

August 17, 2010



Information Systems Associates Reports Results for Its Second Quarter Ending June 30, 2010

Second Quarter 2010 Revenue Totals \$235 Thousand, Up 72% Compared to Second Quarter 2009 Revenue of \$136 Thousand

PALM CITY, Fla., Aug. 17, 2010 (GLOBE NEWSWIRE) -- Information Systems Associates, Inc. (OTCBB:IOSA), a datacenter optimization software, services and solutions company, today announces its financial results for the period ended June 30, 2010.

Second Quarter 2010 and First Half 2010 Highlights:

- Revenues totaled \$235 thousand for the quarter ended June 30, 2010, up 72% from \$136 thousand for the quarter ended June 30, 2009.
- Gross profit was \$221 thousand for the quarter ended June 30, 2010, up 114% from \$103 thousand for the quarter ended June 30, 2009.
- Revenues totaled \$492 thousand for the first six months ended June 30, 2010, up 46% from \$335 thousand for the first six months ended June 30, 2009.
- Gross profit was \$477 thousand for the first six months ended June 30, 2010, up 59% from \$300 thousand for the first six months ended June 30, 2009.

Joe Coschera, Information Systems Associates' CEO, stated: "We are very pleased to report significant improvements in our financial results for 2010 compared to its respective period for 2009. Most significantly, the Company's cash flows from operations were nearly breakeven for the second quarter ended June 30, 2010 with a loss of only \$13 thousand for the period. We made a number of changes in the first quarter ended March 31, 2010 to improve cash flows and they were effective. So far the third quarter 2010 has shown continued improvement as evidenced by a number of recent contract announcements. Furthermore, our OSPI version 2 continues to perform well in the field and gain momentum with additional clients."

Revenues

Gross revenues were \$234,986 and \$491,140 for the three and six months ended June 30, 2010, respectively, compared to gross revenues of \$136,248 and \$335,332 for the three and six months ended June 30, 2009. The increased 2010 revenue is due primarily to the increased sale of professional services, maintenance contracts and time and materials arrangements primarily to two new customers.

Income / Loss

The Company reported a net loss of \$233,970 and \$443,591 from operations for the three and six months ended June 30, 2010, respectively. ISA had a net loss of \$304,457 and

\$510,896 from operations for the three and six months ended June 30, 2009, respectively. ISA began the amortization of the software development costs in 2010 and has taken on additional consulting expenses. This will add to the Company's overhead in the near future. ISA also needed to take on additional administrative costs in order to position sales growth for the balance of 2010.

Expenses

Operating expenses for the three and six months ended June 30, 2010 were \$438,362 and \$904,667, respectively. Operating expenses for the three and six months ended June 30, 2009 were \$407,199 and \$812,008, respectively. The higher operating expenses during 2010 were due primarily to administrative and general expenses, which were \$291,948 and \$119,036 for the six months ended June 30, 2010 and 2009 respectively. This increase in administrative and general expenses is primarily due to the increase in travel and entertainment of \$72,996 and the increase of amortization of software of \$81,173.

Income Taxes

There was no income tax benefit or expense recorded for the six months ended June 30, 2010 and 2009.

Impact of Inflation

The Company believes that inflation has had a negligible effect on operations during the six months ended June 30, 2010 and 2009. Management believes that it can offset inflationary increases in the cost of revenue by increasing revenue and improving operating efficiencies.

Liquidity and Capital Resources

ISA had cash on hand of \$1,396 and net working capital of \$143,375 as of June 30, 2010. Cash flows used in operations were \$77,836 and \$71,157 during the six months ended June 30, 2010 and 2009. Cash flows used in operations during the six months ended June 30, 2010 were primarily attributable to a net loss of \$443,591, and partially offset with an increase in accounts payable of \$48,226 and issuance of stock for services of \$202,854. Cash flows used in operations during the six months ended June 30, 2009 were primarily attributable to a net loss of \$510,896 and partially offset by the increase in accounts receivable of \$30,381 and the issuance of stock for services of \$403,688.

Cash flows provided by investing activities were \$9,334 as compared to cash flows used in investing activities of \$211,074 during the six months ended June 30, 2010 and 2009, respectively. Cash flows provided by investing activities in 2010 were attributable primarily to the sale of an investment. Cash flows used in investing activities in 2009 were attributable to \$128,389 in costs incurred for software development (OSPI, v2) and web page design and \$73,958 used in the purchase of an investment.

Cash flows provided by financing activities were \$48,851 and \$100,000 for the six months ended June 30, 2010 and 2009. Cash flows provided by financing activities were attributable to additional borrowing on the line of credit and borrowing from a shareholder. Cash flows provided for from financing activities for the six months ended June 30, 2009 were attributable to the issuance of common stock.

Make sure you are first to receive timely information on Information Systems Associates when it hits the newswire. Sign up for IOSA's email news alert system today at:

<http://www.IOSA-IR.com>

About Information Systems Associates

Information Systems Associates, Inc. (IOSA) is a leading provider of data center optimization software, services and solutions based out of Palm City, FL. Its core technology OSPI (On Site Physical Inventory(R)) provides a tool set allowing customers to create a highly accurate data set of their current IT assets. This information can be utilized to enable businesses to make meaningful decisions on Data Center Management that lead to optimization of resources, cost reductions and significant ROI.

