

## **Fonix Reports 2007 Year-End Results**

**SALT LAKE CITY, UT (April 15, 2008)** Fonix Corporation (OTC BB: FNIX) announces company highlights and financial results for the year ended December 31 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.

Fonix revenues were \$1,838,000 for the year ended December 31, 2007, compared to \$1,329,000 for the same period in 2006, an increase of 38%. Net of goodwill impairment, operating expenses decreased 46 percent from \$7,499,000 for the year ended December 31, 2006 to \$4,051,000 for the same period in 2007.

“Revenues increased from growing unit royalties and software license fees from electronic and mobile devices, video games and IVR systems,” says Roger D. Dudley, Fonix President and CEO. “Our focus with Asia-based eDictionary OEMs, video game developers and mobile phones is expanding and we expect increased distribution. Users and customers in these market segments have accepted Fonix speech technology. We expect increased revenue based on our pricing model of per unit royalty and software license fees.”

“We significantly decreased operating costs and eliminated over \$20 million in liabilities from discontinued operation during 2007. The company continues to restructure its operations and liabilities. With growing revenue and reducing operating expenses our goal is to achieve a cash flow neutral position in 2008 and then release profitability thereafter.”

Company highlights for the year include:

- Fonix speech technology in Rock Band video game
- Asian OEMs including Casio, Cannon, Seiko, Inventec Besta, Noah incorporates Fonix TTS in eDictionaries for Japan and Taiwan
- Fonix speech now available on cell phones in Japan through Au and KDDI
- Video game developers such as EA, Ubisoft, Harmonix, Epic, A2M, OC3 and Vivendi and others use Fonix speech across multiple console platforms such as XBOX® 360, PlayStation®3, Wii® and the PC for highly interactive games
- Fonix speech technology deployed with Meridian 511 Road Traffic information system in several states

### **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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