

## Fonix Reports 1<sup>st</sup> Quarter Financial Results

**SALT LAKE CITY, UT (May 20, 2008)** Fonix Corporation (OTC BB: FNIX) announces company highlights and financial results for the quarter ended March 31, 2008, 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.

First quarter company highlights include:

- **Fonix VoiceIn Game Edition included in highly successful Rock Band video game**
- **Fonix VoiceIn Game Edition included in Tom Clancy's EndWar video game**
- **FonixTalk TTS 6.0 released with 16 new Casio dictionary models in Japan, 2 in Korean and 2 in China**

Fonix revenues were \$286, 000 for the quarter ended March 31, 2008, compared to \$360,000 for the same period in 2007, a decrease of 21%. Operating expenses decreased 44 percent from \$1, 294, 000 for the quarter ended March 31, 2007 to \$720,000 for the same period in 2008.

“Fonix Speech revenues decreased due to slower than expected account receivable collections in the first quarter,” says Roger D. Dudley, Fonix President and CEO. “Based on new product sales from our OEM Asian partners and new speech game licenses recently completed, we expect collections from license fees and unit royalty fees to increase in the 2nd quarter. Fonix has completed several significant cost cutting measures during the 1<sup>st</sup> Quarter of 2008. We expect the engineering and sales team to support existing and new customer revenue growth.”

### 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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