

Fonix Reports 2nd Quarter Financial Results

SALT LAKE CITY, UT (August 14, 2008) Fonix Corporation (OTC BB: FNIX) announces company highlights and financial results for the quarter ended June 30, 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 5.0 Game Edition Tool-kit released for iPhone, Xbox, PS2/3 and PC video games**
- **Fonix Speech retains Steven G. Jones, Senior Software Sales and Marketing Executive**
- **Fonix signs agreement to purchase 80% interest in Chinese Software Provider**
- **Fonix announces Fonix iSpeak™ for iPhone**

Fonix revenues were \$560,000 for the quarter ended June 30, 2008, compared to \$644,000 for the same period in 2007, a decrease of 13%. Fonix revenues were \$846,000 for the six-month period ended June 30, 2008, compared to \$1,004,000 for the same period in 2007, a decrease of 16%. Operating expenses decreased 2 % from \$1,091,000 for the quarter ended June 30, 2007 to \$1,065,000 for the same period in 2008. Operating expenses decreased 25% from \$2,388,000 for the six-month period ended June 30, 2007 to \$1,780,000 for the same period in 2008.

“In addition to our base legacy customers, we expect to grow revenue through the acquisition plan and distribution of Fonix speech technologies for the iPhone,” says Roger D. Dudley, Fonix President and CEO. “Key to the company’s restructure plan is distribution of our speech technologies on mobile devices, such as iPhone, broad based implementation of Fonix speech in video games on multiple game platforms and significant growth through acquisition of established value-added companies in Asia. Revenues are expected to grow as we achieve market penetration on mobile devices and game platforms.”

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.”

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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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