

PRESS RELEASE

EDUCATIONAL DEVELOPMENT CORPORATION ANNOUNCES  
SECOND QUARTER AND HALF YEAR 2008 RESULTS

TULSA, OK —October 12, 2007—<http://www.edcpub.com> —Educational Development Corporation (NASDAQ: EDUC) today reported results for the second quarter and the first six months of fiscal 2008, ended August 31, 2007.

**Quarter Results**

Net revenues were \$6,218,500 for the second quarter ended August 31, 2007 compared to \$6,484,400 for the same period last year. Last year's second quarter results included \$250,000 of income from a one-time breakup fee due to an attempt to acquire a bankrupt company.

The Publishing Division, which sells to retail outlets, increased net revenues by 2% for the quarter. Sales to independent retailers and specialized markets were up 9.9% over the same quarter the previous year. The Usborne Books at Home Division experienced an 8% decline, primarily due to a decrease in home party sales averages and lower school and library sales. Internet sales continue to show strong improvements, increasing 27% over the same period last year.

**Six Month Results**

For the six month period through August 31, 2007, net revenues were \$13,825,000 as compared to \$14,591,300 for the same period the prior year.

During the first half of fiscal year 2008, the net revenues for Publishing Division had a slight increase, offsetting a 45% decline attributable to one major retail chain. Sales to other major chains, independent retailers and specialized markets were up 2.7% over the previous year. The Usborne Books at Home Division had an 8% decrease in net revenues. This is primarily a result of a 4% decline in the number of home shows held and 7% lower average sales per order, partially offset by a 28% increase in internet orders.

In time for the holiday season, now underway, several novelty titles are being introduced. Among these are *How Big is a Million* including a fold-out poster with one million stars, *Wind-up Tractor Book* with model tractor and 3 tracks, the *Usborne Illustrated Dictionary of Math Kid Kit* with book-related activities and the *Trucks and Diggers* magnet book.

**EDUCATIONAL DEVELOPMENT CORPORATION**  
**SELECTED FINANCIAL DATA**

	<b>Three Months Ended August 31,</b>		<b>Six Months Ended August 31,</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
NET REVENUES	\$ <u>6,218,500</u>	\$ <u>6,484,400</u>	\$ <u>13,825,000</u>	\$ <u>14,591,300</u>
EARNINGS BEFORE INCOME TAXES	\$ <u>606,800</u>	\$ <u>700,900</u>	\$ <u>1,544,800</u>	\$ <u>1,791,400</u>
INCOME TAXES	<u>227,000</u>	<u>276,900</u>	<u>579,500</u>	<u>670,800</u>
NET EARNINGS	\$ <u>379,800</u>	\$ <u>424,000</u>	\$ <u>965,300</u>	\$ <u>1,120,600</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE:</b>				
Basic	\$ <u>0.10</u>	\$ <u>0.11</u>	\$ <u>0.26</u>	\$ <u>0.30</u>
Diluted	\$ <u>0.10</u>	\$ <u>0.11</u>	\$ <u>0.25</u>	\$ <u>0.29</u>
<b>WEIGHTED AVERAGE SHARES:</b>				
Basic	<u>3,766,413</u>	<u>3,756,042</u>	<u>3,763,257</u>	<u>3,741,595</u>
Diluted	<u>3,877,557</u>	<u>3,869,908</u>	<u>3,878,266</u>	<u>3,903,439</u>

### **About Educational Development Corporation**

Educational Development Corporation sells the Usborne line of educational children's books through a multi-level sales organization of independent consultants (<http://www.ubah.com>), through 5,100 retail stores and over the Internet. Over 1,400 different titles are available for children of all ages, with frequent new additions.