

ITEX Announces Results for Second Quarter of Fiscal 2011

Bellevue, WA – March 10, 2011 – ITEX Corporation (OTCBB: ITEX), The Membership Trading CommunitySM, a leading marketplace for cashless business transactions in North America, today filed its Form 10-Q with the Securities and Exchange Commission and announced results for its fiscal 2011 second quarter ended January 31, 2011.

Second Quarter 2011 Highlights

- Revenue of \$4.417 million compared to \$4.537 million in the same period last year;
 - Income from operations of \$235,000 compared to \$526,000 in the same period last year;
 - Net income of \$151,000 compared to \$172,000 in the same period last year;
 - Cash at end of period increased to \$5.612 million from \$5.169 million on July 31, 2010;
 - Stockholder equity increased to \$15.012 million from \$14.869 million on July 31, 2010;
- Paid a \$0.04 per share quarterly cash dividend.

About ITEX

ITEX, The Membership Trading CommunitySM, is a leading marketplace for cashless business transactions. Members increase sales through an exclusive distribution channel managed by our broker and franchise network, by utilizing ITEX dollars to exchange goods and services. We generate revenue by charging members percentage-based transaction fees and association fees. ITEX is headquartered in Bellevue, WA. We routinely post important information on the investor relations portion of our website. For more information, please visit www.itex.com.

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ITEX CORPORATION CONSOLIDATED BALANCE SHEETS (In thousands, except per share amounts)

	January 31, 2011	July 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,612	\$ 5,169
Accounts receivable, net of allowance of \$427 and \$349	1,005	859
Prepaid expenses	143	118
Loans and advances	35	55
Prepaid advertising credits	157	157
Deferred tax asset	1,018	1,018
Notes receivable - corporate office sales	129	125
Other current assets	21	24
Total current assets	8,120	7,525
Property and equipment, net of accumulated depreciation of \$430 and \$380	127	169
Intangible assets, net of accumulated amortization of \$2,456 and \$2,205	814	994
Deferred tax asset, net of current portion	4,795	5,000
Notes receivable - corporate office sales, net of current portion	589	480
Other long-term assets	56	188
Goodwill	3,282	3,282
Total assets	\$ 17,783	\$ 17,638
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 68	\$ 124
Commissions payable to brokers	384	661
Accrued commissions to brokers	1,167	789
Accrued expenses	753	705
Deferred revenue	114	133
Advance payments	128	167
Total current liabilities	2,614	2,579
Long-term liabilities:		
Other long-term liabilities	157	190
Total Liabilities	2,771	2,769
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value; 9,000 shares authorized; 3,583 and 3,576 shares issued and outstanding, respectively	36	36
Additional paid-in capital	29,160	29,138
Accumulated deficit	(14,184)	(14,305)
Total stockholders' equity	15,012	14,869
Total liabilities and stockholders' equity	\$ 17,783	\$ 17,638

ITEX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	Three-Months Ended January 31,		Six-Months Ended January 31,	
	2011	2010	2011	2010
Revenue:				
Marketplace revenue and other revenue	\$ 4,417	\$ 4,537	\$ 8,530	\$ 8,460
Costs and expenses:				
Cost of Marketplace revenue	2,764	2,907	5,243	5,456
Corporate salaries, wages and employee benefits	554	479	1,017	891
Selling, general and administrative	709	462	1,434	915
Depreciation and amortization	155	163	309	333
	<u>4,182</u>	<u>4,011</u>	<u>8,003</u>	<u>7,595</u>
Income from operations	235	526	527	865
Other income (expense)				
Net interest	10	10	20	21
Gain (loss) on sale of assets	-	(257)	34	(157)
	<u>10</u>	<u>(247)</u>	<u>54</u>	<u>(130)</u>
Income before income taxes	245	279	581	729
Provision for income taxes	94	107	227	280
Net income	<u>\$ 151</u>	<u>\$ 172</u>	<u>\$ 354</u>	<u>\$ 449</u>
Net income per common share:				
Basic	\$ 0.04	\$ 0.05	\$ 0.10	\$ 0.13
Diluted	\$ 0.04	\$ 0.05	\$ 0.10	\$ 0.13
Weighted average shares outstanding:				
Basic	3,581	3,575	3,500	3,569
Diluted	3,588	3,578	3,587	3,571

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