



CONTACT:

The Marketing Alliance, Inc.
Timothy M. Klusas, President
(314) 275-8713

tklusas@themarketingalliance.com
www.themarketingalliance.com

-OR-

INVESTOR RELATIONS:

The Equity Group Inc.
Adam Prior
(212) 836-9606

aprior@equityny.com
Ethan Guttenplan
(212) 836-9605
eguttenplan@equityny.com

FOR IMMEDIATE RELEASE

**THE MARKETING ALLIANCE ANNOUNCES FISCAL 2008
FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS**

FY 2008 HIGHLIGHTS

- Q4 FY 2008 revenue up 34% to \$4.3 million
- Q4 FY 2008 operating income rose 23% to \$1.2 million
- FY 2008 full year revenue increased 11% to \$16.6 million
- FY 2008 full year operating income rose 53% to \$2.1 million
- Company announces addition of Prudential Financial and Transamerica to its carrier network subsequent to the end of the reporting period

St. Louis, MO, August 18, 2008 – 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 its fiscal fourth quarter and year ended March 31, 2008.

Timothy M. Klusas, TMA’s President, stated, “We are very pleased with our operating results for the fourth quarter and fiscal year ended March 31, 2008. We posted double-digit percentage increases in revenue and operating income for the fiscal 2008 fourth quarter and year. Fiscal 2008 also marked the third consecutive year of operating margin improvement, reflecting further realization of the benefits of a streamlined infrastructure. We believe that our expanding carrier network and balance sheet at March 31, 2008, have put us in position to have the opportunity to capitalize on future growth initiatives.”

Mr. Klusas continued, “With regards to our annuity business (TMAM), our wide range of annuity products, service options, and overall flexibility seem to appeal to agencies looking to expand their annuity business without incurring significant start-up costs or capital expenditures. Our new platform, launched in March 2007, continues to engage agencies as it encourages them to increase focus on developing their annuity businesses. During the past fiscal year, we continued to work with existing carriers to further grow the business and enhance these supplier relationships. We are now very excited to announce the additions of Prudential Financial and Transamerica, both of which were added to our network subsequent to the close of our reporting period. We look forward to working with these carriers to fully integrate them into our network, which we have found can take up to 24 months. We remain encouraged by the recent growth in our life and annuity businesses, and will continue to strive to nurture new revenue streams that also create value for our customers.”

Mr. Klusas concluded, "Our investment portfolio has grown substantially over the years, and our gains in past years and periods have roughly offset our current losses. While these recent losses impact our earnings, so far they have not meaningfully impacted our ability to execute our strategic initiatives. We continue to monitor our investment holdings and are adjusting for the changing economic environment in an attempt to reduce the volatility of our returns. Despite this effect on our earnings, we feel fortunate to have a strong balance sheet in this economy and operating environment."

FISCAL 2008 FOURTH QUARTER REVIEW

Total revenues for the three-month period ended March 31, 2008 increased 34% to \$4.3 million from \$3.2 million for the three-month period ended March 31, 2007. The increase in revenues was due to favorable timing as well as increased revenues from new additions to the Company's carrier network in the last three years.

Distributor bonus and commissions increased to \$1.6 million from \$690,000 in the same period last year, due primarily to increases in revenue and customers thriving in new incentive programs.

Benefits and processing expenses declined to \$702,000, or 16.4% of revenues, from \$746,000, or 23.3% of revenues, in the fourth quarter of fiscal 2007, due to TMA's continued focus on centralization and economies of scale.

Net operating revenue (gross profit) grew 14% to \$2.0 million from \$1.8 million in the comparable fiscal 2007 period.

Operating expenses as a percentage of revenues declined to 19.7% from 25.7% in the prior year's fourth quarter, as higher revenues and lower processing costs offset the rise in bonuses and commissions.

Operating income rose 23% to \$1.2 million, or 27.1% of revenues, from operating income of \$941,000, or 29.4% of revenues for the prior fourth quarter.

Realized and unrealized loss on investments of \$602,000 compared to a realized and unrealized loss of \$35,000 for the fourth quarter of fiscal 2007. The wider loss in the current year period was attributable to current market conditions.

Net income for the fiscal 2008 fourth quarter was \$342,000, or \$0.18 per share, based on 1.95 million shares outstanding, as compared to net income of \$637,000, or \$0.32 per share, based on 2.0 million shares outstanding, for the fiscal 2007 fourth quarter. The decrease in shares outstanding is due to the Company's execution of its share repurchase program.

