



Zaio Releases Fourth Quarter and 2007 Financial Results

CALGARY, AB, March 24, 2008 -- Zaio Corporation (TSX-V: ZAO) announced today their fourth quarter and 2007 year-end financial results. The significant changes in the Company during the past year become apparent when reviewing the financial results. Revenue in the fourth quarter of 2007 increased by 17% to CDN\$5.7 million (US\$5.8 million) compared to CDN\$4.9 million (US\$4.7 million) in the third quarter of 2007 and increased 3,167% compared to CDN\$175,000 (US\$154,000) in the fourth quarter of 2006. Net Income in the fourth quarter of 2007 was a loss of CDN\$2.3 million (US\$2.4 million) compared to a loss of CDN\$775,000 (US\$680,000) in the fourth quarter of 2006.

“The past year saw a remarkable change in the composition of the Company,” stated Thomas Inserra, Zaio CEO. “The four acquisitions, two private placements, tripling of Zone sales to appraisers and a six fold increase in photographs in the database combined to create an exciting environment for future growth.”

2007 Financial Review

The Company generated revenue of \$12.4 million in 2007, compared to revenue of \$289,000 in 2006. Prior to the acquisitions of the net assets of Realink Corporation, Kirchmeyer & Associates Inc., Real Info Inc. and Virtual Imaging Corporation in the second and third quarters, revenue was primarily derived from the licensing of the Company’s valuation software to property appraisers in cities across the United States where Zaio is currently active. This year licensing revenue represented only 22% of total revenue. On July 1, 2007, the license fee per zone increased to US\$9,800 from US\$9,000 at the beginning of the year. On January 1, 2008 this fee further increased to \$10,000 per zone. A discount is available for multiple zone purchases. The license fee is recorded as deferred revenue until licensees have been supplied with photographs and property data for their zones, thereby allowing them to proceed with the valuation process. The third and fourth quarters of 2007 were the first in which Zaio delivered fully integrated zones back to Zone Appraisers allowing them to complete their valuation work. This is the last step in the process of making zones available to customers for purchase of Zaio’s valuation products in addition to the traditional products already available. As a result, 412 zones were returned to Zone Appraisers and the Company was able to recognize \$2.7 million in revenue which had previously been deferred. During 2007, a total of \$6.7 million in appraisal zone sales was deferred and a total of \$2.7 that had been previously deferred was recognized as revenue and included a related exchange gain bringing the total deferred at December 31, 2007 to \$6.2 million.

The four acquisitions made by the Company during the second and third quarters of the year added multiple new revenue streams from the sale of traditional valuation products. These products contributed \$9.7 million or 78% of the Company's revenue for the year.

Cost of Sales

Cost of sales associated with the revenue from the traditional valuation products in the Company's U.S. subsidiary was \$6.6 million resulting in a gross margin of 32% for the year. The revenue from the sale of appraisal zones in the Canadian company has no related cost of sales associated with them and therefore when included increase the Company's gross margin to 47% for the year

Selling, General and Administration Expenses

Selling, General and Administrative expense was just under \$10.0 million for the year compared to \$1.3 million in 2006. With four acquisitions this year the Company has grown to 185 employees and now has U.S. bases in Scottsdale, Arizona, Buffalo, New York and Chicago, Illinois. All costs related to the sale of Zones are included in selling expenses and the Company now has three Zone sales representatives across the United States. Volatility in the Company's stock price over the last year triggered a significant increase in the amount of stock compensation expense recorded for the quarter and first nine months of the year. This non-cash item amounted to \$3.2 million compared to \$375,000 in the prior year and is not included in the total of selling, general and administrative expense.

Net Earnings

The net loss for the year was \$9.3 million or \$0.238 per share compared to a net loss of \$1.4 million or \$0.052 per share for the same period in 2006. The net loss included a one-time write-down of \$839,000 relating to investments in non-bank sponsored asset backed commercial paper.

Financial Condition and Liquidity

At December 31, 2007, Zaio had total assets of \$40.8 million. The Company's cash balance at December 31, 2007 was \$11.7 million, excluding investments of \$3.6 million, with working capital of \$3.9 million, excluding deferred revenue of \$10.1 million and investments of \$3.6 million. The Company also has amounts owing to it on the sale of Appraisal Zones of just under US\$3.0 million which do not appear on the balance sheet. Deferred revenue amounts are being transferred to the earnings statement as certain conditions described earlier are met. During the third and fourth quarters, the Company transferred a total of \$2.7 million in deferred revenue to revenue with any related exchange gain as the first set of zones were turned over to Zone Appraisers allowing them to complete their valuation work. At December 31, 2007, the Zaio had no long term debt. The Company has used the best information available to value its investment in asset backed commercial paper and accordingly has taken a 20% write-down from its face value. A proposed restructuring of the investments is expected to be presented to holders in the coming weeks.

In December, the Company closed a private placement pursuant to which the Company issued 13,650,000 Units at a price of \$1.10 per Unit resulting in gross proceeds of \$15,015,000. The proceeds will be used to fund the Company's rapid database expansion.

