

## Zix Corporation CEO Provides Corporate Update

**ZixCorp exceeds year-end cash guidance as company continues to improve operational efficiency and increase cash receipts**

**DALLAS — January 9, 2007 —** Zix Corporation (ZixCorp®), (Nasdaq: ZIXI), the leader in hosted services for email encryption and e-prescribing, today offered a corporate update by its chief executive officer, Rick Spurr.

“ZixCorp had a strong finish to what was a record year in several areas, including companywide revenues and gross margins,” said Spurr. “Preliminary estimates indicate that we are within guidance on revenue, previously projected to be between \$18 and \$18.2 million, and I am very pleased with the significant improvement we’ve made in cash consumption from operations this year. We cut the cash burn in the fourth quarter to \$2.1 million, approximately one-third the level in Q1 of 2006, leading to an ending cash balance of \$12.8 million, both of which were ahead of our most recent guidance of \$2.5 to \$3.0 million and \$12.0 to \$12.5 million, respectively. By focusing the majority of our cost cutting efforts on general and administrative line items and non-headcount related costs, we are confident that we have a platform in place for continued growth and we anticipate no need for further reductions in headcount. The projected additional improvement in our cash usage in 2007 reinforces our belief that we have sufficient cash on hand to reach profitability, as the full impact of the cost cutting measures takes effect and the predictable increase in cash receipts inherent in our subscription model is realized. We expect to maintain a minimum cash balance of \$7 million before the company turns cash flow positive in 2008.”

“We had a good end to the year in each of our core businesses – Email Encryption and e-Prescribing,” continued Spurr. “In our Email Encryption business, we had another solid quarter in Q4 with estimated new first-year orders of \$1.1 million and estimated total orders of \$3.8 million, powered by continued progress in the financial services sector and strong customer renewals for our service. In addition, the company announced the availability of ZixVPM 3.1, which provides improved performance in scanning and encrypting large emails, and enhanced security and ease-of-use in the ZixDirect "push" delivery option. The solid fourth quarter results reinforce our position as the leading hosted Email Encryption Service available in the market today.”

Regarding the company’s e-prescribing business, Spurr said, “We had a strong quarter in our PocketScript business as well. Cash collections were up significantly, we had solid deployments of 520 for the quarter, and the quarterly e-script count in Q4 was the highest of the year, bringing the total to 5.3 million scripts for the year, which is almost double the previous years’ volume. We also announced expansions in our programs at L.A. Care and Blue Cross Blue Shield of

Massachusetts (BCBSMA), as well as our participation in an innovative new state-wide initiative, about which we will provide additional details in an upcoming press release.”

“More importantly, the payors’ tangible ROI assessments are driving an evolution in the economic model in this industry,” continued Spurr. “Including two of the deals that we announced last quarter, we now have three contracts where we collect a \$1 per qualified script fee or equivalent from the payor on top of the base e-prescribing program fees. Given these recent developments, we can now see a clear path to achieving the \$1,200 per prescriber per year revenue target that we have indicated is necessary to achieve our goals for contribution to fixed costs and profitability. We believe that the willingness to pay transaction fees on top of the base subscription cost is a significant statement regarding the value of this technology.”

### **About Zix Corporation**

ZixCorp is the leading provider of hosted email encryption and e-prescribing services. ZixCorp's hosted Email Encryption Service provides an easy and cost-effective way to ensure customer privacy and regulatory compliance for corporate email. Its PocketScript® e-prescribing service reduces costs and improves patient care by automating the prescription process between payors, doctors, and pharmacies. For more information, visit [www.zixcorp.com](http://www.zixcorp.com).

### **Safe Harbor Statement for ZixCorp**

The following is a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this release are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the company's estimated fourth quarter results are preliminary and subject to final confirmation; the company's continued operating losses and substantial utilization of cash resources; the company's ability to achieve broad market acceptance for the company's products and services, including the company's ability to enter into new sponsorship agreements for the electronic prescribing services offered by its PocketScript, Inc. subsidiary; the company's ability to maintain existing and generate other revenue opportunities, including fees for scripts written, from its PocketScript e-prescription business; reliance on establishing and maintaining strategic relationships to gain customers and grow revenues; the expected increase in competition in the company's e-messaging and e-prescription businesses; and the company's ability to successfully and timely introduce new e-messaging and electronic prescription products and services or related products and services and implement technological changes. Further details on such risks and uncertainties may be found in the company's public filings with the SEC.

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