FISCAL 2008 ANNUAL REVIEW

As a result of the factors listed above, total revenues for fiscal 2008 increased 10% to \$16.6 million versus \$15.0 million in fiscal 2007. Distributor and bonus commissions rose to \$9.3 million from \$8.0 million. Benefits and processing expenses declined to \$2.5 million, or 15.2% of revenues, from \$2.8 million, or 18.8% of revenues last year. Fiscal 2008 net operating revenue (gross profit) increased to \$4.8 million, or 28.7% of revenues, from \$4.2 million, or 28.2% of revenue. Fiscal 2008 operating income increased 53% to \$2.1 million, or 12.4% of revenues, from \$1.3 million, or 9.0% of revenues, in fiscal 2007. TMA reported fiscal 2008 net income of \$522,000, or \$0.27 per share, as compared to net income of \$888,000, or \$0.44 per share, in fiscal 2007.

SELECTED OTHER FINANCIAL INFORMATION

TMA's balance sheet at March 31, 2008 reflected cash of \$1.7 million, working capital of \$3.8 million and no long-term debt. Shareholders' equity at March 31, 2008 totaled \$4.1 million.

On January 31, 2008, TMA paid a \$0.21 per share cash dividend for shareholders of record on December 1, 2007. This is the latest dividend payment to shareholders and an increase of 24% over last year's cash dividend of \$0.17 per share.

ABOUT THE MARKETING ALLIANCE, INC.

Headquartered in St. Louis, MO, TMA is one of 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 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.

TMA stock is quoted in the "pink sheets" (www.pinksheets.com) under the symbol "MAAL".

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.

###

CONSOLIDATED STATEMENT OF OPERATIONS

| | Quarter Ended | | Year to Date | |
|--|-----------------------|--------------------------|--------------------------|--------------------------|
| | 3 Months Ended | | 12 Months Ended | |
| | 3/31/2008 | 3/31/2007 | 3/31/2008 | 3/31/2007 |
| Revenues | <u>\$ 4,278,750</u> | <u>\$ 3,199,947</u> | <u>\$ 16,592,849</u> | <u>\$ 15,002,688</u> |
| Distributor Related Expenses | | | | |
| Distributor bonus & commissions paid | 1,573,497 | 690,194 | 9,306,398 | 7,963,988 |
| Distributor benefits & processing | 702,144 | 746,456 | 2,523,122 | 2,814,959 |
| Total | <u>2,275,641</u> | <u>1,436,650</u> | <u>11,829,520</u> | <u>10,778,947</u> |
| Net Operating Revenue | 2,003,109 | 1,763,297 | 4,763,329 | 4,223,741 |
| Operating Expenses | <u>842,528</u> | <u>822,384</u> | <u>2,699,519</u> | <u>2,875,577</u> |
| Operating Income | 1,160,581 | 940,913 | 2,063,810 | 1,348,164 |
| Other Income (Expense) | | | | |
| Interest & dividend income [net] | 31,341 | 25,595 | 103,800 | 55,733 |
| Realized & unrealized gains [losses] on investments (net) | (601,815) | (35,150) | (1,295,397) | (40,679) |
| Interest expense | <u>(5,466)</u> | <u>(1,354)</u> | <u>(7,529)</u> | <u>(15,762)</u> |
| Income (Loss) Before Provision for Income Tax | 584,641 | 930,004 | 864,684 | 1,347,456 |
| Benefit (Provision) for income taxes | <u>(242,844)</u> | <u>(293,424)</u> | <u>(342,244)</u> | <u>(459,424)</u> |
| Net Income (Loss) | <u>341,797</u> | <u>\$ 636,580</u> | <u>\$ 522,440</u> | <u>\$ 888,032</u> |
| Average Shares Outstanding | 1,945,702 | 2,001,360 | 1,945,702 | 2,001,360 |
| Operating Income per Share | \$ 0.60 | \$ 0.47 | \$ 1.06 | \$ 0.67 |
| Net Income (Loss) per Share | \$ 0.18 | \$ 0.32 | \$ 0.27 | \$ 0.44 |

CONSOLIDATED SELECTED BALANCE SHEET ITEMS

| | Assets | As of | |
|---|---|----------------------------|----------------------------|
| | | 3/31/2008 | 3/31/2007 |
| Current Assets | | | |
| Cash | | \$ 1,709,172 | \$ 1,283,240 |
| Receivables | | 4,529,119 | 4,389,604 |
| Investments | | 2,256,120 | 2,715,997 |
| Other | | 421,698 | 140,488 |
| Total Current Assets | | <u>8,916,109</u> | <u>8,529,329</u> |
| Other Non Current Assets | | <u>289,792</u> | <u>367,570</u> |
| Total Assets | | <u><u>\$ 9,205,901</u></u> | <u><u>\$ 8,896,899</u></u> |
| | Liabilities & Stockholders' Equity | | |
| Total Current Liabilities | | <u>\$ 5,084,543</u> | <u>\$ 4,707,408</u> |
| Total Liabilities | | <u>5,084,543</u> | <u>4,707,408</u> |
| Stockholders' Equity | | <u>4,121,358</u> | <u>4,189,491</u> |
| Liabilities & Stockholders' Equity | | <u><u>\$ 9,205,901</u></u> | <u><u>\$ 8,896,899</u></u> |