results of operations for its 2008 third quarter ended June 30, 2008. Dynasil is a manufacturer of photonic products including optical materials, components, coatings and specialized instruments. For the 3 months ended June 30, 2008, revenues were \$2,676,263, an increase of 3.5% over the three months ended June 30, 2007 and net income was \$53,002 or \$0.01 per share, a decrease of 46% over net income of \$98,104 or \$0.02 per share. Third quarter profits were impacted by staffing costs and other expenses in support of a significant acquisition which closed on July 1, 2008. The Company also experienced weaker than expected results in its optical materials business unit. Through three quarters, year to date performance shows a 5.1% increase in revenues to approximately \$8.5 million and a 67% increase in net profit to \$389,266 versus the prior year. Improved execution and a turnaround in the Company's EMF optical coatings unit is the largest contributor for the significant improvement in profitability.

On July 1, 2008, Dynasil acquired the stock of Radiation Monitoring Devices, Inc. and specific assets of RMD Instruments, LLC (together, "RMD") which are advanced instruments and research companies located in Watertown, MA. The purchase price totaled approximately \$20 million. RMD revenues for the twelve months ended 6/30/08 were approximately \$22.5 million. Preliminary, unaudited RMD profit before tax for the twelve months ended 6/30/08 was approximately \$3 million. Management is very excited about this acquisition and views the addition of the RMD companies to be a transformational event for Dynasil. RMD is expected to more than triple the Company's revenues and net income.

RMD Instruments Corporation manufactures and sells instruments and components that management believes have high growth potential. These are sold into the medical imaging, environmental sensing and quality control markets and include hand-held analyzers for lead paint and medical probes for cancer surgery with the potential to significantly improve surgical outcomes. More than 30% of RMD's 2007 commercial revenue came from after-sales maintenance and support providing ongoing, profitable revenue from the installed base of instruments. RMD has been conducting government research under the SBIR program for more than 25 years and the current contract backlog exceeds one year. Management believes that prior and current research projects are a source for new commercial products in areas like medical imaging, augmented reality and homeland security.

The addition of RMD continues Dynasil's dramatic turnaround story. Since 2004 when CEO Craig Dunham joined the company, Dynasil has grown from an unprofitable \$2.0 million of revenues to revenues which are expected to exceed \$35.0 million for fiscal year 2009 with strong profitability.

"Adding RMD involved a substantial investment of resources during Quarter Three but it is a major step in executing Dynasil's profitable growth strategy. We plan to apply our skills in effective execution to build on their strong cash flow by accelerating the growth of their current products as well as commercializing new technology," said Mr. Dunham, "We continue to execute our strategy of significant profitable, growth through acquisitions and organic growth through effective execution in our business units."

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, New York and Massachusetts.*

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**

	June 30 2008 (Unaudited)	September 30 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$371,904	\$496,948
Accounts receivable, net	1,317,830	1,284,844
Inventories	2,036,849	1,832,720
Deferred tax asset	216,100	216,100
Other current assets	207,409	130,548
Total current assets	<u>4,150,092</u>	<u>3,961,160</u>
Property, plant and equipment, net	2,603,608	2,436,517
Other assets	232,374	88,698
Total Assets	<u><u>\$6,986,074</u></u>	<u><u>\$6,486,375</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Note payable to bank	\$560,070	\$311,870
Current portion of long-term debt	167,119	99,237
Accounts payable	496,109	684,208
Accrued expenses and other current liabilities	571,260	587,872
Total current liabilities	<u>1,794,558</u>	<u>1,683,187</u>
Long-term debt, net	1,463,362	1,626,980
Stockholders' Equity	3,728,154	3,176,208
Total Liabilities and Stockholders' Equity	<u><u>\$6,986,074</u></u>	<u><u>\$6,486,375</u></u>

DYNASIL CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	(Unaudited)			
	Three Months Ended		Nine Months Ended	
	June 30		June 30	
	2008	2007	2008	2007
Sales	\$2,676,263	\$2,584,519	\$8,537,144	\$8,124,031
Cost of Sales	1,891,753	1,776,432	5,867,317	5,785,706
Gross Profit	784,510	808,087	2,669,827	2,338,325
Selling, general and administrative	678,736	660,459	2,131,366	1,960,250
Income from Operations	105,774	147,628	538,461	378,075
Interest expense - net	39,191	39,551	114,774	114,215
Income before Income Taxes	66,583	108,077	423,687	263,860
Income Tax expense	13,581	9,973	34,421	30,629
Net Income	\$53,002	\$98,104	\$389,266	\$233,231
Net Income per share				
Basic	\$0.01	\$0.02	\$0.05	\$0.03
Diluted	\$0.00	\$0.01	\$0.05	\$0.03
Weighted average shares outstanding	6,743,853	6,114,679	6,559,629	5,104,271