



1151 W 30<sup>th</sup> Street  
Suite E  
Palm City, FL 34490

OTCQB : IOSA  
12-31-2010

Information Systems Associates

## Business Description

Information Systems Associates (“ISA”) trades under the symbol (OTCQB:IOSA), was incorporated in 1994 and entered the public markets in 2008. It is a business services company providing data center solutions to many of the world’s largest companies. These services enable companies with large data centers (a minimum of 1,000 servers or switches) to manage their IT assets more efficiently by installing a sophisticated software system. The Company works directly with many of the leading software vendors and supports them in sales, installation, training and maintenance. Once implemented, the system is a powerful reporting tool used by executive management to make decisions on their IT infrastructure. These reports are vital when making multi-million dollar decisions regarding such issues as reducing power consumption, insuring data center reliability, replacing equipment, signing maintenance agreements, building new facilities, or determining excess capacity. The power consumption piece is becoming more and more critical as issues such as “Cap and Trade”, energy pollution and protecting the environment through “Green” initiatives are a geo political focus. Thus “Optimizing” or “Greening” data centers is vital to reducing energy costs and protecting the environment.



### ISA - Historical Revenues

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2010	\$257	\$235	\$306	\$273	\$1,071
2009	\$199	\$136	\$272	\$173	\$780
2008	\$256	\$473	\$333	\$163	\$1,225

### ISA - Historical Gross Profit

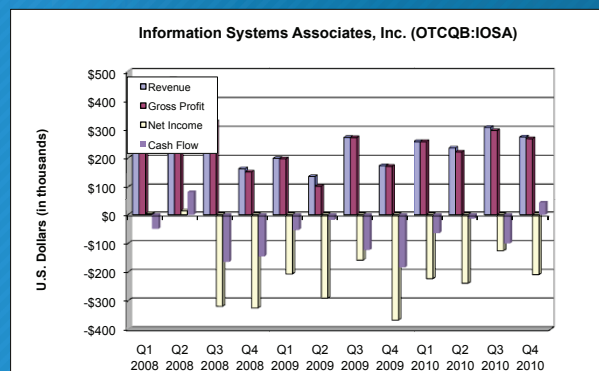
Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2010	\$257	\$221	\$295	\$267	\$1,039
2009	\$198	\$103	\$271	\$171	\$743
2008	\$256	\$446	\$326	\$152	\$1,181

### ISA - Cash Flow Operations

Fiscal Year-end December (in thousands U.S. Dollars)

	Q1	Q2	Q3	Q4	YEAR
2010	-\$64	-\$14	-\$100	\$43	-\$135
2009	-\$53	-\$18	-\$123	\$11	-\$184
2008	-\$49	\$82	-\$164	-\$14	-\$145



## What is a Data Center?

While many companies have computer networks and/or computer equipment rooms, ISA targets major information intensive corporations, such as Bank of America or COMCAST, that have large data centers. These data centers often take up to one or sometimes even several floors (100,000+ square feet) of an office or industrial building. In these data centers, there can be several hundred racksholding thousands and sometimes tens of thousands of servers and other devices. For example, Google has approximately 1,000,000 servers.

## How much Power Do Data Centers Consume?

Data centers use more than 1% of all electricity consumed worldwide, and more in many developed economies. In the U.S., data centers account for between 1.5% and 2% of electricity consumption, at approximately 61 billion kilowatt-hours, at an annual cost of \$4.5 billion and requiring the equivalent output of 15 power plants (2006). Federal servers and data centers account for approximately 10% of this energy consumption. The need for additional data center capacity is growing rapidly and U.S. energy consumption by servers and data centers is expected to exceed 100 billion kWh by 2011 representing an annual cost of \$11 billion (assuming an average of \$0.11 per kWh) and requiring the output of an additional 10 power plants.

### In addition the following trends have been identified:

- The world data center market could overtake the airline industry as a greenhouse gas polluter by 2020 (McKinsey & Co).
- Power failures and limits on power availability will interrupt data center operations at more than 90% of all companies over the next 5 years (2006-2011) - (AFCOM 2006).
- 70% of operators identify IT power and cooling as a primary issue in data center management (Ziff Davis 2005).
- 30% of U.S. corporations are deferring new technology initiatives because of data center limitations.
- Most of the data centers in the U.S. will be replaced or retrofitted over the next several years.
- Power consumption is about 25% of data center costs. More than half of that energy cost goes to cooling the data and electrical distribution inefficiencies.



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## How Big is the Opportunity?

There are approximately 6,600 data centers in the U.S. using in excess of 12 million server computers (11.8 million in 2007) with growth running at 2.5% annually. Worldwide, the number of servers exceeds 32 million. Worldwide, data center revenues grew by 14% between 2005 and 2008 from \$4.5 to \$5.1 billion, with predicted growth in 2009 of 9% to \$5.57 billion. What does this mean for ISA?

### U.S. Initial Sale Potential

6,600 data centers  
x \$80,000 \*  
= \$528,000,000

### U.S. Recurring Revenue Potential - OSPI Maintenance/Data Audit/Other Maintenance & Improvements

6,600 data centers  
X \$17,500 \*\* per year  
= \$115,500,000

### International (Including U.S.)

Based on the number of servers the worldwide market is approximately 2.6 times the size of the U.S. market equating over \$1.4 billion in initial sales and \$308 million in recurring revenue.

\*(average sale consisting of software commission, data collection, implementation and training.)

\*\* (average recurring maintenance fee.)

## Why consider investing in ISA?

- Very large market opportunity.
- ISA has a long history performing services for Fortune 100 companies.
- ISA is in the first inning of a new product launch and is currently trading at a miniscule \$3 million market capitalization providing significant opportunity.
- ISA's patented, proprietary OSPI® handheld device is the only IT solution on the market that automates data collection and validation services in data centers.
- Currently, there are approximately 6,600 data centers in the U.S. using in excess of 12 million server computers.
- ISA is virtually debt free and is being lead by a team of IT professionals including Joseph Coschera, who has been in the business for over 25 years with a lot of "skin in the game" (over 30% ownership of total common stock), Dom Lesme, President and COO and William F. Nelson, Director of Product Strategy, two industry veterans with over 40 years of combined IT experience.
- ISA is in the process of finalizing the features and functionality of its updated software with greatly enhanced functionality.
- 37% year over year revenue growth for 2010 with even greater growth expected in 2011.

## Quick Facts and Key Ratios

12-31-2010

12-Month Trading Price Low	\$0.05
12-Month Trading Price High	\$0.24
Closing Price	\$0.11
Shares Outstanding	20,536,920
Market Capitalization	\$2,259,061
Enterprise Value	\$2,228,080
Last Quarter Revenue	\$273,000
TTM Revenue	\$1,071,000
Current Assets (Most Recent 10Q or 10K)	\$280,028
Current Liabilities (Most Recent 10Q or 10K)	\$113,510
Current Ratio (Most Recent 10Q or 10K)	2.47 x
Total Assets (Most Recent 10Q or 10K)	\$299,712
Total Liabilities (Most Recent 10Q or 10K)	\$113,510
Shareholder Equity (Most Recent 10Q or 10K)	\$186,202



## Key Customers



## For Additional Information

Visit [www.ISA-Inc.net](http://www.ISA-Inc.net) or Contact:

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