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**FOR IMMEDIATE RELEASE**

**THE MARKETING ALLIANCE ANNOUNCES 2004 FOURTH QUARTER AND ANNUAL RESULTS**

**2004 Highlights**

- TMA reports 2004 net income of \$564,000, or \$0.28 per share
- Balance sheet remains strong with \$2.1 million of working capital and no long-term debt.
- TMA Marketing, Inc. provides growth opportunities for agencies without additional expense
- Omaha Business Center centralizes administrative functions for increased agency efficiency
- \$0.12 cash dividend per share authorized by Board of Directors in December 2004

Pittsburgh, PA – May 20, 2005 – The Marketing Alliance, Inc. (Pink Sheets: MAAL) (“TMA”), a consortium of independent life insurance brokerage general agencies located throughout the United States, today announced financial results for the fourth quarter and 2004 annual results (see attached tables).

Revenues for the fourth quarter of 2004 were \$4.8 million versus \$5.8 million in the same period last year. Revenues for the year ended December 31, 2004 were \$16.4 million, down from the \$17.7 million reported in 2003. This decrease was primarily due to the process of transitioning business to the new Omaha Business Center and ramping up TMA Marketing, Inc. (“TMAM”), which are both now fully operational. Gross profit for the fourth quarter increased slightly to \$499,000, or 10.4% of revenues, from \$489,000, or 8.4% of revenues, in the same period last year, due primarily to less bonus earned by TMA distributors, offset by higher benefits paid out. Gross profit for the year ended December 31, 2004 was \$3.6 million, or 22.1% of revenues, as compared to \$3.8 million, or 21.6% of revenues, reported in 2003.

Operating expenses for the fourth quarter of 2004 rose 25% to \$855,000 from the same period in 2003. This increase was primarily related to additional start-up costs incurred in the development of the Omaha Business Center and TMA’s subsidiary, TMA Marketing, Inc. Operating expenses for 2004 increased to \$2.9 million, up from the \$2.1 million reported last year. Management has stated previously, and continues to believe, that operating expenses will return to 2003 levels by the second quarter of 2005.

As a result of these factors, TMA reported an operating loss of \$356,000 in the fourth quarter of 2004, as compared to an operating loss of \$194,000 in the comparable prior year period. Operating income for the year ended December 31, 2004 was \$697,000 as compared to \$1.7 million for the year 2003.

TMA reported a net loss of \$3,101, or \$0.00 per share, in the fourth quarter of 2004 versus net income of \$219,000, or \$0.11 per share, for the same period last year. The net loss for the quarter was a result of the aforementioned increased operating expenses and a decrease in realized and unrealized gains on investments. The majority of TMA's equity investments are in regional banks, which, while continuing to perform well, were not at 2003 levels. Net income for 2004 was \$564,000, or \$0.28 per share, as compared to net income of \$1.9 million, or \$0.94 per share, for 2003.

In March 2005, TMA's Board of Directors unanimously voted to appoint Timothy M. Klusas President of TMA. Mr. Klusas assumed this role on April 4, 2005, replacing Timothy P McKenna, who served in this position since 2001.

Ronald D. Verzone, Chairman of TMA, stated, "We believe that our progress over the past 12 months has laid the foundation for the future of TMA. We are very pleased with the progress we've made throughout the year in developing the Omaha Business Center and TMA Marketing, Inc, and we expect both will enhance our member agencies ability to grow while still maintaining their independence. Our balance sheet remains strong, with working capital of over \$2 million, a \$1.5 million bank line of credit and no long-term debt. Finally, we recently appointed Tim Klusas to lead our executive management team. Tim possesses the financial acumen and leadership abilities that will help build the strong relationships with our distributors, shareholders, insurance companies and vendors. Together, we are confident that TMA will fulfill its potential as the premier wholesale source of life insurance products."

#### **TMA DECLARES DIVIDEND**

In December 2004, TMA's Board of Directors authorized a \$0.12 cash dividend for shareholders of record on December 15, 2004, to be paid on or about January 31, 2005. This is the latest dividend payment to shareholders. Based on 12-month net income per share, the payout ratio of the 2004 dividend is 42.8% versus a 51% payout ration for the 2003 dividend.

