



BAB, Inc. Announces Cash Distribution

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DEERFIELD, III.--(BUSINESS WIRE)--BAB, Inc. (**OTCQB: BABB**), today announced that its Board of Directors has declared a quarterly distribution of one cent (\$0.01) per share, payable on October 12, 2016 to shareholders of record as of September 23, 2016.

The Company believes it is possible for tax purposes, a portion of the distribution and any future distributions that the Board may declare in 2016 (collectively, the "Distributions") may be treated as a return of capital to shareholders to the extent of each shareholder's basis, while the remaining portion of the Distributions may be treated as a dividend.

The portion of the October 12, 2016 distribution that will be treated as a dividend will not be determined until January 2017, as that portion is dependent upon the Company's earnings for tax purposes for its fiscal year ending November 30, 2016. The final determination will be reported to recipients of the Distributions on a tax information return in early 2017.

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 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.

Contacts

BAB, Inc.

Michael K. Murtaugh

Phone: (847) 948-7520

Fax: (847) 405-8140

www.babcorp.com