

March 31, 2011



# Information Systems Associates Releases Its Results for the Year Ended December 31, 2010

## Full Year 2010 Revenues Were \$1.07 Million, an Increase of 37% Over Full Year 2009 Revenues

PALM CITY, Fla., March 31, 2011 (GLOBE NEWSWIRE) -- Information Systems Associates, Inc. (OTCQB:IOSA) recently released its 10-K and financial results for the fiscal year ended December 31, 2010. Revenues for full year 2010 were \$1,070,704, an increase of 37% over full year 2009 revenues.

Operating expenses for full year 2010 were \$1,790,546, representing only a 2% increase relative to full year 2009 operating expenses. Overall, the Company has kept operating expenses constant, thereby allowing all increases in revenue to decrease the net loss.

The Company reported a net loss of \$808,773 for full year 2010, representing a 20% decrease compared with a net loss of \$1,009,195 during full year 2009. Full year 2010 cash flows used in operations were \$135,030, a decrease of \$48,615 or 26.5% from \$183,645 used in operations for the full year 2009.

### *Financial Highlights for 2010*

- Year-over-year revenue increase of 37%
- Net loss decreased by 20% as compared to 2009
- Cash used in operations decreased by 26.5% compared to 2009

### *Looking Forward for 2011*

In January, the Company announced the hiring of Dom Lesme, the former VP and General Manager of Rackwise, as President and Chief Operating Officer of Information Systems Associates, Inc. Mr. Lesme is currently in the process of developing and implementing a comprehensive business development strategy to drive revenue growth and open up additional sales channels. These efforts include:

- Establishing an internal sales team;
- Creating all of the necessary marketing collateral to support sales efforts;
- Implementing a Value Added Reseller (VAR) program to offer ISA's products and services;
- Securing relationship for ISA to become a VAR of complementary datacenter solutions to open up additional revenue channels; and
- Expanding ISA's proprietary product offerings to appeal to a wider range of customers.

Joe Coschera, Information Systems Associates' CEO, said, "We are pleased with our growth

from 2009 to 2010 and we are excited about the prospects for 2011. Historically, ISA's business was driven by software vendors that utilized our experience in data collection, software implementation and training. We expect that the addition of Mr. Lesme and his efforts to establish a platform to directly reach customers will accelerate revenue growth in the second half of 2011 and beyond. Mr. Lesme has an outstanding track record of successfully building sales teams and products which will enable ISA to have more control over its destiny and significantly increase our menu of products and services to capture additional sales opportunities."

Mr. Lesme is working diligently to build a pipeline of business. These efforts are expected to have a significant impact in the second half of 2011 due to the typical three to six months month sales cycle in the industry.

### *About Information Systems Associates*

Information Systems Associates, Inc. (OTCQB:IOSA) based in Palm City, FL. is a leading provider of data center and facilities management solutions. ISA offers Data Collection Services for the Data Center and the On Site Physical Inventory® OSPI® v2 System. The OSPI® v2 System is a Mobile Data Center Asset Management product, putting a data center management solution in the hand of the data center manager. The OSPI® v2 System is based on ISA's patented data center asset inventory technology.

For more information visit our website <http://www.isa-inc.net>

### *Safe Harbor Statement*

Certain statements in this press release that are not historical, but are forward-looking, are subject to known and unknown risks and uncertainties which may cause the Company's actual results in future periods to be materially different from any future performance that may be suggested in this press release. Such risks and uncertainties may include, but are not limited to, the Company's need to raise equity capital and its ability to obtain equity financing on acceptable terms, if at all, regulatory limitations on the medical industry in general, working capital constraints, fluctuations in customer demand and commitments, fluctuation in quarterly results, introduction of new services and products, commercial acceptance and viability of new services and products, pricing and competition, reliance upon subcontractors and vendors, the timing of new technology and product introductions, the risk of early obsolescence of our products and the other factors listed under "Risks and Uncertainties" in our annual report on Form 10-K for the fiscal year ended December 31st, 2010, and our other filings with the Securities and Exchange Commission. We assume no obligation to update the information contained in this news release.

