



## BAB, Inc. Reports Results for 1<sup>st</sup> Quarter FY 2016

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DEERFIELD, III.--(BUSINESS WIRE)--BAB, Inc. (OTCQB: **BABB**), announced its financial results for the first quarter ended February 29, 2016.

For the quarter ended February 29, 2016, BAB had revenues of \$581,000 and net income of \$89,000, or earnings of \$0.01 per share, versus revenues of \$492,000 and a net loss of \$246,000, or a loss of \$0.03 per share for the quarter ended February 28, 2015.

Total operating expenses were \$492,000 for the quarter ended February 29, 2016, versus \$738,000 for the same period in 2015. The operating expenses for 2015 included \$243,000 of expenses relating to the settlement of a lawsuit against BAB Operations, Inc., a wholly owned subsidiary of BAB, Inc., which involved the 2001 lease assignment of a Company-owned store that had subsequently been franchised.

BAB, Inc. franchises and licenses Big Apple Bagels®, My Favorite Muffin®, SweetDuet® frozen yogurt and Brewster's® Coffee. The Company's stock is traded on the OTCQB under the symbol BABB and its website 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**

	<b>Fiscal Quarter Ended</b>		
	<b>02/29/16</b>	<b>02/28/15</b>	<b>% Change</b>
<b>REVENUES</b>			
Royalty fees from franchised stores	\$ 406,900	\$ 394,095	3.2%
Franchise and area development fee revenue	15,000	5,000	200.0%
Licensing fees and other income	158,977	93,293	70.4%
<b>Total Revenue</b>	<b>580,877</b>	<b>492,388</b>	<b>18.0%</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Selling, general and administrative	486,692	733,707	-33.7%
Depreciation and amortization	4,849	4,234	14.5%
<b>Total Operating Expense</b>	<b>491,541</b>	<b>737,941</b>	<b>-33.4%</b>
<b>Income/(Loss) before interest, other and taxes</b>	<b>89,336</b>	<b>(245,553)</b>	<b>-136.4%</b>
Interest expense	(397)	(776)	-48.8%
Interest and other income	186	724	-74.3%
<b>Net Income/(Loss)</b>	<b>\$ 89,125</b>	<b>\$ (245,605)</b>	<b>-136.3%</b>
<b>Earnings per share - basic and diluted</b>	<b>\$ 0.01</b>	<b>\$ (0.03)</b>	
Average number of shares outstanding	7,263,508	7,263,508	

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