

Tix Corporation Reports Fourth Quarter and Full Year 2012 Results

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STUDIO CITY, CA -- (Marketwire) -- 03/25/13 -- Tix Corporation (the "Company") (OTCQX: TIXC), a leading provider of discount ticketing services, today reported results for the fourth quarter and full year ended December 31, 2012.

Tix Corporation's business is operated by its wholly owned subsidiary Tix4Tonight, which sells discount show tickets from nine locations in Las Vegas. Tix4Tonight obtains its inventory of discount tickets under short-term exclusive and non-exclusive agreements with nearly every Las Vegas show along with numerous attractions and tours. The majority of our discount ticket locations also offer discount dinner reservations at various restaurants surrounding the Las Vegas strip and downtown.

In July 2012, the Company announced that it completed the sale of principally all of the assets of its subsidiary, Exhibit Merchandising, LLC. In prior periods, the Company had reported its financial results in two operating segments -- Discount Ticketing Services and Exhibit Merchandising. The financial statements for the fourth quarter and full year ended December 31, 2012 and 2011 reflect the reclassification of the Exhibit Merchandising segment to discontinued operations. As the Company now operates under only one operating segment, Discount Ticketing Services, it will no longer provide segment reporting.

Fourth Quarter 2012 and 2011

Fourth quarter 2012 revenues decreased 14% to \$5.9 million compared with \$6.9 million for the same period a year ago. The decline in revenues of \$950,000 is due to a general overall decrease in consumer spending in Las Vegas; the permanent and temporary closing of some of our bestselling shows; and recent demolition work on the Las Vegas strip requiring us to close one of our discount ticket locations at the end of April 2012.

Fourth quarter 2012 direct operating expenses decreased 7% to \$2.5 million compared with \$2.7 million for the same period a year ago. Included in these expenses are payroll costs, rents, and utilities. The decrease in expense of \$189,000 was primarily due to reduced rents realized from the closure of one of our discount ticket locations in April 2012 and the recent successful negotiation of reduced rents at one of our largest discount ticket locations.

Fourth quarter 2012 selling, general and administrative expenses were \$2.4 million compared with \$3.1 million for the same period a year ago. Included in these expenses are \$270,000 of aggregate expenses during the fourth quarter of 2012 and \$722,000 of aggregate expenses during the same period a year ago, in each case relating to expenses for certain non-recurring matters requiring

legal and advisory services relating to corporate and governance matters and litigation expenses. Excluding these expenses, selling, general and administrative expenses decreased \$268,000, or 11%, to \$2.1 million compared to \$2.4 million for the same period of the prior year.

Fourth quarter 2012 net income was \$807,000, or \$0.03 per diluted common share, as compared to a net loss of (\$2.2 million), or (\$0.09) per diluted common share, reported for the same period a year ago. Adjusted Earnings (as defined and explained below) for the fourth quarter 2012, which includes adjustments for items such as discontinued operations and expenses related to litigation and related legal matters described below, decreased \$576,000, or 27%, to \$1.5 million, or \$0.06 per diluted common share, as compared to Adjusted Earnings of \$2.1 million, or \$0.09 per diluted common share, reported for the same period a year ago.

Full Year 2012 and 2011

For the full year of 2012, revenues decreased 5% to \$24.3 million compared to \$25.7 million for the same period a year ago. The decrease in revenues of \$1.3 million is due to a general overall decrease in consumer spending in Las Vegas; the permanent and temporary closing of some of our bestselling shows; and recent demolition work on the Las Vegas strip requiring us to close one of our discount ticket locations at the end of April 2012.

For the full year of 2012, direct operating expenses increased 1% to \$10.4 million compared to \$10.3 million for the same period a year ago. Included in these expenses are payroll costs, rents, and utilities. The increase in expense of \$57,000 was due to increases in payroll costs of \$355,000, due primarily to the expansion of the number of locations at the end of the first quarter of 2011 leading to a higher year-over-year expense. Rents and utilities expense decreased \$298,000 primarily due to reduced rents realized from the closure of one of our discount ticket locations in April 2012 and the recent successful negotiation of reduced rents at one of our largest discount ticket locations.

For the full year of 2012, selling, general and administrative expenses were \$10.8 million compared with \$11.4 million for the same period a year ago. Included in these expenses are \$2.3 million of aggregate expenses during the full year of 2012 and \$2.9 million of aggregate expenses during the same period a year ago, in each case relating to expenses for certain non-recurring matters requiring legal and advisory services relating to corporate and governance matters and litigation expenses. Excluding these expenses, selling, general and administrative expenses decreased \$19,000 to \$8.5 million compared to \$8.5 million for same period of the prior year.

