

Tix Corporation Reports First Quarter 2013 Results

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STUDIO CITY, CA -- (Marketwired) -- 05/02/13 -- Tix Corporation (the "Company") (OTCQX: TIXC), a leading provider of discount ticketing services, today reported results for the first quarter ended March 31, 2013.

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.

First quarter 2013 revenues decreased 10% to \$5.3 million compared with \$5.9 million for the same period a year ago. The decline in revenues of \$585,000 was caused by large scale construction and renovation projects on the Las Vegas strip requiring us to close two of our discount ticket locations; one in April 2012 and another in February 2013. Revenues were also negatively impacted by the continued general overall decrease in consumer spending in Las Vegas.

First quarter 2013 direct operating expenses decreased 17% to \$2.3 million compared with \$2.8 million for the same period a year ago. Included in these expenses are payroll costs, rents, and utilities. The decrease in expense of \$466,000 was due to \$131,000 in reduced rents and utilities expense and \$190,000 in reduced payroll costs realized from the closure of two of our discount ticket locations as discussed above, and \$145,000 in reduced rents realized on the successful lease renegotiation at one of our discount ticket locations in the second half of calendar year 2012.

First quarter 2013 selling, general and administrative expenses were \$2.4 million compared with \$3.0 million for the same period a year ago. Included in these expenses are \$400,000 of aggregate expenses during the first quarter of 2013 and \$876,000 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 \$108,000, or 5%, to \$2.0 million compared to \$2.1 million for the same period of the prior year. The decrease in expense was due to a decrease in merchant credit card processing fees of \$26,000, small equipment expense of \$24,000, advertising expense of \$23,000, and employee related healthcare expense of \$20,000. The remaining decrease of \$15,000 in expenses was realized over our remaining operating accounts.

First quarter 2013 net income was \$237,000, or \$0.01 per diluted common share, as compared to a net loss of (\$294,000), or (\$0.01) per diluted common share, reported for the same period a year ago. Adjusted Earnings (as defined and explained below) for the first quarter 2013, which includes adjustments for items such as discontinued operations and expenses related to litigation and related legal matters described below, was \$1.2 million, or \$0.05 per diluted common share, as compared to Adjusted Earnings of \$1.2 million, or \$0.05 per diluted common share, reported for the same period a year ago.

Conclusion

Mitch Francis, Chief Executive Officer of the Company, stated, "Our first quarter 2013 revenue performance was negatively impacted by the closure of one of our locations in April 2012 and more recently, one of our major locations in February 2013, caused by large scale construction and renovation projects in Las Vegas. In an effort to mitigate the decline in revenues, we significantly reduced our expenses which resulted in increased net income and an Adjusted Earnings comparable to the same period a year ago. We will continue to manage through these unusual short term disruptions to our business by pursuing new locations, one which we currently anticipate opening in the third quarter 2013 and another in the second quarter of 2014. We expect these new locations, coupled with an improvement in consumer spending in Las Vegas, to provide us future 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
CONDENSED CONSOLIDATED BALANCE SHEETS

March 31,	December 31,
2013	2012
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(Unaudited)

Assets

Current assets:

Cash	\$ 5,989,000	\$ 6,017,000
Short-term investments	2,998,000	2,993,000
Accounts receivable	46,000	45,000
Prepaid expenses and other current assets	293,000	419,000
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Total current assets	9,326,000	9,474,000
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Property and equipment, net	952,000	1,047,000
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Other assets:

Intangible assets:

Goodwill	3,120,000	3,120,000
Intangibles, net	879,000	1,006,000
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Total intangible assets	3,999,000	4,126,000
Deposits and other assets	154,000	187,000
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Total other assets	4,153,000	4,313,000
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Total assets	\$ 14,431,000	\$ 14,834,000
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Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable and accrued expenses	\$ 2,713,000	\$ 3,372,000
Deferred revenue	137,000	151,000

Other current liabilities	146,000	156,000
Note payable - short term	170,000	-
Obligation for share purchase - short term	84,000	209,000
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Total current liabilities	3,250,000	3,888,000
Note payable - net of current portion	715,000	879,000
Obligation for share purchases - net of current portion	160,000	244,000
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Total liabilities	4,125,000	5,011,000
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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 9,955,544 treasury shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively

	2,691,000	2,691,000
Additional paid-in capital	92,626,000	92,366,000
Obligation for share purchases	(2,047,000)	(2,032,000)
Cost of shares held in treasury	(14,654,000)	(14,654,000)
Accumulated deficit	(68,295,000)	(68,532,000)
Accumulated other comprehensive loss	(15,000)	(16,000)
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Total stockholders' equity	10,306,000	9,823,000

