
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 04/21/2008

INFORMATION ANALYSIS INC

(Exact name of registrant as specified in its charter)

Commission File Number: 0-22405

VA
(State or other jurisdiction of
incorporation)

54-1167364
(IRS Employer
Identification No.)

11240 Waples Mill Rd, Ste 201, Fairfax, VA 22030
(Address of principal executive offices, including zip code)

703-383-3000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On April 21, 2008, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its fourth quarter and year end. A copy of this press release, captioned "Information Analysis Inc. Announces Fourth Quarter Results", is attached as Exhibit 99.1 to this Current Report on Form 8-K. The information in this Current Report on Form 8-K, including the exhibit, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated April 21, 2008, captioned:
"Information Analysis Inc. Announces Fourth Quarter Results"

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INFORMATION ANALYSIS INCORPORATED

Date: April 25, 2008

By: /s/ Matthew T. Sands

Matthew T. Sands
Controller

Exhibit Index

Exhibit No.	Description
EX-99.1	IAI Press Release dated April 21, 2008, captioned: Information Analysis Inc. Announces Fourth Quarter Results

Exhibit 99.1 For additional information contact:

Richard S. DeRose (703) 293-7901

For release:

April 21, 2008 at 12:00 p.m.

Information Analysis Inc. Announces Fourth Quarter Results

FAIRFAX, VIRGINIA - Information Analysis Inc. (IAIC:OTCBB) today reported results for the fourth quarter and full year ended December 31, 2007. Revenues were \$2,156,000, compared to \$2,002,000 reported in the fourth quarter 2006. The Information Technology services company reported a net loss of \$23,000 or \$0.00 per share basic and diluted, compared to net income of \$106,000 or \$0.01 per share basic and diluted in the comparable period in 2006.

For the year ended December 31, 2007, IAI posted revenue of \$9,953,000 and net income of \$184,000, or \$0.02 per share basic and diluted. The Company reported revenue of \$9,459,000 and net income of \$502,000 or \$0.05 per share basic and \$0.04 diluted for the year ended December 31, 2006.

"Although we experienced an increase of revenues in 2007 and continued our trend of profitable operations," said Sandor Rosenberg, Chairman and Chief Executive Officer of IAI, "we are not satisfied with our rate of growth, or profitability. Therefore, we are investing more aggressively than normal in the sales and marketing areas to build a larger pipeline of business. This has required us to add more resources to our business development and support staff, which will result in lower profitability in the first half of 2008, but should allow us to realize an increase in business during the latter part of 2008 and beyond.

"We are continuing to pursue merger/acquisition opportunities with other organizations."

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 Incorporated

Condensed Statements of Operations

Three months ended December 31,

(in thousands, except per share data)

2007

2006

Sales:

Professional fees	\$	1,677	\$	1,809
Software sales		<u>479</u>		<u>193</u>
Total sales		<u>2,156</u>		<u>2,002</u>

Cost of goods sold and services provided:

Cost of professional fees		1,268		1,322
Cost of software sales		<u>369</u>		<u>143</u>
Total cost of sales		<u>1,637</u>		<u>1,465</u>

Gross profit		519		537
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Operating expenses:

Selling general & administrative expense		<u>514</u>		<u>421</u>
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Income from operations		5		116
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Other expenses, net	<u>24</u>	<u>9</u>
(Loss) income before provision for income taxes	(19)	107
Provision for income taxes	<u>4</u>	<u>1</u>
Net (loss) income	\$ <u>(23)</u>	\$ <u>106</u>

Earnings per Common Share: Basic and Diluted

Basic net income	\$ <u>0.00</u>	\$ <u>0.01</u>
Diluted net income	\$ <u>0.00</u>	\$ <u>0.01</u>

Shares used in calculating earnings per share:

Basic	11,196,760	11,151,394
Diluted	11,383,584	11,366,653

Twelve months ended December 31,

(in thousands, except per share data)

2007

2006

Sales:

Professional fees	\$ 7,042	\$ 8,484
Software sales	<u>2,911</u>	<u>975</u>
Total revenue	<u>9,953</u>	<u>9,459</u>

Cost of goods sold and services provided:

Cost of professional fees	5,361	6,402
Cost of software sales	<u>2,300</u>	<u>621</u>
Total cost of sales	<u>7,661</u>	<u>7,023</u>

Gross profit	2,292	2,436
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Operating expenses:

Selling general & administrative expense	<u>2,100</u>	<u>1,929</u>
Income from operations	192	507
Other expenses, net	<u>4</u>	<u>4</u>
Income before provision for income taxes	188	503
Provision for income taxes	<u>4</u>	<u>1</u>
Net income	\$ <u>184</u>	\$ <u>502</u>

Earnings per Common Share:

Basic net income	\$ <u>0.02</u>	\$ <u>0.05</u>
Diluted net income	\$ <u>0.02</u>	\$ <u>0.04</u>

Shares used in calculating earnings per share:

Basic	11,196,760	11,018,317
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Diluted	11,398,180	11,342,072
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Information Analysis Incorporated

Balance Sheets

	As of	As of
<i>(in thousands)</i>	<u>December 31, 2007</u>	<u>December 31, 2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,223	\$ 808
Accounts receivable, net	1,560	1,758
Prepaid expenses	4	382
Other assets	4	4
Other receivables	2	6
Note receivable	=	<u>116</u>
Total current assets	3,252	3,074
Fixed assets, net		
	79	67
Other assets		
	<u>2</u>	<u>2</u>
Total assets	\$ <u>3,340</u>	\$ <u>3,150</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 721	\$ 644
Deferred revenue	394	513
Accrued payroll and related liabilities	258	265
Other accrued liabilities	45	53
Income taxes payable	3	--
Revolving line of credit	=	=
Total current liabilities	1,421	1,475
Total liabilities		
	1,421	1,475
Common stock, par value \$0.01, 30,000,000 shares authorized;		
12,839,376 shares issued, 11,196,760 outstanding at		
December 31, 2007, and 2006	128	128
Additional paid in capital	14,546	14,486
Accumulated deficit	(11,825)	(12,009)

Less treasury stock; 1,642,616 shares at			
cost at December 31, 2007 and 2006		<u>(930)</u>	<u>(930)</u>
Total stockholders' equity		<u>1,919</u>	<u>1,675</u>
Total liabilities and stockholders' equity	\$	<u>3,340</u>	\$ <u>3,150</u>