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BAB, Inc. Reports Profit for 3rd Quarter FY 2009

DEERFIELD, Ill.--([BUSINESS WIRE](#))--BAB, Inc. (OTCBB: BABB), announced its financial results for its third quarter ended August 31, 2009.

For the quarter ended August 31, 2009, BAB had revenues of \$824,000 and net income of \$115,000, or \$0.02 per share, versus revenues of \$932,000 and net income of \$162,000, or \$0.02 per share, for the same quarter last year.

For the nine months ended August 31, 2009, BAB had revenues of \$2,399,000 and a net loss of \$2,168,000, or \$0.30 per share, versus revenues of \$2,849,000 and net income of \$483,000, or \$0.07 per share for the same period in 2008. Excluding the first quarter 2009 noncash impairment charge for goodwill and other intangibles of \$2,399,000, the nine months ended August 31, 2009 net income would have been \$231,000. There was no impairment charge in 2008.

Total operating expenses for the quarter ended August 31, 2009, were \$709,000 versus \$773,000 in 2008. For the nine months ended August 31, 2009, total operating expenses, excluding the \$2,399,000 impairment charge, were \$2,171,000 versus \$2,383,000 in 2008.

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.

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			Nine Months Ended		
	08/31/09	08/31/08	% Change	08/31/09	08/31/08	% Change
REVENUES						
Net sales by company-owned stores	121,014	136,056	-11.1%	347,546	389,896	-10.9%
Royalty fees from franchised stores	460,889	531,908	-13.4%	1,387,561	1,604,611	-13.5%

Franchise and area development fee revenue	25,000	20,000	25.0%	75,000	160,000	-53.1%
Licensing fees and other income	216,880	244,421	-11.3%	588,742	694,418	-15.2%
	823,783	932,385	-11.6%	2,398,849	2,848,925	-15.8%

OPERATING COSTS AND EXPENSES

Food, beverage and paper costs	35,954	44,046	-18.4%	105,205	128,836	-18.3%
Store payroll and other operating expenses	115,865	123,711	-6.3%	340,788	349,863	-2.6%
Selling, general and administrative	551,279	595,699	-7.5%	4,098,908	1,876,358	118.5%
Depreciation and amortization	6,265	9,209	-32.0%	25,093	27,793	-9.7%
	709,363	772,665	-8.2%	4,569,994	2,382,850	91.8%

Income before interest, other and taxes	114,420	159,720	-28.4%	(2,171,145)	466,075	-565.8%
Interest expense	2,714	2,987	-9.1%	8,141	8,962	-9.2%
Interest/other income	3,116	5,607	-44.4%	10,863	25,522	-57.4%

NET INCOME

	114,822	162,340	-29.3%	(2,168,423)	482,635	-549.3%
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Earnings per share - basic	0.02	0.02	N/M	(0.30)	0.07	N/M
Average number of shares outstanding	7,263,508	7,263,508		7,263,508	7,263,508	
Earnings per share - diluted	0.02	0.02	N/M	(0.30)	0.07	N/M
Average number of shares outstanding	7,263,508	7,271,548		7,263,508	7,272,847	

Contacts

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