For more information, please visit: www.isa-inc.net

Safe Harbor

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Additionally, words such as "seek," "intend," "believe," "plan," "estimate," "expect," "anticipate" "project" and other similar expressions are forward-looking statements within the meaning of the Act. Some or all of the events or results anticipated by these forward- looking statements may not occur. Factors that could cause or contribute to such differences include the ability of Information System Associates to attract customers for its services, and continue developing innovative datacenter optimization solutions. Further information on Information Systems Associates' risk factors is contained in its filings with the Securities and Exchange Commission, including the Form 10-KSB for the year ended December 31, 2009 and the Form 10-QSB filed August 13, 2010. Information Systems Associates does not undertake any duty nor does it intend to update the results of these forward-looking statements.

INFORMATION SYSTEMS ASSOCIATES, INC.

BALANCE SHEETS

ASSETS		
	June 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Current Assets		
Cash and cash equivalents	\$1,396	\$21,047
Accounts receivable	28,816	34,809
Prepaid consulting	267,646	190,500
Prepaid expenses	6,299	7,689
Total Current Assets	304,157	254,045
Property and Equipment (net)	90,052	174,288
Other Assets		
Investments	--	60,559

TOTAL ASSETS	\$394,209	\$488,892
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Note payable - line of credit	\$39,682	\$20,055
Note payable - insurance	--	3,276
Accounts payable	115,136	66,910
Accrued expenses and other liabilities	12,171	21,196
Deferred revenue	529	1,879
 Total Current Liabilities	 167,518	 113,316

Long-Term Liabilities

Long-term debt	32,500	--
 Total Liabilities	 200,018	 113,316

Stockholders' Equity

Common stock--\$.001 par value, 50,000,000 shares authorized, 19,766,084 and 18,266,084 issued and outstanding for 2010 and 2009, respectively	19,766	18,266
Additional paid in capital	2,457,713	2,179,213
Accumulated deficit	(2,252,095)	(1,808,504)
Accumulated other comprehensive (loss)	(31,193)	(13,399)
 Total Stockholders' Equity	 194,191	 375,576

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$394,209	\$488,892
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The accompanying unaudited notes are an integral part of these financial statements.

INFORMATION SYSTEM ASSOCIATES, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,
(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Revenue	\$234,986	\$136,248	\$491,640	\$335,332
Cost of Sales	14,440	33,520	14,440	35,045
Gross Profit	220,546	102,728	477,200	300,287
Operating Expenses				
Administrative and general	124,537	58,842	291,948	119,036
Payroll and payroll taxes	67,740	51,344	135,791	102,771
Professional	246,085	297,013	476,928	590,201
Total Operating Expenses	438,362	407,199	904,667	812,008
(Loss) Income Before Other Income and (Expense)	(217,816)	(304,471)	(427,467)	(511,721)
Other Income (Expense)				
Interest Income	--	14	--	825
Loss on sale of security	(16,154)	--	(16,154)	--
Miscellaneous income	--	--	30	--
Total other income (expense)	(16,154)	14	(16,124)	825
Net (Loss)	(233,970)	(304,457)	(443,591)	(510,896)
Other Comprehensive (Loss)				
Unrealized gain/(loss) on securities:				
Arising during the quarter	(4,673)	13,842	(17,794)	13,842
Total other comprehensive (loss)	(4,673)	13,842	(17,794)	13,842
Comprehensive (Loss)	\$(238,643)	\$(290,615)	\$(461,385)	\$(497,054)
Basic and Fully Diluted Earnings (Loss) per Share:				
Basic and diluted	\$(0.01)	\$(0.02)	\$(0.02)	\$(0.03)
Weighted average common shares outstanding	18,532,751	16,443,167	18,532,751	16,443,167

The accompanying unaudited notes are an integral part of these financial statements.

INFORMATION SYSTEMS ASSOCIATES, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30,
(UNAUDITED)

	2010	2009
Cash Flows from Operating Activities		
Net (Loss)	\$(443,591)	\$(510,896)
Adjustments to reconcile net (loss) to net cash provided from operating activities:		
Depreciation and amortization	84,902	2,268
Loss on sale of investment	16,154	--
Common stock for services	202,854	403,688
(Increase) decrease in:		
Accounts receivable	5,993	30,381
Prepaid expenses	1,390	--
Increase (decrease) in:		
Accounts payable	48,226	1,014
Accrued expenses and other liabilities	7,586	3,388
Deferred revenue	(1,350)	(1,000)
Net Cash (Used in) Operating Activities	(77,836)	(71,157)
Cash Flows from Investing Activities		
Computer software development costs	--	(128,389)
Purchase of property and equipment	(666)	(8,727)
Proceeds from sale of investment	10,000	--
Purchase of Investment	--	(73,958)
Net Cash (Used In) Provided by Investing Activities	9,334	(211,074)
Cash Flows from Financing Activities		
Proceeds from note payable - line of credit	19,627	--
Payments made on note payable - insurance	(3,276)	--
Proceeds from issuance of stock	--	100,000
Proceeds from note payable -shareholder	32,500	--
Net Cash Provided by Financing Activities	48,851	100,000
Net Change in Cash and Cash Equivalents	(19,651)	(182,231)
Cash and Cash Equivalents at		
Beginning of period	21,047	204,768
End of Period	\$1,396	\$22,537

The accompanying unaudited notes are an integral part of these financial statements.

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