

**Contact:**  
**Patty Kehe**  
Dynasil Corporation of America  
Phone: (607) 272-3320, ext. 26  
Email: [pkehe@dynasilcorp.com](mailto:pkehe@dynasilcorp.com)

## **Dynasil Reports Record Third Quarter Results**

### ***All-Time Record Revenue Net Income From Operations Increases 92%***

WEST BERLIN, N.J. – August 16, 2010 – Dynasil Corporation of America (OTCBB: DYSL) today announced record financial results for its 2010 third quarter, which ended June 30, 2010. The Company posted record revenue for the 2010 third quarter of \$11.3 million which compares to \$8.5 million in the third-quarter of 2009, a 33% increase year over year. Operating income, net income and diluted earnings per share for the quarter were \$1.33 million, \$727,646, and \$0.05, increases of 92%, 85%, and 120%, respectively, compared with the prior year.

“Dynasil has completed another outstanding quarter with record revenue, earnings and financial results. We are pleased with our strong Q3 results which clearly reflect the strength of our diversified product portfolio, bolstered by innovation, commercialization initiatives and operational excellence.” said Craig T. Dunham, CEO at Dynasil. “We are also very excited about our portfolio of products and technologies for the coming year and we continue to see exceptional opportunity for continued strong growth and profitability across all our businesses. In addition, the refinancing of all our debt with Sovereign/Santander Bank provides Dynasil maximum financial flexibility to achieve our expansion goals through both organic and acquisition growth which should further accelerate our progress.”

“The future looks really bright for Dynasil. Our activities in homeland defense, medical imaging, and material science enable us to serve and partner with our government and major corporations,” added Peter Sulick, Chairman, Dynasil Board of Directors. “Our growth strategy to acquire companies with strengths in complementary areas will enable us to more quickly commercialize our new technology while expanding the scale and scope of our product line and distribution channels. Exemplifying this is our recently announced acquisition of Hilger Crystals, a highly specialized expert in the manufacturer of synthetic crystals applicable to a wide range of our industrial, medical and homeland security applications with immediate importance to our nuclear detector business.”

***About Dynasil:*** *Dynasil Corporation of America (OTCBB: DYSL), is a provider of technology, products, services and solutions aimed at making the world safer and healthier. The company supplies a broad range of customers by serving their specific needs in the medical, industrial, and homeland security/defense markets. The Company has operations in New Jersey, New York, Massachusetts and the UK.*

*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-K, Quarterly Reports on Form 10-Q, as well as 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>June 30 2010 (Unaudited)</b>	<b>September 30 2009</b>
Current assets		
Cash and cash equivalents	\$4,002,366	\$3,104,778
Accounts receivable, net	4,690,587	4,053,742
Inventories	2,183,367	2,371,516
Deferred tax asset	346,500	290,100
Other current assets	425,595	306,848
Total current assets	<u>11,648,415</u>	<u>10,126,984</u>
Property, plant and equipment, net	2,641,397	2,744,724
Other Assets		
Intangibles, net	6,820,353	7,232,035
Goodwill	11,054,396	11,054,396
Deferred financing costs, net	53,499	64,637
Total other assets	<u>17,928,248</u>	<u>18,351,068</u>
<b>Total Assets</b>	<u><u>\$32,218,060</u></u>	<u><u>\$31,222,776</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of long-term debt	1,847,785	1,749,524
Note payable to related party	2,000,000	-0-
Accounts payable	869,826	773,837
Billings in excess of cost	-0-	60,448
Income taxes payable	345,828	507,122
Dividends payable	131,400	149,150
Accrued expenses and other current liabilities	1,809,680	1,111,342
Total current liabilities	<u>7,004,519</u>	<u>4,351,423</u>
Long-term Liabilities		
Long-term debt, net	4,685,547	6,386,796
Note payable to related party	-0-	2,000,000
Total long-term liabilities	<u>4,685,547</u>	<u>8,386,796</u>
Temporary Equity	2,000,000	2,000,000
Stockholders' Equity	<u>18,524,994</u>	<u>16,484,557</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$32,218,060</u></u>	<u><u>\$31,222,776</u></u>

DYNASIL CORPORATION OF AMERICA  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	2010	2009	2010	2009
Net revenues	\$11,294,868	8,512,892	\$31,494,960	\$25,883,053
Cost of revenues	6,562,323	4,860,590	18,669,123	15,643,287
Gross profit	4,732,545	3,652,302	12,825,837	10,239,766
Selling, general and administrative expenses	3,399,584	2,957,111	9,311,918	8,131,946
Income from operations	1,332,961	695,191	3,513,919	2,107,820
Interest expense, net	142,578	160,367	457,007	567,025
Income before income taxes	1,190,383	534,824	3,056,912	1,540,795
Income taxes	462,737	141,456	1,082,199	387,654
Net income	\$727,646	\$393,368	\$1,974,713	\$1,153,141

Earnings Per Share

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	2010	2009	2010	2009
Net income	\$727,646	\$393,368	\$1,974,713	\$1,153,141
Dividends on preferred stock	131,400	149,150	406,033	447,450
Net income applicable to common shareholders	596,246	244,218	1,568,680	705,691
Dividend add back due to assumed Preferred Stock conversion	131,400	17,750	406,033	53,250
Net income for diluted income per common share	\$727,646	\$261,968	\$1,974,713	\$758,941

Basic net income per common share	\$ 0.05	\$ 0.02	\$ 0.13	\$ 0.06
Diluted net income per common share	\$ 0.05	\$ 0.02	\$ 0.13	\$ 0.06

Weighted average shares outstanding

Basic	12,610,116	11,371,933	12,215,532	11,362,745
Diluted	14,982,382	12,346,636	14,687,798	12,337,448