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Dynasil Announces Fiscal Year 2008 Results

WEST BERLIN, N.J. – December 23, 2008 – Dynasil Corporation of America (OTCBB: DYSL.OB), announced the results of operations for its fiscal year ended September 30, 2008. Dynasil is a manufacturer of components for optical instruments, lasers, analytical instruments, semiconductor/electronic devices, automotive components, spacecraft/aircraft components, and in devices for the energy industry, and, after several acquisitions, is comprised of five related businesses: the original optical materials business, optical components, optical coatings, optical instruments, and contract research. We supply a broad range of applications markets in the medical, industrial, and homeland security/ defense sectors.

Fiscal year 2008 was another year of significant progress for Dynasil with the significant acquisition of Radiation Monitoring Devices, Inc. and specific assets of RMD Instruments, LLC on July 1, 2008. When compared to fiscal year 2007, revenues increased by 58.6% to \$17.1 million and net income increased by 113.8% to \$1,158,865. Fiscal year 2008 revenues for our historical businesses other than RMD were up 5% and net income before tax was up 47%, from \$433,550 to \$636,000, compared to fiscal year 2007. Revenue growth and major operational improvements at EMF drove those substantial gains. For Quarter 4, the RMD acquisition tripled our revenues and nearly quadrupled our net profit before taxes as well as significantly increasing our technical capabilities and intellectual property. We remain focused on continuing to effectively execute our internal growth as well as growing through further acquisitions and strategic alliances.

“We are pleased with our fiscal year 2008 results. They demonstrate our commitment to delivering shareholder value through organic growth of our business units as well as growing through acquisitions”, said Craig T. Dunham, President and CEO.

About Dynasil: *Founded in 1960, Dynasil is a manufacturer of photonic products including optical materials, components, coatings and specialized sub-systems.*

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

	September 30 2008	September 30 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$3,884,142	\$496,948
Accounts receivable, net	3,386,500	1,284,844
Inventories	2,909,730	1,832,720
Deferred tax asset	248,000	216,100
Other current assets	259,896	130,548
Total current assets	<u>10,688,268</u>	<u>3,961,160</u>
Property, plant and equipment, net	2,694,290	2,436,517
Other Assets		
Intangibles, net	7,729,000	-0-
Goodwill	11,092,654	78,414
Deferred financing costs, net	81,136	58,034
Other assets	8,360	15,901
Total other assets	<u>18,911,150</u>	<u>88,698</u>
Total Assets	<u>\$32,293,708</u>	<u>\$6,486,375</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Note payable to bank	490,117	\$311,870
Current portion of long-term debt	1,1649,101	99,237
Accounts payable	1,026,756	687,208
Accrued expenses and other current liabilities	1,671,663	587,872
Total current liabilities	<u>4,837,637</u>	<u>1,683,187</u>
Long-term liabilities	10,178,420	1,626,980
Stockholders' Equity	17,277,651	3,176,208
Total Liabilities and Stockholders' Equity	<u>\$32,293,708</u>	<u>\$6,486,375</u>

DYNASIL CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended		Twelve Months Ended	
	September 30		September 30	
	2008	2007	2008	2007_
Sales		\$2,670,619	\$17,116,340	\$10,794,650
Cost of Sales		1,712,985	11,308,864	7,498,691
Gross Profit		957,634	5,807,476	3,295,959
Selling, general and administrative		748,636	4,360,644	2,708,886
Income from Operations		208,998	1,446,832	587,073
Interest expense - net		39,308	214,120	153,523
Income before Income Taxes		169,690	1,232,622	433,550
Income Tax expense (benefit)		(139,089)	(73,757)	(108,460)
Net Income		\$308,779	\$1,158,865	\$542,010
Net Income (Loss) per share				
Basic		\$0.05	\$0.12	\$0.08
Diluted		\$0.04	\$0.11	\$0.07