For the full year of 2012, loss from discontinued operations was \$544,000 compared to a loss from discontinued operations of \$2.6

million for the same period a year ago. In July 2012, the Company announced that it completed the sale of principally all of the assets and certain of the liabilities of its subsidiary, Exhibit Merchandising, LLC, for a total consideration of \$125,000. The sale led to the recording of a loss on sale of discontinued operations of \$244,000 and Exhibit Merchandising realized a loss from operations of \$300,000 which included \$162,000 of depreciation expense, for the full year of 2012.

For the full year of 2012, net income was \$1.4 million, or \$0.06 per diluted common share, as compared to a net income of \$29,000, or \$0.00 per diluted common share, reported for the same period a year ago. Adjusted Earnings (as defined and explained below) for the full year of 2012, which includes adjustments for items such as discontinued operations, expenses related to the litigation and related legal matters and non-routine corporate expenses related primarily to certain non-recurring matters requiring legal and advisory services described below, decreased \$1.3 million, or 16%, to \$6.5 million, or \$0.27 per diluted common share, as compared to Adjusted Earnings of \$7.8 million, or \$0.31 per diluted common share, reported for the same period a year ago.

Conclusion

Mitch Francis, Chief Executive Officer of the Company, stated, "Despite full year 2012 being a challenging year for the Las Vegas economy in general and for us in particular, we posted our second best year in terms of both revenues and Adjusted Earnings. There are a number of large scale construction and renovation projects negatively impacting foot traffic along the Strip, which necessitated the closure of one of our locations in April 2012 and more recently, one of our locations in February 2013, which generated about 17% of our total sales in 2012. We are managing through these unusual short term disruptions to our business by pursuing new locations that will hopefully start opening in the middle to end of 2013. We expect these new locations, coupled with an improvement in consumer spending in 2013, to return us to continued revenue growth."

Investor Conference Call

The Company does not host a conference call following its earnings release. Investors are encouraged to contact the Company's investor relations officer, Steve Handy, CFO, at (818) 761-1002 with any questions.

Non-GAAP Financial Measure

Included in this press release is a "non-GAAP financial measure," which is a measure of the Company's historical or future performance that is different from measures calculated and presented in accordance with GAAP but that the Company believes is useful to investors. The Company defines Adjusted Earnings as net income plus (a) loss on discontinued operations, (b) interest

expense, net, (c) income taxes, (d) depreciation and amortization charges, (e) stock based compensation expense, (f) unusual litigation, and (g) expenses for certain non-recurring matters requiring legal and advisory services relating to corporate and governance matters. The Company believes that Adjusted Earnings is a useful measure of the Company's operating performance because a significant portion of its assets consists of goodwill and intangible assets and property and equipment that are amortized and depreciated as non-cash items over their remaining useful lives in accordance with GAAP. The Company's presentation of Adjusted Earnings may help investors assess the Company's performance before the effect of various items that do not directly affect the Company's ongoing operating performance. The Company also believes that measures similar to the Company's measurement of Adjusted Earnings are widely used in similar entertainment companies to measure operating performance, although Adjusted Earnings as calculated by the Company is not necessarily comparable to similarly titled measures by such other companies. Adjusted Earnings (a) does not represent net income or cash flows from operations as defined by GAAP, (b) is not necessarily indicative of cash available to fund the Company's cash flow needs, and (c) should not be considered as an alternative to net income, operating income, cash flows from operating activities or the Company's other financial information as determined under GAAP.

About Tix Corporation

Tix Corporation (OTCQX: TIXC) provides discount ticketing services. It currently operates nine discount ticket stores in Las Vegas under its Tix4Tonight marquee, which offers up to a 50 percent discount for same-day shows, concerts, attractions and sporting events, as well as discount reservations for dining.

Safe Harbor Statement

Except for the historical information contained herein, certain matters discussed in this press release are forward-looking statements which involve risks and uncertainties. These forward-looking statements are based on expectations and assumptions as of the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties are discussed in the Company's various historical filings with the Securities and Exchange Commission and, since November 2010, the Company's filings with the OTCQX. The Company assumes no obligation to update these forward-looking statements. A copy of the Company's report for the twelve months ended December 31, 2012 can be found on the Company website at www.tixcorp.com or at www.otcqx.com.