Outlook

The strategic acquisitions made during the year have provided significant resources necessary to support our acceleration and growth. The Company now has the ability to deliver a full range of valuation services to the mortgage backed securities and lending markets in all 50 states. In addition, these acquisitions have allowed Zaio to substantially increase its rate of photography and the subsequent population of its proprietary database. Acquisitions have provided relationships with nearly 500 clients ordering a wide range of valuation services on behalf of thousands of customers. Currently, Zaio and its affiliated appraisers and photographers are now deployed in more than 200 cities and are implementing these new automated solutions across America. Zaio is quickly adding photos, site verified property data, and valuations to its Appraisal Knowledge Warehouse™ so these markets can objectively and "instantly" value real estate. Zaio's database currently consists of 140 million property records, and over 18 million photographs. The acquisition of the technology assets of Appraisal.com in early 2008 provides the company with additional means to continue serving the needs of a large number of lenders and appraisers.

Management continues to explore opportunities to align with potential strategic partners in the valuation industry and will consider further acquisitions that allow us to penetrate our various markets sooner.

During 2007, a total of 992 Zone licenses were sold to property appraisers across the country bringing the total to date to 1,526 and the rate of photography rose on a weekly basis, occasionally exceeding highs of over 100,000 per day. Commencing in the third quarter of the year, the Company began handing fully completed zones back to Zone Appraisers allowing them to conclude the valuation process and start the earnings and revenue sharing process. This important transition will continue to accelerate into 2008 as sold Zones are integrated and returned to participating appraisers.

In November of 2007, Zaio sponsored the nation's premier appraisal conference, Valuation 2007, which attracted more than 400 appraisers and lenders. The Company also hosted its first National Summit in Las Vegas which was attended by 230 Zone Appraisers. Interest in Zones among appraisers and in valuation products by lenders was very strong. Our marketing efforts along with widespread media relating to the industry conditions have resulted in a surge of interest among appraisers and lenders. This in turn has led to a significant increase in inquiries to our call centre.

The Company is focused on working with Zone owners during 2008 to ensure that Zones sold in 2007 become available to lenders for valuation products during the year. Continuous improvements in our technology will ensure this process becomes as efficient and economical as possible. Particular attention will be directed to three geographical areas across the southern United States as Southern California, Arizona and Florida have been substantially photographed and the required property data is already in the database. Each of these areas has been affected

significantly by the sub-prime mortgage crisis and lenders are likely to be anxious to receive speedy and accurate values on foreclosed properties while mortgage portfolio managers will be required to update the value of underlying collateral.

The last mortgage crisis in the early 1990's resulted in a massive effort by lenders to revalue their portfolios and created significant revenue streams for appraisers across the country. A similar effort is expected and will include an even larger asset base considering the growth of publicly traded mortgage backed securities in the past ten years. Zaio has the capability to value property nationwide through its premiere group of qualified appraisers making it more efficient and economical for lenders and others involved.

The Company recognizes that it may take more effort to sell Zones in areas of the country with lower population density or where real estate transactions are not as prolific. We believe that appraisers will be more likely to purchase Zones in these areas if they can see Zaio products being sold in other parts of the country.

Another important focus for the company in 2008 will be the timing of expenditures associated with the database. With over 18 million photographs now in the database, including Zones which have not yet sold, we are in a position to match the rate of future photography with Zone sales and thus ensure the maximum preservation of cash resources. Our first priority will be to photograph Zones as soon as possible after they are licensed.

With Zaio, because our value determinations are prepared in advance of a request from a lender, there can be no pressure on the appraiser to meet a specified value. The recent actions involving the Attorney General of New York, Fannie Mae and Freddie Mac demonstrate that the pressure is real and significant. The importance of this development is reinforced with the introduction of strict policies relating to the independence of the appraiser vis-à-vis the lender, mortgage broker and other interested parties. We believe the best way for lenders to ensure appraiser independence and comply with these new policies is to rely upon and leverage Zaio's independence, appraiser expertise and proprietary technology solutions.

Earnings Conference Call

We invite you to attend our year end conference call on Tuesday, March 25, at 3:00pm EST by dialing (800) 732-0232.

About Zaio

Zaio is a technology and database company. Zaio maintains a secure database of 140 million properties and is now site verifying property data, photos and appraisals of virtually every property in America. Zaio's network of local appraiser experts photograph, inspect, and appraise entire cities, one building at a time using a proprietary "GeoScore™" rating system. Zaio is ranked among the top 50 best performing companies of more than 2,000 corporations on the TSX-V Exchange, and trades under the symbol "ZAO". Additional information is available under the symbol "ZAOFF".

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For investors who would like to be added to Zaiio's investor distribution list, please contact Don Kelly at dkelly@zaio.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release. This press release contains forward-looking statements which may include financial and business prospects, as well as statements regarding the Company's future plans, objectives or economic performance and financial outlooks. Such statements are subject to risk factors associated with the real estate industry, and the overall economy in both Canada and the United States. The Company believes that the expectations reflected in this press release are reasonable, but actual results may be affected by a variety of variables and may be materially different from the results or events predicted in the forward-looking statements. Readers are therefore cautioned not to place undue reliance on these forward-looking statements.

In evaluating forward-looking statements readers should consider the risk factors which could cause actual results or events to differ materially from those indicated by such forward-looking statements. These forward-looking statements are made as of the date hereof, and unless otherwise required by applicable securities laws, the Company does not intend nor does it undertake any obligation to update or revise any forward-looking statements to reflect subsequent information, events, results or circumstances or otherwise.