

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 2008

BRYAN, OHIO, AUGUST 31, 2007 -- The Ohio Art Company, (OART.PK), today announced operating results for the three and six month periods ended July 31, 2007.

Net sales increased approximately 5% to \$9,413,000 for the six months ended July 31, 2007, compared to net sales of \$8,995,000 for the six months ended July 31, 2006. For the quarter ended July 31, 2007, net sales increased approximately 12% to \$6,288,000 compared to net sales of \$5,625,000 for the quarter ended July 31, 2006.

Shipments of Etch A Sketch® product increased over the similar fiscal 2007 period and initial shipments of the Betty Spaghetty® fashion doll line began in the second quarter of fiscal 2008 but other key toy categories lagged behind comparative results. In general, however, retailer delays in releasing domestic toy orders continued through the fiscal 2008 second quarter and could hamper the Company's ability to satisfy toy product demand later in the fiscal year.

International toy shipments experienced an increase in the second quarter and six month period as Betty Spaghetty® fashion doll shipments commenced into the European market. The Diversified Products Division sales rose approximately 16% driven by customer demand for decorated tins, food containers, and decorated closures and lids.

Net loss after taxes for the six months ended July 31, 2007 amounted to \$1,200,000, or \$1.37 per share, on 876,000 average shares outstanding, compared to a net loss after taxes of \$497,000, or \$.57 per share, on 875,000 average shares outstanding during the six months ended July 31, 2006.

The net loss increase was due primarily to the reduction in domestic toy shipments which normally have higher profit margins, to the increased R&D and promotional expenses associated with the launch of the Betty Spaghetty® product line, and to a production quality issue connected to a key toy product which has since been corrected. The International Division improved its operating results compared to the similar fiscal 2007 period and the Diversified Products Division reported a \$489,000 profit before taxes for the fiscal 2008 six-month period.

For the quarter ended July 31, 2007, the Company experienced a net loss after taxes in the amount of \$93,000, or \$.11 per share on 876,000 average shares outstanding compared to a net income after taxes of \$26,000, or \$.03 per share on 875,000 average shares outstanding during the quarter ended July 31, 2006.

In May 2007, Ohio Art executed a facility lease and a production supply agreement with G&M Media Packaging, Inc., a subsidiary of Glud-Marstrand SA in Losning, Denmark whereby Ohio Art supplies lithographed tin plate to G&M Media which in turn produces metal packaging for video games and DVDs at Ohio Art's Bryan, Ohio plant.

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® and Magna Doodle™, the Betty Spaghetti™ mix and match fashion doll line, and the K's Kids® brand line of infant and toddler stuffed toys. 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>7/31/07</u>	<u>7/31/06</u>	<u>7/31/07</u>	<u>7/31/06</u>
Net Sales	\$ 9,413	\$ 8,995	\$ 6,288	\$ 5,625
Income (Loss) Before Income Taxes	\$ (1,196)	\$ (497)	\$ (93)	\$ 26
(Provision For) Benefit From Income Taxes	\$ (4)	\$ 0	\$ 0	\$ 0
Net Income (Loss)	\$ (1,200)	\$ (497)	\$ (93)	\$ 26
Net Income (Loss) Per Share	\$ (1.37)	\$ (.57)	\$ (.11)	\$ .03
Average Shares Outstanding	876	875	876	875