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Industrial Services of America, Inc. Announces Exclusive Management Contract with Blue Equity, LLC

LOUISVILLE, Ky. -- Industrial Services of America, Inc. (NASDAQ: IDSA), a company that buys, processes and markets ferrous and non-ferrous metals and other recyclable commodities for domestic users and export markets, and offers programs and equipment to help businesses manage waste, today announced that it has entered into a management agreement with Louisville-based Blue Equity, LLC ("Blue Equity").

For a 12 month term beginning April 1, 2013, Blue Equity will provide management services to Industrial Services of America, Inc. ("ISA"), including working with ISA's existing management team to review operations and identify opportunities for growth and profitability. ISA's Board of Directors considers Blue Equity's role as a key to ISA's future plans to develop and improve upon its core business operations, enhance the current platform, secure strategic alliances and to diversify corporate holdings in domestic and international markets.

Blue Equity's Chairman and Managing Director, Jonathan Blue, has extensive experience in the scrap recycling business. The Blue family owned and operated Louisville Scrap Material Company, which became a worldwide leader in the industry. Blue represented the fourth generation of his family to operate, grow and transform the business. He expanded the business into international railroad and other markets to become one of the largest suppliers to railroads and rail-related enterprises. In 1998, the company was sold to the largest worldwide operator in the sector, Progress Rail Services Corporation, now owned by Caterpillar (CAT-NYSE). Other Blue Equity executives have also worked in the scrap and recycling-related businesses.



"Blue Equity's business philosophies and practices have successfully transcended a diverse range of industries and now it seems we have come full circle, returning with this transaction to the scrap and recycling businesses. We look forward to working together with our partners at ISA to realize our shared vision for the future," said Jonathan S. Blue, Chairman and Managing Director of Blue Equity, LLC.

Harry Kletter, ISA's Chief Executive Officer and Founder, commented, "I have known Jonathan Blue his entire life and have watched him develop into one of the region's most successful businessmen. He and his team have an impressive track record which I am confident will benefit our company and our shareholders. I am thrilled that he and his team have agreed to take ISA into a new era of growth."

"I am pleased to be able to build upon the 60 years of hard work and vision Harry Kletter has contributed to ISA and I hope to honor his contribution by taking ISA to the next level," concluded Blue.

Also on April 1, 2013, ISA issued 125,000 shares of its common stock to Blue Equity in a private placement at a per share purchase price of \$4.00. Subject to shareholder approval and vesting provisions, ISA granted options for a total of 1,500,000 shares of its common stock to Blue Equity at an exercise price per share of \$5.00.

About Blue Equity

Blue Equity, LLC (www.blueequity.com) is an independent, private equity firm investing both growth capital and business expertise in enterprises with solid development potential. Blue Equity forms strategic partnerships with existing management teams, leveraging expertise and relationships to stabilize, strengthen and grow lasting value. Investment efforts and managerial expertise are focused on the operation of a global and diversified portfolio of business enterprises, including opportunities in oil and gas, media, distribution, healthcare, art commerce, defense, financial services and real estate. Blue Equity is dedicated to helping businesses grow by accelerating opportunity and driving innovation to the marketplace.

About ISA

Headquartered in Louisville, Kentucky, Industrial Services of America, Inc., is a publicly traded company whose core business is buying, processing and marketing scrap metals and recyclable materials for domestic users and export markets. Additionally, ISA offers commercial, industrial and business customers a variety of programs and equipment to manage waste. More information about ISA is available at www.isa-inc.com.

This news release contains forward-looking statements that involve risks and uncertainties that could cause actual results to differ from predicted results. Specific risks include fluctuations in the price of recycled materials, varying demand for waste managing systems, equipment and services, competitive pressures in waste managing systems and equipment, competitive pressures in the waste managing business, and loss of customers. Further information on factors that could affect ISA’s results is detailed in ISA’s filings with the Securities and Exchange Commission. ISA undertakes no obligation to publicly release the results of any revisions to the forward-looking statements.

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