
**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): 03/29/2007

INFORMATION ANALYSIS INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

VA
(State or Other Jurisdiction Of
Incorporation or Organization)

0-22405
(Commission File Number)

54-1167364
(I.R.S. 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)

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 (see General Instruction A.2. below):

- 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(17CFR240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act(17CFR240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act(17CFR240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On March 29, 2007, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its fourth quarter. 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 March 29, 2007, 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 2, 2007.

By: /s/ Matthew T. Sands
Matthew T. Sands
Controller

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	IAI Press Release dated March 29, 2007, captioned: "Information Analysis Inc. Announces Fourth Quarter Results"

For additional information contact:
Richard S. DeRose (703) 293-7901
For release:
March 29, 2007 at 9:00 a.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, 2006. Revenues were \$2,002,000, compared to \$2,950,000 reported in the fourth quarter 2005. The Information Technology services company reported net income of \$106,000 or \$0.01 per share basic and diluted, compared to net income of \$261,000 or \$0.02 per share basic and diluted in the comparable period in 2005.

For the year ended December 31, 2006, IAI posted revenue of \$9,459,000 and net income of \$502,000, or \$0.05 per share basic and \$0.04 diluted. The Company reported revenue of \$10,772,000 and net income of \$732,000 or \$0.07 per share basic and diluted for the year ended December 31, 2005.

“We experienced a downturn of revenues in 2006 as a result of delays in the government ordering process,” said Sandor Rosenberg, Chairman and Chief Executive Officer of IAI. “During the past few years we were able to reach financial stability, which has allowed us to plan for future growth. We have been working diligently on building a larger pipeline. This is expected to add additional revenue during 2007 and future years. We continue to see more opportunities through our Adobe relationship that should enhance our future business.

“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, 2006, and in other filings with the Securities and Exchange Commission.

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**Information Analysis Incorporated
Condensed Statements of Operations**

<i>(in thousands, except per share data)</i>	Three months ended December 31,	
	2006	2005
Sales:		
Professional fees	\$ 1,809	\$ 2,187
Software sales	193	763
Total sales	2,002	2,950
Cost of goods sold and services provided:		
Cost of professional fees	1,322	1,689
Cost of software sales	143	534
Total cost of sales	1,465	2,223
Gross profit	537	727
Operating expenses:		
Selling, general and administrative	(421)	(462)
Income from operations	116	265
Other expenses, net	(9)	1
Income before provision for income taxes	107	266
Provision for income taxes	1	5
Net income	\$ 106	\$ 261
Earnings per Common Share: Basic and Diluted		
Basic net income	\$ 0.01	\$ 0.02
Diluted net income	\$ 0.01	\$ 0.02
Shares used in calculating earnings per share:		
Basic	11,151,394	10,620,570
Diluted	11,366,653	11,388,849
<i>(in thousands, except per share data)</i>		
	Twelve months ended December 31,	
	2006	2005
Sales:		
Professional fees	\$ 8,484	\$ 9,045
Software sales	975	1,727
Total revenue	9,459	10,772
Cost of goods sold and services provided:		
Cost of professional fees	6,402	6,960
Cost of software sales	621	1,348
Total cost of sales	7,023	8,308
Gross profit	2,436	2,464
Operating expenses:		
Selling, general and administrative	(1,929)	(1,715)
Income from operations	507	749
Other expenses, net	(4)	(12)
Income before provision for income taxes	503	737
Provision for income taxes	1	5
Net income	\$ 502	\$ 732
Earnings per Common Share: Basic and Diluted		
Basic net income	\$ 0.05	\$ 0.07
Diluted net income	\$ 0.04	\$ 0.07
Shares used in calculating earnings per share:		
Basic	11,018,317	10,376,247
Diluted	11,342,072	10,968,026

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Information Analysis Incorporated
Balance Sheets

<i>(in thousands)</i>	As of December 31, 2006	As of December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 808	\$ 452
Accounts receivable, net	1,758	1,994
Prepaid expenses	382	183
Note receivable	116	85
Other receivables	6	15
Other assets	4	—
Total current assets	<u>3,074</u>	<u>2,729</u>
Fixed assets, net	67	57
Other assets	9	9
Total assets	<u>\$ 3,150</u>	<u>\$ 2,795</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 644	\$ 1,175
Deferred revenue	513	214
Accrued payroll and related liabilities	265	321
Other accrued liabilities	53	125
Income taxes payable	—	4
Revolving line of credit	—	—
Total current liabilities	<u>1,475</u>	<u>1,839</u>
Total liabilities	<u>1,475</u>	<u>1,839</u>
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,839,376 shares issued, 11,196,760 outstanding at December 31, 2006, and 12,127,626 shares issued, 10,623,015 outstanding at December 31, 2005,	128	121
Additional paid in capital	14,486	14,212
Accumulated deficit	(12,009)	(12,511)
Other comprehensive income	—	(12)
Less treasury stock; 1,642,616 and 1,504,611 shares at cost at December 31, 2006 and 2005, respectively	(930)	(854)
Total stockholders' equity	<u>1,675</u>	<u>956</u>
Total liabilities and stockholders' equity	<u>\$ 3,150</u>	<u>\$ 2,795</u>

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