

For: THE OHIO ART COMPANY  
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Immediate Release

THE OHIO ART COMPANY REPORTS OPERATING RESULTS FOR  
THE SECOND QUARTER AND FIRST HALF OF FISCAL 2007

BRYAN, OHIO, AUGUST 25, 2006 -- The Ohio Art Company, (OART.PK), today announced operating results for the three and six month periods ended July 31, 2006.

Net sales increased approximately 22% to \$8,995,000 for the six months ended July 31, 2006, compared to net sales, excluding the Strydel subsidiary discontinued operations, of \$7,377,000 for the six months ended July 31, 2005. For the quarter ended July 31, 2006, net sales increased approximately 27% to \$5,625,000 compared to net sales, excluding discontinued operations, of \$4,420,000 for the quarter ended July 31, 2005. Net sales growth was mainly driven by shipments of new toy concepts and increased volume in the Diversified Products Division. However, all three business units experienced improved sales results during the first six months.

New toy concepts represented 33% of domestic toy shipments and, together with increased shipments of the Magna Doodle® drawing toy into the European market, contributed to the overall increase in total toy sales. Shipments of decorated steel to the food container industry provided the primary impetus for a 12.5% increase in the Diversified Products Division's net sales.

Net loss after taxes for the six months ended July 31, 2006 amounted to \$497,000, or \$.57 per share, on 875,000 average shares outstanding, compared to a net loss after taxes, but before discontinued operations, of \$2,229,000, or \$2.55 per share, on 875,000 average shares outstanding during the six months ended July 31, 2005. The sale of the Strydel injection molding division segment was completed during the first quarter of 2005 and resulted in a gain, including income from operations, of \$1,118,000 for the six months ended July 31, 2005. The impact of the subsidiary sale yielded a net loss after taxes and discontinued operations of \$1,111,000, or \$1.27 per share for the six months ended July 31, 2005.

For the quarter ended July 31, 2006, the Company experienced a net income after taxes in the amount of \$26,000 or \$.03 per share, on 875,000 shares outstanding, compared to a net loss after taxes and discontinued operations of \$1,193,000 or \$1.36 per share, on 874,000 shares outstanding during the three months ended July 31, 2005.

Although toy gross margins improved and non-toy gross margins did not, the significant improvement in the Company's net income and return to profitability in the second quarter was driven by the Company's sales growth and the continuing influence our three-year overhead reduction effort has had on operating costs.

Established in 1908 and headquartered in Bryan, Ohio, The Ohio Art Company manufactures and markets the world famous Etch A Sketch® drawing toy, as well as a complete line of toys that enhance and provide development, creativity, and positive reinforcement. Product lines include "Making Creativity Fun" activity toys, such as Etch A Sketch®, Magna Doodle™, and Doodle Doug™. In addition, the Company's Diversified Products Division manufactures lithographed products for the photographic, food container, and specialty premium markets.

THE OHIO ART COMPANY AND SUBSIDIARIES\*  
(Thousands Except Per Share Data)

\* Unaudited and subject to year-end adjustments.

	<u>Six Months Ended</u>		<u>Three Months Ended</u>	
	<u>7/31/06</u>	<u>7/31/05</u>	<u>7/31/06</u>	<u>7/31/05</u>
Net Sales	\$ 8,995	\$ 7,377	\$ 5,625	\$ 4,420
Income (Loss) Before Income Taxes	\$ (497)	\$ (2,229)	\$ 26	\$ (1,178)
Income Tax Expense (Benefit)	\$ 0	\$ 0	\$ 0	\$ 0
Income (Loss) Before Discontinued Operations	\$ (497)	\$ (2,229)	\$ 26	\$ (1,178)
Discontinued Operations	\$ 0	\$ 1,118	\$ 0	\$ (15)
Net Income (Loss)	\$ (497)	\$ (1,111)	\$ 26	\$ (1,193)
Net Income (Loss) Per Share	\$ (.57)	\$ (1.27)	\$ .03	\$ (1.36)
Average Voting Shares Outstanding	875	875	875	874