Total liabilities and stockholders' equity	\$ 14,431,000	\$ 14,834,000
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TIX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(LOSS)
(UNAUDITED)

	Three Months Ended March 31,	
	2013	2012
	(Unaudited)	(Unaudited)
Revenues	\$ 5,283,000	\$ 5,868,000
Operating expenses:		
Direct costs of revenues	2,335,000	2,801,000
Selling, general and administrative expenses	2,393,000	2,977,000
Depreciation and amortization	275,000	299,000
Total costs and expenses	5,003,000	6,077,000
Income (loss) from continuing operations	280,000	(209,000)

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Other expense:		
Other (expense) income	(5,000)	3,000
Interest income	6,000	12,000
Interest expense	(6,000)	(26,000)
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Other expense, net	(5,000)	(11,000)
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Income (loss) from continuing operations		
before income tax expense	275,000	(220,000)
Income tax expense	38,000	-
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Income (loss) from continuing operations	237,000	(220,000)
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Discontinued operations:		
Loss from operations of discontinued		
operations	-	(74,000)
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Loss on discontinued operations	-	(74,000)
	-----	-----
Net income (loss)	\$ 237,000	\$ (294,000)
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Other comprehensive loss:		
Unrealized gain (loss) on available-for-		
sale securities	1,000	(2,000)
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Comprehensive income (loss)	\$ 238,000	\$ (296,000)
	=====	=====

Net income (loss) per common share -
continuing operations

Net income (loss) per common share -			
continuing operations - basic	\$	0.01	\$ (0.01)
Net income (loss) per common share -			
continuing operations - diluted	\$	0.01	\$ (0.01)

Net loss per common share - discontinued operations

Net loss per common share - discontinued operations - basic	\$	-	\$ (0.00)
Net loss per common share - discontinued operations - diluted	\$	-	\$ (0.00)

Net income (loss) per common share

Net income (loss) per common share - basic	\$	0.01	\$ (0.01)
Net income (loss) per common share - basic and diluted	\$	0.01	\$ (0.01)

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Weighted average common shares outstanding - basic

23,669,831 24,672,534

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Weighted average common shares outstanding - diluted

23,723,976 24,672,534

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TIX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Months Ended March 31,

2013

2012

(Unaudited)

(Unaudited)

Cash flows from operating activities:

Net income (loss) \$ 237,000 \$ (294,000)

Adjustments to reconcile net income
(loss) to cash provided by operating
activities:

Loss on discontinued operations - 74,000

Depreciation 148,000 166,000

Non-cash interest 6,000 16,000

Realized loss on available-for-sale
securities arising during the period 5,000 -

Amortization of intangible assets 127,000 132,000

Fair value of options and warrants issued
to employees and directors 247,000 255,000

(Increase) decrease in:

Accounts receivable (1,000) 4,000

Prepaid expenses and other assets 159,000 402,000

Increase (decrease) in:

Accounts payable and accrued expenses (659,000) (687,000)

Deferred revenue (14,000) (10,000)

Other current liabilities (10,000) (3,000)

Net cash provided by operating
activities from continuing

operations	245,000	55,000
Net cash provided by operating activities from discontinued operations	-	68,000
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Net cash provided by operating activities	245,000	123,000
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Cash flows from investing activities:

Purchases of property and equipment	(53,000)	(227,000)
Purchases of short-term investments, net	(9,000)	(3,000,000)
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Net cash used in investing activities	(62,000)	(3,227,000)
Net cash used in investing activities from discontinued operations	-	-
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Net cash used in investing activities	(62,000)	(3,227,000)
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Cash flows from financing activities:

Cost of treasury shares, net of fees	-	(23,000)
Payment of repurchase obligation	-	(591,000)
Repayment of acquisition note	-	(250,000)
Obligation for share purchases	(211,000)	(105,000)
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Net cash used in financing activities	(211,000)	(969,000)
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Net decrease	(28,000)	(4,073,000)
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Balance at beginning of period	6,017,000	8,077,000
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Balance at end of period	\$ 5,989,000	\$ 4,004,000
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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 March 31, 2013	Three months ended March 31, 2012
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Net income (loss)	\$ 237,000	\$ (294,000)
Loss from discontinued operations	-	74,000
Income tax expense	38,000	-
Interest expense, net	-	14,000
Depreciation and amortization	275,000	299,000
Stock based compensation expense	247,000	255,000
Litigation expense and non-routine legal and advisory services for corporate and governance matters	400,000	876,000

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Adjusted Earnings	\$ 1,197,000	\$ 1,224,000
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Contact:

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CFO

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