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**FOR IMMEDIATE RELEASE**

**THE MARKETING ALLIANCE ANNOUNCES FISCAL YEAR 2006  
FIRST QUARTER FINANCIAL RESULTS**

**Highlights for the three-month period ended June 30, 2005**

- Company changes fiscal year end to March 31<sup>st</sup>
- Net income increases 233% to \$222,000, or \$0.11 per share
- Balance sheet remains solid with \$2.8 million of working capital and no long-term debt.

**Pittsburgh, PA – August 15, 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 its fiscal 2006 first quarter financial results for the three months ended June 30, 2005.

As previously announced, TMA’s Board of Directors approved a change in the Company’s fiscal year to the twelve months ending March 31<sup>st</sup> from a calendar year ending on December 31<sup>st</sup>. The Company decided to make this change to better align its fiscal year with the business cycle of its customers. The next quarterly period the Company will report will be its fiscal 2006 second quarter ending September 30, 2005.

Timothy M. Klusas, TMA’s President, stated, “My goal since being appointed in March was to design and implement the strategies necessary to establish TMA as a premier life insurance products marketing organization. TMA has made numerous strides to address potential areas of growth, and continues to build a foundation for the future of the Company.”

Revenues for the three-month period ended June 30, 2005 decreased to \$3.9 million from \$4.1 million in the same period last year, partially due to a slowdown in economic conditions of certain member agencies. Operating revenue, or gross profit, for the three-month period ended June 30, 2005 was \$1.07 million, compared to \$1.14 million reported in the same period last year. This is due primarily to lower revenues and increased bonuses earned by TMA distributors.

Operating expenses for the three-month period ended June 30, 2005 rose 7% to \$720,000 from the same period last year. As stated in past announcements, operating expenses have begun to return to more normalized levels following certain transitional costs related to the opening of the Omaha Business Center in May 2004; start-up costs of the Company’s annuity products subsidiary, TMA Marketing, Inc; and certain one-time severance packages paid to former employees. As a result, operating expenses decreased 29%

sequentially from the first quarter. Despite these increased year-over-year costs, TMA reported operating income of \$350,000 in the three-month period ended June 30, 2005, as compared to operating income of \$469,000 in the comparable prior year period.

The Company reported net income of \$222,000, or \$0.11 per share, in the three month period ended June 30, 2005, versus net income of \$67,000, or \$0.03 per share, for the same period last year. The primary reasons for this increase were realized and unrealized gains on investments of \$50,000 in the three-month period ended June 30, 2005. In April 2005, the Company reassessed its investment strategy, which previously consisted of a portfolio largely containing equity investments in regional banks. TMA is now beginning to benefit from a shift of a large majority of its investment portfolio to third-party financial managers, with a focus on steady, long-term growth consistent with TMA's working capital needs.

TMA's balance sheet at June 30, 2005 reflected working capital of \$2.8 million and no long-term debt.

Mr. Klusas concluded, "We continue to work towards our goal of providing our members with the means to compete, which include leveraging pooled production, centralized processing, shared services and outsourcing. We are optimistic that we will continue to attract new agencies to our network as well as help our existing agencies grow with our core carriers."

#### **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. Investor information can be accessed through the shareholder section of TMA's website 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**

	<b>Quarter Ended</b>	
	<b>6/30/2005</b>	<b>6/30/2004</b>
<b>Revenues</b>	<b><u>\$ 3,909,625</u></b>	<b><u>\$ 4,053,530</u></b>
<b>Distributor Related Expenses</b>		
Distributor bonus & commissions paid	2,180,641	2,130,742
Distributor benefits & processing	<u>659,087</u>	<u>779,361</u>
<b>Total</b>	<b><u>2,839,728</u></b>	<b><u>2,910,103</u></b>
<b>Net Operating Revenue</b>	<b>1,069,897</b>	<b>1,143,427</b>
<b>Operating Expenses</b>	<u>719,603</u>	<u>674,793</u>
<b>Operating Income</b>	<b>350,294</b>	<b>468,634</b>
<b>Other Income (Expense)</b>		
Interest & dividend Income (net)	11,309	11,452
Realized & unrealized gains [losses] on investments (net)	49,501	(266,700)
Interest expense	(2,703)	(6,463)
Other	<u>(16,376)</u>	<u>(49,247)</u>
<b>Income Before Provision for Income Tax</b>	<b>392,025</b>	<b>157,676</b>
Provision for income taxes	<u>(170,000)</u>	<u>(91,000)</u>
<b>Net Income</b>	<b><u>\$ 222,025</u></b>	<b><u>\$ 66,676</u></b>
<b>Shares Outstanding</b>	<b>2,036,747</b>	<b>2,036,747</b>
<b>Operating Income per Share</b>	<b>\$ 0.17</b>	<b>\$ 0.23</b>
<b>Net Income per Share</b>	<b>\$ 0.11</b>	<b>\$ 0.03</b>

**Consolidated Selected Balance Sheet Items**

	<b>As of</b>	
<b>Assets</b>	<b>6/30/2005</b>	<b>3/31/2005</b>
<b>Current Assets</b>		
Cash	\$ 113,461	\$ 451,228
Receivables	4,765,430	4,776,861
Investments	2,398,933	1,929,600
Other	297,507	287,826
<b>Total Current Assets</b>	<b><u>7,575,331</u></b>	<b><u>7,445,515</u></b>
<b>Other Non Current Assets</b>	<u>422,733</u>	<u>460,754</u>
<b>Total Assets</b>	<b><u>\$ 7,998,064</u></b>	<b><u>\$ 7,906,269</u></b>
<b>Liabilities &amp; Stockholders' Equity</b>		
<b>Total Current Liabilities</b>	<u>\$ 4,811,247</u>	<u>\$ 4,941,478</u>
<b>Total Liabilities</b>	<b>4,811,247</b>	<b>4,941,478</b>
<b>Stockholders' Equity</b>	<u>3,186,817</u>	<u>2,964,791</u>
<b>Liabilities &amp; Stockholders' Equity</b>	<b><u>\$ 7,998,064</u></b>	<b><u>\$ 7,906,269</u></b>