

## **Fonix Reports 3<sup>rd</sup> Quarter Financial Results**

**SALT LAKE CITY, UT (November 14, 2007)** Fonix Corporation (OTC BB: FNIX) announces company highlights and financial results for the quarter ended September 30, 2007, including for its wholly owned subsidiary, Fonix Speech, Inc., which specializes in embedded speech interfaces for mobile devices, handheld electronic products, video game systems and processors.

Third quarter company highlights include:

- **Fonix licenses speech technology to Meridian for 511 Road Traffic Information Service in Georgia**
- **Fonix technology demonstrated with Hitachi and Bandai Namco at WIRED NextFest™ 2007**
- **Inventec Best selects Fonix speech for new electronic dictionaries in Japan and Taiwan**
- **Cell phones distributed by Au and KDDI now available in Japan with Fonix speech technologies**

Fonix revenues were \$339,000 for the quarter ended September 30, 2007, compared to \$386,000 for the same period in 2006, a decrease of 12%. Fonix revenues were \$1,344,000 for the first nine months of 2007 compared to \$1,024,000 for the same period in 2006, a 31% percent increase. Operating expenses decreased 67 percent from \$2,575,000 for the quarter ended September 30, 2006 to \$840,000 for the same period in 2007. Operating expenses decreased 48 percent from \$6,155,000 for the nine month period ended September 30, 2006 to \$3,229,000 for the same period in 2007.

“Fonix Speech revenues were flat for the third quarter over the same period last year,” says Thomas A. Murdock, Fonix President and CEO. “Unit royalty fees are normally slow in the 3<sup>rd</sup> quarter as compared to the first six months of the year. In addition to our Asian OEM partners selling e.dictionaries, we are pleased the first cell phones with Fonix speech embedded on the device are now available in Japan through Au and KDDI. Fonix continues to focus on markets that benefit from our embedded strengths for mobile and hand-held devices. Our technologies also benefit video game platforms and IVR applications like the 511 Road Traffic Information services deployed by Meridian.”

“As revenues for the year outpace last year, we continue to reduce operating expense,” says Roger D. Dudley, Fonix Executive VP and CFO. “We anticipate that growing revenue and balanced cost reductions will help Fonix Speech, Inc. achieve the goal to be cash flow break-even and thereafter reach profitability.”

### **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](http://www.fonix.com) for more information, or call (801) 553-6600 and say “Sales.”

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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.

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