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Armada Posts Record Profit in Q2

Operating Income up 14% - Net profit up 146%

Mississauga, Ontario, January 28, 2011, - Armada Data Corporation (TSX.V: ARD) is pleased to report that its interim financial results for the quarter ended November 30, 2010 have now been filed on Sedar and are available to view on the Company's website www.ArmadaData.com as well as on Sedar at www.Sedar.com.

Highlights for the Quarter compared to the same quarter last year

- The Company moved to new offices allowing all divisions to be in a more efficient location
- Operating income (before amortization and stock-based compensation) increased from \$66,660 to \$76,140 or an increase of 14%.
- Operating margin (operating income as a percentage of revenue) increased from 8.9% to 10.7% or an increase of 20%.
- Net income, before taxes (after amortization and stock-based compensation) increased from \$19,140 to \$67,196 or an increase of 251%.
- Net income (after amortization, stock-based compensation and a provision for \$20,200 in taxes) increased from \$19,140 to \$46,996 or an increase of 146%.
- Retained earnings increased from (\$22,271) to \$174,927.
- The total assets of the Company grew from \$1,266,564 to \$1,823,140 or an increase of 44%.
- The Company's cash position increased from \$622,639 to \$964,394 or an increase of 55%.
- The Company distributed its second annual dividend which increased from \$67,994 to \$70,679 or an increase of 4%.

Management is pleased to announce the Company reported the highest operating income, up 14%, and the highest net revenue, up 146%, in any second quarter in the Company's history.

"The Company's focus on improving its profitability and strengthening its balance is really paid off," said Paul Timoteo, President & CFO at Armada.

Overall Company Results:

Revenue decreased during the quarter to \$711,520 from \$750,628 last year, a decrease of 5%.

Despite adding a number of new employees due to the recent IT acquisition, total operational expenses decreased to \$635,380 from \$683,968 last year, a decrease of 7%.

The majority of the decrease can be attributed to improved efficiencies and lower marketing costs, as well as lower commissions and investor relations expenses.

Operationally the company recorded a profit, before amortization and stock-based compensation, of \$76,140 compared to a profit, before amortization and stock-based compensation, of \$66,660 last year, an increase of 14%.

Non-cash items included amortization expenses, which decreased to \$7,223 from \$10,302 last year, a decrease of 30% and stock-based compensation expenses which decreased to \$1,721 from \$37,218 last year, a decrease of 95%.

The company recorded a profit, before taxes, after amortization and stock-based compensation, of \$67,196 compared to a profit, before taxes, after amortization and stock-based compensation of \$19,140 last year, an increase of 251%.

The company recorded a net profit after a provision for taxes of \$20,200, amortization and stock-based compensation, of \$46,996 compared to \$19,140 last year, an increase of 146%.

Based on a quarter-end cash position of \$964,394, receivables of \$555,694, total liabilities of \$289,518 and positive cash flow going forward, management feels that the Company is in a good position to meet all current and foreseeable financial obligations.

Results by division:

Insurance Services

Revenue from Armada Insurance Services, decreased to \$271,205 from \$299,895 last year, a decrease of 10%. For the quarter Insurance Services generated 38% of the company's revenue versus 40% last year.

The decreased revenues were primarily the result of unusually mild weather in most of Canada during the quarter, which caused total claims to be lower than normal.

The Company currently works with 26 Insurance Companies in Canada, including eight of the top ten.

The Company continues to test a newer, more automated version of the ACV service which is expected to increase the productivity and profitability of the service. The total market for the ACV service is over ten times greater than the 43r service and the Company expects to continue to increase its market share moving forward.

Retail Services

Overall revenue from Retail Services decreased to \$168,387 from \$212,316 last year, a decrease of 21%. For the quarter Retail Services generated 24% of the company's revenue versus 28% last year.

The majority of the decrease in revenue can be attributed to a reduction in marketing expenses to \$109,850 from \$158,814 last year or a decrease of 31%. Retail services gross profit increased to \$58,537 from \$53,502 last year, or an increase of 9%. Continuous refinement of the marketing plan has allowed for a very high return on investment which the Company anticipates will continue moving forward.

Dealer Services

Overall revenue from Dealer Services increased to \$223,211 from \$197,887 last year, an increase of 13%. For the quarter Dealer Services generated 32% of the company's revenue versus 26% last year.

Dealer Services generates revenue through the sale of new vehicle leads derived from members of Car Cost Canada. Additional coverage in previously underserved areas drove revenue increases despite a decrease in Retail Services.

Advertising/Marketing Services

Third party advertising revenue on CarCostCanada.com and TheCarMagazine.com decreased to \$15,993 from \$39,334 last year, a decrease of 59%. The bulk of the decrease can be attributed to the transition from the company's previous advertising agency to a new one. Although revenues generated by the new agency have been disappointing to date, the company anticipates increased revenues moving forward.

Internet Technology Services

Armada's recent acquisition established the Company's new Information Technology division. It derives its revenue from web site hosting, web site development, email services, online marketing, search engine optimization, technical support and network support services. Additional benefits include the cost-saving advantage of bringing the Company's IT expenditures in-house. During the quarter IT Services generated net revenue of \$31,827, after direct cost of sales and before salaries and other related expenses. One of the IT Services' core goals will be to use advanced technology solutions to streamline many of the Company's current processes, which will increase efficiencies to generate higher operating margins in all divisions moving forward.

Auto Marketing Group Services (AMGS)

AMGS is derives its revenue from the administration of the www.CaaCarBuyer.ca website and the building and maintenance of the National Dealer Network of 'CAA Authorized New Car Sales Centres' for the CAA (Canadian Automobile Association). Revenues in Q2 were down to \$897 from \$1,196 last year. However, the real value in this relationship is with the credibility that the CAA brings to visitors to CarCostCanada.com. CAA members join CarCostCanada at rates almost three times greater than average visitors to the website.

Management believes that Armada Data Corporation, with its financial resources, is poised for significant growth as it grows its niche markets in all aspects of its Internet and traditionally based businesses.

It is expected that Management can meet these objectives regardless of economic conditions. Although a robust economy can lead to a greater number of cars sold and thus a potentially larger market opportunity for all of Armada's divisions, a down economy has proven to have an equally positive impact as both individuals and insurance companies become more cost conscious.

About Armada Data Corp.

Armada Data Corporation ("Armada" or "the Company") is a profitable Information Services Company providing accurate and real-time data, to institutional and retail customers, through developing, owning and operating automotive pricing related web sites and providing information technology services to its clients.

Armada Data Corp shares are listed on the TSX Venture exchange under the trading Symbol ARD. Armada has 14,135,820 shares outstanding.

Additional information relating to Armada Data Corporation is filed on SEDAR, and can be viewed at www.sedar.com.



5710 Timberlea Blvd
Suite-201
Mississauga, Ontario
L4W 4W1, CANADA
Tel: 866-453-6995
Fax: 905-624-3259

For further information, please contact:

Armada Data Corporation
Mr. Paul Timoteo, President & CFO
Tel 1-866-453-6995 ext 224
Email: PT@ArmadaData.com

Or

Investor Relations; please contact Mr. Richard Buzbuzian at Integrated Investor Relations Inc. Tel 647-501-3290 or email: rbuzbuzian@integratedir.com

Public Relations; please contact Mr. Nelson Hudes at Hudes Communications International Tel 905-660-9155 or email: Nelson@HudesCommunications.com

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