#### **ABOUT THE MARKETING ALLIANCE, INC.**

Headquartered in Pittsburgh, PA, TMA is one the largest organizations providing support to independent insurance brokerage agencies, with a goal of providing members value-added services on a more efficient basis than they can achieve individually. TMA's network is comprised of approximately 150 independent life brokerage and general agencies in 43 states. TMA recently launched a new shareholder section of its website, incorporating recent share price information, management biographical information, financial results, news items and contact information. The site can be accessed through TMA's home page, or directly at [http://www.themarketingalliance.com/si\\_who.cfm](http://www.themarketingalliance.com/si_who.cfm).

#### **FORWARD LOOKING STATEMENT**

Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect TMA's business and prospects. Any forward-looking statements contained in this press release represent our estimates only as of the date hereof, or as of such earlier dates as are indicated, and should not be relied upon as representing our estimates as of any subsequent date. These statements involve a number of risks and uncertainties, including, but not limited to, general changes in economic conditions. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so.

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**Consolidated Statement of Operations**

	Quarter Ended		Year to Date 12 Months Ended	
	12/31/2004	12/31/2003	12/31/2004	12/31/2003
<b>Revenues</b>	<b>\$ 4,808,411</b>	<b>\$ 5,805,612</b>	<b>\$ 16,447,406</b>	<b>\$ 17,717,701</b>
<b>Distributor Costs</b>				
Distributor bonus & commissions	3,542,730	4,710,006	9,805,381	11,476,536
Distributor benefits	766,643	606,180	3,006,506	2,412,293
<b>Total</b>	<b>4,309,373</b>	<b>5,316,186</b>	<b>12,811,887</b>	<b>13,888,829</b>
<b>Gross Profit</b>	<b>499,038</b>	<b>489,426</b>	<b>3,635,519</b>	<b>3,828,872</b>
<b>Operating Expenses</b>	<b>855,347</b>	<b>683,422</b>	<b>2,938,509</b>	<b>2,084,976</b>
<b>Operating (Loss) Income</b>	<b>(356,309)</b>	<b>(193,996)</b>	<b>697,010</b>	<b>1,743,896</b>
<b>Other Income (Expense)</b>				
Interest & dividend Income (net)	21,140	47,125	47,565	97,007
Realized & unrealized gains on investments (net)	178,325	440,423	244,652	1,095,653
Interest expense	(1,008)	(3,193)	(17,529)	(17,101)
Other	55,584	51,238	(76,869)	(23,468)
<b>Income Before Provision for Income Tax</b>	<b>(102,268)</b>	<b>341,597</b>	<b>894,829</b>	<b>2,895,987</b>
Benefit (Provision) for income taxes	99,167	(122,955)	(331,191)	(973,452)
<b>Net (Loss) Income</b>	<b>\$ (3,101)</b>	<b>\$ 218,642</b>	<b>\$ 563,638</b>	<b>\$ 1,922,535</b>
<b>Shares Outstanding</b>	<b>2,036,747</b>	<b>2,036,747</b>	<b>2,036,747</b>	<b>2,036,747</b>
<b>Operating (Loss) Income per Share</b>	<b>\$ (0.17)</b>	<b>\$ (0.10)</b>	<b>\$ 0.34</b>	<b>\$ 0.86</b>
<b>Net Income per Share</b>	<b>\$ (0.00)</b>	<b>\$ 0.11</b>	<b>\$ 0.28</b>	<b>\$ 0.94</b>

**Consolidated Selected Balance Sheet Items**

Assets	As of	
	12/31/2004	12/31/2003
<b>Current Assets</b>		
Cash	\$ 354,640	\$ 252,486
Receivables	2,538,925	5,265,467
Investments	4,861,673	4,212,802
Other	273,542	267,298
<b>Total Current Assets</b>	<b>8,028,780</b>	<b>9,998,053</b>
<b>Other Non Current Assets</b>	<b>490,563</b>	<b>333,745</b>
<b>Total Assets</b>	<b>\$ 8,519,343</b>	<b>\$ 10,331,798</b>
<b>Liabilities &amp; Stockholders' Equity</b>		
<b>Total Current Liabilities</b>	<b>\$ 5,938,469</b>	<b>\$ 8,070,152</b>
<b>Total Liabilities</b>	<b>5,938,469</b>	<b>8,070,152</b>
<b>Stockholders' Equity</b>	<b>2,580,874</b>	<b>2,261,646</b>
<b>Liabilities &amp; Stockholders' Equity</b>	<b>\$ 8,519,343</b>	<b>\$ 10,331,798</b>