

Fonix Reports 2006 Year-End Results

SALT LAKE CITY, UT (March 29, 2007) Fonix Corporation (OTC BB: FNIX), specializing in embedded speech interfaces for mobile devices, handheld electronic products, video game systems and processors, announces financial results for the year ended December 31, 2006. The audited financial results also reflect the discontinued operations relating to the Company's former telecommunications business and the cost of issuing securities during 2006.

Year-end company highlights reflect an increase in the number of software licensing agreements from original equipment manufacturers that are expected to be the basis for increased revenue in 2007. The Company, via its subsidiary, Fonix Speech, Inc., has experienced sustained growth in several key market segments in the speech solutions industry, particularly text-to-speech enabled electronic dictionaries and voice recognition interfaces for video games.

Company highlights in 2006 include:

- **Electronic Dictionaries** – Fonix Speech continued to expand its foothold in the Asian e.dictionar y market with acquisition of new customers and growth of existing relationships. New handheld e.dictionar y models featuring Fonix DECtalk® TTS were introduced by Casio, Huapu, AOnePro and Brilliant System totaling approximately 20 new models by the end of 2006. Market expansion included new Fonix-enabled models in South Korea and China, with continued market growth in Japan. At year's-end, Casio held the number one share of the e.dictionar y market in Japan.
- **Video Games** – Fonix VoiceIn® Game Edition, Fonix Speech's award-winning voice recognition interface for video games, was featured in a total of 20 retail games at the end of 2006. Additionally, Fonix Speech added new software tools to its offerings for video game developers including VoiceIn Karaoke Edition, VoiceIn Phonetic Edition and upgrades to the original VoiceIn. Fonix Speech also became a member of Epic Games' Integrated Partners Program (IPP) for Unreal® Engine 3 (UE3). Fonix Speech voice recognition technologies for video games are cross-platform compatible, meaning they are available for Xbox®, Xbox™ 360, PlayStation®2, PlayStation®3 and Windows PC platform developers.
- **Other Technologies** – In 2006, Fonix Speech introduced new technologies and upgrades to existing offerings for device, equipment and systems manufacturers including:
 - o Fonix VoiceCompress – VoiceCompress allows application developers and device manufacturers to significantly compress audio files, freeing up device memory for other functions.

- o Fonix VoiceCentral – VoiceCentral 3.1 is an improved interactive software application for Windows Mobile 5 Pocket PC devices that provides users with “hands-free, eyes-free” device management.

Consolidated revenues for Fonix’s comparable continued operations, Fonix Speech, Inc., were \$1,329,000 for the year ended December 31, 2006 compared to \$1,358,000 in 2005. Operating expenses, exclusive of non-cash charges, decreased from \$6,899,000 in 2005 to \$6,227,000 in 2006.

“In 2006, Fonix experienced continued organizational changes as we shifted our energies and efforts into expanding revenue opportunities for our speech subsidiary,” says Thomas A. Murdock, Fonix President and CEO. “Year-to-date revenues from key Fonix products, namely technologies for e.dictionaries and video games, have substantially increased from this time last year, and we expect this growth trend to continue. This success reflects Fonix Speech’s commitment to leveraging existing customer relationships and expanding our presence in those key market niches. By liquidating the telecom group in mid-2006, we have been able to focus on strengthening our speech technology business and better targeting our customer base; and we have every reason to believe that our new business model will result in success going forward.”

“Fonix experienced a significant increase in 2006 of the number of OEMs bundling our speech solutions, particularly in Asia,” says Roger D. Dudley, Fonix Executive VP and CFO. “In addition to positive customer growth, Fonix has worked diligently to reduce expenses and streamline operations; we expect the results of these actions should be reflected in 2007. In the coming months, we anticipate concentrating our energies on those market segments where Fonix Speech is a proven player in order to maximize revenue potential.”

About Fonix

Fonix Corporation (OTC BB: FNIX), based in Salt Lake City, Utah, currently operates through its wholly owned subsidiary, Fonix Speech, Inc., an innovative speech recognition and text-to-speech technology company that provides value-added speech solutions. Fonix Speech offers voice solutions for mobile/wireless devices; interactive video games, toys and appliances; computer telephony systems; the assistive market and automotive telematics. Fonix Speech provides developers and manufacturers with cost-effective speech solutions to enhance devices and systems. Visit www.fonix.com for more information, or call (801) 553-6600 and say “Sales.”

Investors and shareholders contact:

Michelle Aamodt

(801) 553-6736

investorrelations@fonix.com

Media and press contact:

Elizabeth Sweeten

(801) 553-6617

mediainfo@fonix.com

Statements released by Fonix that are not purely historical are forward-looking within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company’s expectations, hopes, intentions and strategies for the future. Investors are cautioned that forward-looking statements involve risk and uncertainties that may affect the Company’s business prospects and performance. The Company’s actual results could differ materially from those in such forward-looking statements. Risk factors include general economic, competitive, governmental and technological factors as discussed in the Company’s filings with the SEC on Forms 10-K, 10-Q and 8-K. The Company does not undertake any responsibility to update the forward-looking statements contained in this release.

###