INFORMATION SYSTEMS ASSOCIATES, INC.  
BALANCE SHEETS

ASSETS

	<i>As of December 31,</i>	
	<i>2010</i>	<i>2009</i>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 70,326	\$ 21,047
Accounts receivable	92,893	34,809
Prepaid consulting	109,187	190,500
Prepaid expenses	<u>7,622</u>	<u>7,689</u>
Total Current Assets	280,028	254,045
<i>Property and Equipment (net)</i>	19,684	174,288
<i>Other Assets</i>		
Investments	<u>--</u>	<u>60,559</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 299,712</u></b>	<b><u>\$ 488,892</u></b>

LIABILITIES AND STOCKHOLDERS' EQUITY

<i>Current Liabilities</i>		
Note payable - line of credit	\$ 36,141	\$ 20,055
Note payable - insurance	3,204	3,276
Accounts payable	68,568	66,910
Accrued expenses and other liabilities	2,405	21,196
Deferred revenue	<u>3,192</u>	<u>1,879</u>
Total Current Liabilities	113,510	113,316
<i>Stockholders' Equity</i>		
Common stock--\$.001 par value, 50,000,000 shares authorized, 22,266,084 and 18,266,084 issued and outstanding for 2010 and 2009, respectively	22,266	18,266
Additional paid in capital	2,781,213	2,179,213
Accumulated deficit	(2,617,277)	(1,808,504)
Accumulated other comprehensive (loss)	<u>--</u>	<u>(13,399)</u>
Total Stockholders' Equity	<u>186,202</u>	<u>375,576</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 299,712</u></b>	<b><u>\$ 488,892</u></b>

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

INFORMATION SYSTEMS ASSOCIATES, INC.  
STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Revenue	\$ 1,070,704	\$ 780,244
Cost of Sales	<u>31,397</u>	<u>37,567</u>
Gross Profit	1,039,307	742,677
Operating Expenses		
Administrative and general	543,044	308,437
Salaries and employee benefits	282,408	224,206
Professional	<u>965,094</u>	<u>1,218,790</u>
Total Operating Expenses	<u>1,790,546</u>	<u>1,751,433</u>
(Loss) Before Other Income (Expense)	(751,239)	(1,008,756)
Other Income (Expense)		
Interest income	--	191
Miscellaneous income	30	--
Interest expense	(10,217)	--
Loss on sale of investments	(47,347)	--
Loss on sale of property and equipment	<u>--</u>	<u>(630)</u>
Total Other Income (Expense)	(57,534)	(439)
(Loss) From Operations Before Income Taxes	(808,773)	(1,009,195)
Provision for Income Taxes	<u>--</u>	<u>--</u>
Net (Loss)	(808,773)	(1,009,195)
Other Comprehensive (Loss)		
Unrealized gain/(loss) on securities:		
Arising during the year	13,399	(13,399)
Reclassification to net income	<u>--</u>	<u>--</u>
Total other comprehensive (loss)	<u>13,399</u>	<u>(13,399)</u>
Comprehensive (Loss)	<u>\$ (795,374)</u>	<u>\$ (1,022,594)</u>
Basic and Fully Diluted (Loss) per Share:		
Basic and fully diluted	<u>\$ (0.04)</u>	<u>\$ (0.06)</u>

Weighted average common shares outstanding 20,536,920 17,187,439

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*INFORMATION SYSTEMS ASSOCIATES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,*

	2010	2009
<i>Cash Flows from Operating Activities</i>		
Net (Loss)	\$ (808,773)	\$ (1,009,195)
Adjustments to reconcile net (loss) to net cash provided from operating activities:		
Depreciation and amortization	156,309	19,657
Bad debt expense	2,625	--
Common stock for services	527,313	671,438
Loss on sale of security	47,347	--
(Loss) on abandonment of fixed assets	--	630
 (Increase) decrease in:		
Accounts receivable	(60,709)	59,312
Prepaid expenses	67	(7,689)
Increase (decrease) in:		
Accounts payable	1,658	82,626
Accrued expenses and other liabilities	(2,180)	(803)
Deferred revenue	<u>1,313</u>	<u>379</u>
 Net Cash (Used in) Operating Activities	<u>(135,030)</u>	<u>(183,645)</u>
 <i>Cash Flows from Investing Activities</i>		
Computer software development costs	--	(159,203)
Purchase of property and equipment	(1,705)	(14,204)
Proceeds from sale of investment	<u>10,000</u>	<u>--</u>
 Net Cash (Used In) Investing Activities	<u>8,295</u>	<u>(173,407)</u>
 <i>Cash Flows from Financing Activities</i>		
Proceeds from line of credit	19,000	20,055
Payments made on line of credit	(2,914)	--
Borrowings from note payable	7,559	9,615
Payments made on note payable	(7,631)	(6,339)
Proceeds from issuance of stock	<u>160,000</u>	<u>150,000</u>
 Net Cash Provided by Financing Activities	<u>176,014</u>	<u>173,331</u>

Net Change in Cash and Cash Equivalents	49,279	(183,721)
Cash and Cash Equivalents at Beginning of period	<u>21,047</u>	<u>204,768</u>
<i>End of Period</i>	<u><u>\$ 70,326</u></u>	<u><u>\$ 21,047</u></u>

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Source: Information Systems Associates, Inc.