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## BAB, Inc. Reports Profit for 1<sup>st</sup> Quarter FY 2010

DEERFIELD, Ill.--([BUSINESS WIRE](#))--BAB, Inc. (OTCBB: BABB), announced its financial results for the first quarter ended February 28, 2010.

For the quarter ended February 28, 2010, BAB had revenues of \$648,000 and net income of \$21,000, or \$0.003 per share, versus revenues of \$778,000 and a net loss of (\$2,395,000), or (\$0.330) per share, for the quarter ended February 29, 2009, which included a noncash impairment charge for goodwill and other intangibles of \$2,399,000. Without this charge in 2009 BAB would have had net income of \$4,000. There was no such charge in the quarter ended February 29, 2010.

Total operating expenses were \$626,000 for the quarter ended February 28, 2010, versus \$3,173,000, which included the impairment charge of \$2,399,000, for the same period in 2009.

BAB, Inc. operates, franchises, and licenses Big Apple Bagels®, My Favorite Muffin® Jacobs Bros. Bagels® and Brewster's® Coffee. The Company's stock is traded on the OTCBB under the symbol BABB and its web site can be visited at [www.babcorp.com](http://www.babcorp.com).

*Certain statements in this press release constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "forecast," "estimate," "project," "intend," "expect," "should," "would," "believe" and similar expressions and all statements which are not historical facts are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which could cause the company's actual results, performance (financial or operating), or achievements to differ from the future results, performance (financial or operating), or achievements expressed or implied by such forward-looking statements. The above factors are more fully discussed in the company's SEC filings.*

(TABLE FOLLOWS)

### BAB, INC. CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	QUARTER ENDED		
	02/28/10	02/28/09	% Change
<b>REVENUES</b>			
Royalty fees from franchised stores	407,615	442,635	-7.9%
Net sales by company-owned stores	104,730	108,429	-3.4%

Franchise and area development fee revenue	25,000	45,000	-44.4%
Licensing fees and other income	110,236	181,807	-39.4%
	<u>647,581</u>	<u>777,871</u>	<u>-16.7%</u>

**OPERATING COSTS AND EXPENSES**

Food, beverage and paper costs	29,742	33,379	-10.9%
Store payroll and other operating expenses	83,812	114,965	-27.1%
Selling, general and administrative	506,324	3,015,540	-83.2%
Depreciation and amortization	6,101	9,272	-34.2%
	<u>625,979</u>	<u>3,173,156</u>	<u>-80.3%</u>

Income / (loss) before interest, other and taxes	21,602	(2,395,285)	N/M
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Interest expense	(2,427)	(2,714)	-10.6%
Interest income	1,579	3,302	-52.2%

<b>Net Income / (Loss)</b>	<b><u>20,754</u></b>	<b><u>(2,394,697)</u></b>	<b><u>N/M</u></b>
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Earnings per share - basic	0.003	-0.330	N/M
Average number of shares outstanding	7,263,508	7,263,508	N/M

Earnings per share - diluted	0.003	-0.330	N/M
Average number of shares outstanding	7,263,508	7,263,508	N/M

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