TIX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash	\$ 6,017,000	\$ 8,077,000
Short-term investments	2,993,000	-
Accounts receivable	45,000	55,000
Prepaid expenses and other current assets	419,000	624,000
Current assets of discontinued operations	-	1,210,000
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Total current assets	9,474,000	9,966,000
	-----	-----
Property and equipment, net	1,047,000	1,399,000
	-----	-----
Other assets:		
Intangible assets:		
Goodwill	3,120,000	3,120,000
Intangibles, net	1,006,000	1,520,000
	-----	-----
Total intangible assets	4,126,000	4,640,000
Deposits and other assets	187,000	319,000
Long term assets of discontinued operations	-	12,000
	-----	-----
Total other assets	4,313,000	4,971,000

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Total assets	\$ 14,834,000	\$ 16,336,000
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Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable and accrued expenses	\$ 3,372,000	\$ 3,286,000
Deferred revenue	151,000	111,000
Other current liabilities	156,000	133,000
Note payable - short term	-	584,000
Obligation for share purchases - short term	209,000	417,000
Share repurchase obligation - short term	-	2,313,000
Current liabilities of discontinued operations	-	663,000

Total current liabilities	3,888,000	7,507,000
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Note payable - net of current portion	879,000	879,000
Obligation for share purchases - net of current portion	244,000	453,000

Total liabilities	5,011,000	8,839,000
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Commitments and contingencies

Stockholders' equity:

Preferred stock, \$.01 par value; 500,000 shares authorized; none issued

Common Stock, \$.08 par value; 100,000,000 shares authorized; 23,669,831 shares net of 9,955,544 treasury shares, and 23,669,831

shares net of 9,943,247 treasury shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively	2,691,000	2,690,000
Additional paid-in capital	92,366,000	91,313,000
Obligation for share purchases	(2,032,000)	(1,968,000)
Cost of shares held in treasury	(14,654,000)	(14,631,000)
Accumulated deficit	(68,532,000)	(69,907,000)
Accumulated other comprehensive loss	(16,000)	-
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Total stockholders' equity	9,823,000	7,497,000
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Total liabilities and stockholders' equity	\$ 14,834,000	\$ 16,336,000
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TIX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended	
	December 31,	
	2012	2011
	-----	-----
Revenues	\$ 5,902,000	\$ 6,852,000
	-----	-----
Operating expenses:		
Direct costs of revenues	2,498,000	2,687,000
Selling, general and administrative expenses	2,383,000	3,103,000
Depreciation and amortization	275,000	286,000

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Total costs and expenses	5,156,000	6,076,000
	-----	-----
Income from continuing operations	746,000	776,000
	-----	-----
Other expense:		
Other expense	(1,000)	-
Interest income	6,000	9,000
Interest expense	(25,000)	(26,000)
	-----	-----
Other expense, net	(20,000)	(17,000)
	-----	-----
Income from continuing operations before income tax		
expense	726,000	759,000
Income tax benefit	(81,000)	(7,000)
	-----	-----
Income from continuing operations	807,000	766,000
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Discontinued operations:		
Loss from operations of discontinued operations	-	(2,805,000)
Loss on sale of discontinued operations	-	(150,000)
	-----	-----
Loss on discontinued operations	-	(2,955,000)
	-----	-----
Net income (loss)	\$ 807,000	\$(2,189,000)
	=====	=====
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	(3,000)	-
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Comprehensive income	\$ 804,000	\$(2,189,000)

	=====	=====
Net income per common share - continuing operations		
Net income per common share - continuing operations - basic	\$ 0.03	\$ 0.03
Net income per common share - continuing operations - diluted	\$ 0.03	\$ 0.03
Net loss per common share - discontinued operations		
Net loss per common share - discontinued operations - basic	\$ -	\$ (0.12)
Net loss per common share - discontinued operations - diluted	\$ -	\$ (0.13)
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Net income per common share		
Net income per common share - basic	\$ 0.03	\$ (0.09)
	=====	=====
Net income per common share - basic and diluted	\$ 0.03	\$ (0.09)
	=====	=====
Weighted average common shares outstanding - basic	23,669,831	23,629,945
	=====	=====
Weighted average common shares outstanding - diluted	23,802,712	23,629,945
	=====	=====

TIX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,	
	2012	2011
Revenues	\$24,325,000	\$25,665,000
Operating expenses:		
Direct costs of revenues	10,383,000	10,326,000
Selling, general and administrative expenses	10,773,000	11,398,000
Depreciation and amortization	1,147,000	1,154,000
Total costs and expenses	22,303,000	22,878,000
Income from continuing operations	2,022,000	2,787,000
Other expense:		
Interest income	29,000	26,000
Interest expense	(103,000)	(101,000)
Other expense, net	(74,000)	(75,000)
Income from continuing operations before income tax expense	1,948,000	2,712,000
Income tax expense	29,000	43,000
Income from continuing operations	1,919,000	2,669,000
Discontinued operations:		
Loss from operations of discontinued operations	(300,000)	(2,490,000)

