

Exhibit 99.1

For additional information contact:
Richard S. DeRose (703) 293-7901
For release:
August 13, 2008 at 9:00 a.m.

Information Analysis Inc. Reports Second Quarter Results

FAIRFAX, VIRGINIA – Information Analysis, Inc. (OTCBB:IAIC) today reported results for the second fiscal quarter ended June 30, 2008. Revenues were \$1,697,000, from the \$2,557,000 reported in 2007's second quarter. The Company reported a net loss of \$80,000, or \$(0.01) per share, compared to net income of \$17,000, or \$0.00 per share, in the second quarter 2007. IAI reported revenue of \$3,446,000 for six months ending June 30, 2008, compared to \$5,162,000 reported for the same period in 2007. Net loss for the first six months of 2008 was \$198,000, or \$(0.01) per share, versus net income of \$112,000, or \$0.01 per share, in the comparable 2007 period.

“The Company’s revenue and earnings were down in the second quarter in comparison to the second quarter of 2007,” Sandor Rosenberg, Chairman and Chief Executive Officer of IAI said. “However, we reduced our loss from the first quarter 2008. During the second quarter we started work on some new tasks which should show improvement in the third and fourth quarters. The company is continuing the active pursuit of the conversion and system modernization business in addition to developing new business partnerships in the growth markets of security and virtualization.

“We continue to pursue merger and acquisition opportunities.”

About Information Analysis Incorporated

Information Analysis Incorporated (www.infoa.com), headquartered in Fairfax, Virginia, is an information technology services company. The Company is a web solution provider and software conversion specialist, modernizing legacy systems and extending their reach to the Internet world.

Additional information for investors

This release may contain forward-looking statements regarding the Company's business, customer prospects, or other factors that may affect future earnings or financial results. Such statements involve risks and uncertainties which could cause actual results to vary materially from those expressed in the forward-looking statements. Investors should read and understand the risk factors detailed in the Company's 10-KSB for the fiscal year ended December 31, 2007 and in other filings with the Securities and Exchange Commission.

Information Analysis Reports Second Quarter Results

August 13, 2008

Page 2 of 4

Information Analysis Incorporated Condensed Income Statements

<i>(in thousands, except per share data; unaudited)</i>	Three months ended June 30,	
	<u>2008</u>	<u>2007</u>
Sales:		
Professional fees	\$ 1,345	\$ 1,777
Software sales	<u>352</u>	<u>780</u>
Total revenue	<u>1,697</u>	<u>2,557</u>
Cost of goods sold and services provided:		
Cost of professional fees	1,035	1,363
Cost of software sales	<u>263</u>	<u>641</u>
Total cost of sales	<u>1,298</u>	<u>2,004</u>
Gross margin	399	553
Operating expenses:		
Selling general & administrative	<u>483</u>	<u>542</u>
Operating (loss) income	(84)	11
Other income	<u>4</u>	<u>6</u>
(Loss) income before income taxes	(80)	17
Provision for income taxes	--	--
Net (loss) income	\$ <u>(80)</u>	\$ <u>17</u>
Comprehensive income	\$ <u>(80)</u>	\$ <u>17</u>
Net (loss) income per share:		
Basic and diluted	\$ <u>(0.01)</u>	\$ <u>0.01</u>
Shares used in calculating earnings per share:		
Basic	11,196,760	11,196,760
Diluted	11,196,760	11,398,487

-- more --

Information Analysis Reports Second Quarter Results

August 13, 2008

Page 3 of 4

Information Analysis Incorporated Condensed Income Statements

<i>(in thousands, except per share data; unaudited)</i>	Six months ended June 30,	
	<u>2008</u>	<u>2007</u>
Sales:		
Professional fees	\$ 2,832	\$ 3,677
Software sales	<u>614</u>	<u>1,485</u>
Total revenue	<u>3,446</u>	<u>5,162</u>
Cost of goods sold and services provided:		
Cost of professional fees	2,157	2,821
Cost of software sales	<u>446</u>	<u>1,182</u>
Total cost of sales	<u>2,603</u>	<u>4,003</u>
Gross margin	843	1,159
Operating expenses:		
Selling general & administrative	<u>1,051</u>	<u>1,059</u>
Operating (loss) income	(208)	100
Other income	<u>10</u>	<u>12</u>
(Loss) income before income taxes	(198)	112
Provision for income taxes	--	--
Net (loss) income	\$ <u>(198)</u>	\$ <u>112</u>
Comprehensive income	\$ <u>(198)</u>	\$ <u>112</u>
Net (loss) income per share:		
Basic and diluted	\$ <u>(0.01)</u>	\$ <u>0.01</u>
Shares used in calculating earnings per share:		
Basic	11,196,760	11,196,760
Diluted	11,196,760	11,401,905

-- more --

Information Analysis Reports Second Quarter Results

August 13, 2008

Page 4 of 4

Information Analysis Incorporated Balance Sheets

<i>(in thousands)</i>	As of <u>June 30, 2008</u>	As of <u>December 31, 2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,061	\$ 1,223
Accounts receivable, net	1,468	1,560
Prepaid expenses	381	462
Other assets	4	4
Other receivables	<u>--</u>	<u>3</u>
Total current assets	2,914	3,252
Fixed assets, net	68	79
Other assets	<u>9</u>	<u>9</u>
Total assets	\$ <u>2,991</u>	\$ <u>3,340</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 493	\$ 721
Deferred revenue	482	394
Accrued payroll and related liabilities	252	258
Other accrued liabilities	38	45
Income taxes payable	<u>3</u>	<u>3</u>
Total liabilities	<u>1,268</u>	<u>1,421</u>
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,839,376 shares issued, 11,196,760 outstanding	128	128
Additional paid in capital	14,548	14,546
Accumulated deficit	(12,023)	(11,825)
Less treasury stock; 1,642,616 shares at cost	<u>(930)</u>	<u>(930)</u>
Total stockholders' equity	<u>1,723</u>	<u>1,919</u>
Total liabilities and stockholders' equity	\$ <u>2,991</u>	\$ <u>3,340</u>

-- end --