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FOR IMMEDIATE RELEASE

**FRANKLIN ELECTRONIC PUBLISHERS ENTERS JOINT VENTURE
FOR DEVELOPMENT OF PRODUCTS IN HONG KONG**

**Keysbond Ltd. of Hong Kong Shares Ownership with Franklin
in Embedded Linguistic Solutions (HK) Ltd.**

BURLINGTON, NEW JERSEY and HONG KONG SAR – August 16, 2006 – Franklin Electronic Publishers, Inc. (AMEX:FEP), a world leader in handheld reference products, and Keysbond Ltd. of Hong Kong, an electronics development and manufacturing concern, today announced a joint venture relationship by which the companies will incorporate and jointly own Embedded Linguistic Solutions (HK) Ltd., a new software development company based in Hong Kong. The companies expect that software development work for their respective products will be undertaken by the new joint venture company. Franklin has contracted with Keysbond for development and manufacturing services since 2001.

Barry Lipsky, President and Chief Executive Officer of Franklin Electronic Publishers said that, “As the markets we serve are becoming more and more competitive, our future growth is hinged on continuous improvements in efficiency and more cost effective time to market solutions. Our new joint venture with Keysbond brings with it a team of highly skilled software engineers that have experience in our markets and products which, along with the data conversion professionals we added to our team in our recently announced acquisition of Kreuzfeldt Electronic Publishing, provides us with greater flexibility in meeting these development and growth objectives.”

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Vincent Li, Managing Director of Keysbond Ltd. concurred: "Asia was originally a place where companies looked to outsource their manufacturing only. As we've grown over the last decades so has our ability to offer world class development services. Working together with Franklin over the past 5 ½ years we have honed our skills to complement theirs and with the worldwide language learning market growing, together we believe that we can make 1 + 1 = 3."

Financial details relating to the joint venture agreements were not disclosed.

About Keysbond

Keysbond Limited is a leader in the design, manufacturing, engineering and marketing of electronic lifestyle products which include LCD consumer electronic products, such as PDAs, electronic translators and databanks; digital media products, such as digital cameras, MP3 players, MPEG 4; electronic learning products, educational toys and electronic health care products since 1993. It also provides Electronic Manufacturing Services (EMS) for international clientele mainly from the US, European, Japanese, Korean and other overseas markets.

With headquarters in Hong Kong Special Administrative Region and state-of-the-art manufacturing facilities in mainland China, Keysbond currently has a presence in 6 countries and approximately 2000 employees, including about 100 research and development professionals in Germany, Hong Kong SAR and the mainland China. This network allows Keysbond to stay abreast of the latest technology and market trends throughout the world, while maintaining a highly competitive cost structure.

About Franklin

Franklin Electronic Publishers Incorporated (AMEX:FEP) is a world leader in electronic handheld information, having sold more than 37,000,000 electronic books since 1986. Current titles available directly or through partners number more than 26,000 in sixteen languages under license from world class publishers, such as Merriam-Webster and HarperCollins, focused in five genres: Learning, Language Learning, Travel, Spiritual, and Leisure. The Company also licenses its underlying technology to an array of partners including Adobe, Sun Microsystems and Ademco (a division of Honeywell). Franklin distributes ROLODEX[®] Electronics branded organizers worldwide and SEIKO branded reference products in North and South America, Australia and the European Community. Franklin's products are available at 43,000 retail outlets worldwide, through catalogs, and online at <http://www.franklin.com>.

ROLODEX[®] is a registered trademark of Berol Corporation, a subsidiary of Newell Rubbermaid Inc. SEIKO is a registered trademark of SEIKO Corporation.

Except for the historical information contained herein, the matters discussed throughout this release, including, but not limited to, those that are stated as Franklin's belief or expectation or preceded by the word "should" are forward looking statements that involve risks to and uncertainties in Franklin's business, including, among other things the efficacy of the joint venture arrangement and manufacturing of products developed thereby, the timely availability and acceptance of new electronic products, changes in technology, the impact of competitive electronic products, the management of inventories, dependence on key licenses, titles and products, Franklin's dependence on third party component suppliers and manufacturers, including those that provide Franklin-specific parts and other risks and uncertainties that may be detailed from time to time in Franklin's reports filed with the Securities and Exchange Commission.

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