Loss on sale of discontinued operations	(244,000)	(150,000)
	-----	-----
Loss on discontinued operations	(544,000)	(2,640,000)
	-----	-----
Net income	\$ 1,375,000	\$ 29,000
	=====	=====
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	(16,000)	-
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Comprehensive income	\$ 1,359,000	\$ 29,000
	=====	=====
Net income per common share - continuing operations		
Net income per common share - continuing operations - basic	\$ 0.08	\$ 0.11
Net income per common share - continuing operations - diluted	\$ 0.08	\$ 0.11
Net loss per common share - discontinued operations		
Net loss per common share - discontinued operations - basic	\$ (0.02)	\$ (0.10)
Net loss per common share - discontinued operations - diluted	\$ (0.02)	\$ (0.11)
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Net income per common share		
Net income per common share - basic	\$ 0.06	\$ 0.00
	=====	=====
Net income per common share - basic and diluted	\$ 0.06	\$ 0.00
	=====	=====

Weighted average common shares outstanding - basic	23,670,505	24,345,324
	=====	=====
Weighted average common shares outstanding - diluted	24,374,724	25,080,822
	=====	=====

TIX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	-----	-----
	2012	2011
	-----	-----
Cash flows from operating activities:		
Net income	\$ 1,375,000	\$ 29,000
Adjustments to reconcile net income to cash provided by operating activities:		
Loss on discontinued operations	544,000	2,640,000
Depreciation	633,000	630,000
Non-cash interest	88,000	80,000
Amortization of intangible assets	514,000	521,000
Fair value of options and warrants issued to employees and directors	997,000	891,000
(Increase) decrease in:		
Accounts receivable	10,000	113,000
Prepaid expenses and other assets	344,000	(314,000)
Increase (decrease) in:		
Accounts payable and accrued expenses	86,000	1,017,000

Deferred revenue	40,000	4,000
Other current liabilities	23,000	29,000
	-----	-----
Net cash provided by operating activities from continuing operations	4,654,000	5,640,000
Net cash provided by operating activities from discontinued operations	15,000	1,555,000
	-----	-----
Net cash provided by operating activities	4,669,000	7,195,000
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Cash flows from investing activities:

Purchases of property and equipment	(281,000)	(159,000)
Purchases of short-term investments, net	(3,009,000)	-
Acquisitions, net of cash acquired	-	(2,000,000)
	-----	-----
Net cash used in investing activities	(3,290,000)	(2,159,000)
Net cash used in investing activities from discontinued operations	-	(7,000)
	-----	-----
Net cash used in investing activities	(3,290,000)	(2,166,000)
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Cash flows from financing activities:

Cost of treasury shares, net of fees	(23,000)	(2,546,000)
Payment of repurchase obligation	(2,360,000)	(1,770,000)
Repayment of acquisition note	(625,000)	(375,000)
Obligation for share purchases	(431,000)	(1,077,000)
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Net cash used in financing activities	(3,439,000)	(5,768,000)
	-----	-----

Net decrease	(2,060,000)	(739,000)
	-----	-----
Balance at beginning of period	8,077,000	8,816,000
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Balance at end of period	\$ 6,017,000	\$ 8,077,000
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TIX CORPORATION AND SUBSIDIARIES

TIX RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EARNINGS

(UNAUDITED)

The following table set forth a reconciliation of consolidated net income (loss) to consolidated Adjusted Earnings:

	Three months ended December 31, 2012	Three months ended December 31, 2011
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Net income (loss)	\$ 807,000	\$ (2,189,000)
Loss from discontinued operations	-	2,955,000
Income tax benefit	(81,000)	(7,000)
Interest expense, net	19,000	17,000
Depreciation and amortization	275,000	286,000
Stock based compensation expense	232,000	314,000
Litigation expense and non-routine legal and advisory services for corporate and		

governance matters	270,000	722,000
	-----	-----
Adjusted Earnings	\$ 1,522,000	\$ 2,098,000
	=====	=====

	Twelve months ended December 31, 2012	Twelve months ended December 31, 2011
	-----	-----
Net income	\$ 1,375,000	\$ 29,000
Loss from discontinued operations	544,000	2,640,000
Income tax expense	29,000	43,000
Interest expense, net	74,000	75,000
Depreciation and amortization	1,147,000	1,154,000
Stock based compensation expense	997,000	891,000
Litigation expense and non-routine legal and advisory services for corporate and governance matters	2,314,000	2,920,000
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Adjusted Earnings	\$ 6,480,000	\$ 7,752,000
	=====	=====

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