

Fonix Completes GaozhiSoft Acquisition

Shanghai-based Software Company for Chinese Mobile Operators

SALT LAKE CITY, UT (March 9, 2008) Fonix Corporation (OTC BB: FNXC) is pleased to announce the completion of the acquisition of Shanghai Gaozhi Software Systems Limited (“GaozhiSoft”), a rapidly growing software developer and solutions provider in 2G (second-generation) and 3G (third-generation) mobile networks in China and throughout the Asian Pacific region. Total consideration includes \$400,000 in cash, \$1.8 million in Series L convertible preferred stock, \$2 million in Series P convertible preferred stock, and a four year earn out of up to \$3 million.

“GaozhiSoft has very important commercial contracts with the major Chinese mobile carriers,” said Roger D. Dudley, Fonix President and CEO. “We expect GaozhiSoft to continue its rapid growth and market penetration based on the implementation of the 3G mobile network service with these professional partners. For obvious reasons, there is a huge market into which we can sell.”

For the calendar year ending December 31, 2008, GaozhiSoft achieved (unaudited) nearly US\$ 1.5 million in revenue and US\$270,000 in net income. The company reported over US\$500,000 in accounts receivable against US\$75,000 in accounts payable. New sales for 2009 are projected to be more than US\$2 million with anticipated net margin of approximately 30%. These results could change after completion of the 2008 audit.

GaozhiSoft recently announced a new 3G contract with China Telecom for 8 of 29 Chinese provinces. Major customers include all three Chinese mobile network service providers, including: China Mobile (NYSE: CHL), China Unicom (NYSE: CHU), China Telecom (NYSE: CHA), and fix line carriers China Netcom (NYSE: CN) and China Digital (SEHK: 00861.HK). In addition, GaozhiSoft is the exclusive Chinese XFS and HFS mediation software provider to Alcatel-Lucent (NYSE: ALU) for Asia market.

“GaozhiSoft continues to implement and execute its business plan with the major Chinese mobile service providers,” said Mr. Dudley. “Gaining a foothold in 3G implementation in China is a significant achievement for GaozhiSoft and will provide a significant platform for growth with their reference customers. GaozhiSoft is profitable and we believe it will continue to grow rapidly, eventually providing a gateway to the Chinese market for Fonix speech technologies. We see that new conduit as a major asset for Fonix.”

Further, Fonix business strategy envisions this acquisition as one of potentially many it may make in the Chinese region given the foothold it has now established, current opportunities it is investigating and the overall Chinese economy. Fonix believes that there are multiple opportunities for future acquisitions at lower valuations than would be available in many other parts of the world, including the United States.

About Fonix

Fonix Corporation (OTC BB: FNXC), based in Lindon, Utah, currently operates through its wholly owned subsidiary, Fonix Speech, Inc., an innovative speech recognition and text-to-speech technology company. Fonix Speech embeds its voice solutions in mobile/wireless devices; interactive video games, toys and appliances providing a platform for natural human interaction. Fonix Speech enables developers and manufacturers to speech-enable their devices and systems. In addition to aggressively driving the organic growth of its business, Fonix intends to continue its strategic acquisition initiative. Visit www.fonix.com for more information, or call (801) 553-6600 and say “Sales.”

About Shanghai Gaozhi Software Systems Limited

Shanghai Gaozhi Software Systems Limited (“GaozhiSoft”), based in Shanghai, China, began operations in 2003 with a vision to become a leading provider of OSS (Operation Support System) and related software solutions to Chinese mobile network service providers. GaozhiSoft software is integrated and widely used in 2G and fixed lines networks. In 2008, GaozhiSoft expanded its strategy to include operations as a Value-Added service provider in the 3G (third-generation) mobile network in China and in the Asia Pacific region. Visit www.gaozhisoft.com for more information.

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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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