



BUILD-A-BEAR WORKSHOP® CELE-BEAR-ATES TEDDY BEAR CENTENNIAL IN 2002, LOOKS AHEAD TO INTERNATIONAL EXPANSION IN 2003.

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ST. LOUIS, MO (DECEMBER 18, 2002)-Build-A-Bear Workshop®, Where Best Friends are Made®, continues to excel as leader and innovator of the make-your-own-stuffed animal store concept for entertainment and mall-based retailing. The company capped off a year of unprecedented growth with the opening of its 109th store and the sale of its 10-millionth stuffed animal since premiering the first store in St. Louis in 1997. Also in this record-breaking year, Build-A-Bear Workshop announced they will begin international expansion in 2003 as the company opens stores in Japan, Australia and Canada.

According to Maxine Clark, Build-A-Bear Workshop Chief Executive Bear, it is the unique, interactive experience provided by our Associates in each of our stores that continues to be the cornerstone for the company's success. "Build-A-Bear Workshop is about so much more than just coming in and buying a bear," she said. "The store was designed to bring out the creative side of our Guests-whatever their age or gender. People love to personalize their bears, and we are happy to provide an environment that encourages creativity. By the time our Guests leave our stores they have not only made a bear, but they have also shared time with their friend or family member. The experience is the thing that is unique, and sharing this experience and memory is what we provide."

Since its inception, Build-A-Bear Workshop has enraptured bear lovers the world over...as well as the experts! Two new, highly acclaimed books-Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force (Dearborn Trade Publishing, December 2002) and Priceless: Turning Ordinary Products into Extraordinary Experiences (Harvard Business School Press, December 2002)-all but secure the company's status as leader in the make-your-own stuffed animal store concept. By using Build-A-Bear Workshop as a case study, both books applaud some of the company's best practices, including word-of-mouth advertising and creating value-adding experiences.

While providing a fun and un-fur-gettable experience for all Guests, Build-A-Bear Workshop celebrated the Teddy Bear Centennial™ this year, commemorating the origin of the Teddy Bear in 1902, with fun, interactive learning opportunities that promoted literacy by sharing the story and history of the first teddy bear. In July the company introduced a new bear, Read Teddy™, and has since pledged one dollar from the sale of each of these new Teddy Bears to First Book®, a national non-profit literacy organization that enables children from low-income families to read and own their first new books. The literacy effort also marked the launch of Bearemy's™ Book Club, an interactive online book club where children learn about recommended books and rate books they have read. Additionally, Build-A-Bear Workshop introduced the Centennial Berrific™ Bear Story Writing Contest, which invited children to write a Teddy Bear Tale. The two grand prize winners and family members enjoyed V.I.P. seating at the 76th annual Macy's Thanksgiving Day Parade™ in New York City, where Build-A-Bear Workshop unveiled a special Teddy Bear Centennial float with colorful, furry animated characters.

In addition to celebrating the 100th Anniversary of the Teddy Bear, Build-A-Bear Workshop marked the opening of its 100th store at Roosevelt Field in Long Island, New York, in September. To commemorate the opening, Build-A-Bear Workshop hosted a Teddy Bear Centennial Gala and fundraiser in Roosevelt Field, featuring an auction of Teddy Bears personalized by local and national celebrities with proceeds from the auction donated to the Simon Youth Foundation, a not-for-profit organization dedicated to helping high school students achieve their educational goals through scholarships and after school resource centers.

Throughout 2002, Build-A-Bear Workshop again showed that when it comes to spreading hugs to the community, it is a company with a big heart. Its Stuffed with Hugs program, donated bears this year to children in need through a partnership with firefighters and police officers across the country. Stuffed with Hugs has become a signature charity event for the company in each of its communities and since the program was introduced in 2001 over 60,000 bears have been made by Guests and donated to children who need the extra hug of a teddy bear of their own. This program is just one example of Build-A-Bear Workshop's various philanthropic efforts, which also include protecting endangered species through a partnership with the World Wildlife Fund and helping raise money for research through a partnership with the Susan G. Komen Foundation.

In September 2002, National Children's Cancer Awareness month, Build-A-Bear Workshop officially launched its support for this cause by working with National Children's Cancer Society (NCCS), which is based in St. Louis, Missouri, to launch the organization's first "Walk For the Children", a walkathon for pediatric cancer. The successful event increased local awareness of pediatric cancer and raised thousands of dollars for this important cause, including funds raised by Build-A-Bear Workshop associates and matching funds from the company. This event will be held each year and will be a joint effort by Build-A-Bear Workshop and NCCS in many markets across the country in 2003.

Another focus of the company's commitment to children in 2003 will include Nikki's Bear, a very special bear to be introduced in January of 2003, dedicated to raising money for pediatric cancer. One dollar from the sale of each Nikki's Bear will be donated to NCCS to support the cause of children's cancer and to other efforts that provide treatment and research programs for children's cancer.

In 2003, Build-A-Bear Workshop aims to continue its aggressive expansion plan nationally to such new markets as Omaha, NE, Coralville, IA, and Cleveland, Akron and Dayton, OH-as well as internationally. The company has been planning its global strategy for the past several years, and opening stores in Japan, Australia and Canada symbolizes a natural extension of its international business growth.

Commenting on the plan, Clark said, "Our decision to open stores abroad is a response to the thousands of requests we have received from our international Guests who have shopped in our stores in the United States and on our Web site since we opened our first store in 1997-both factors indicating a strong customer base and reputation in other countries. Build-A-Bear Workshop's expansion has continued to exceed our expectations during this past year and we look forward to bringing more smiles to our Guests and friends in Japan, Australia and Canada."

As part of its ongoing growth in 2002, Build-A-Bear Workshop continued to build and enhance alliances with key strategic partners, such as Limited Too. This year both companies partnered in the "Win Your Wish" Birthday Bash Contest, which celebrated Limited Too's sixteenth birthday. As a sponsor of the contest, Build-A-Bear Workshop offered one of 15 dazzling grand prizes with a trip to the Build-A-Bear Workshop in DOWNTOWN DISNEY® District. Looking ahead to 2003, Build-A-Bear Workshop will offer branded Limited Too stuffed animal clothing in their stores, adding to an already wide and unique wardrobe array. In turn, Limited Too plans to cross promote Build-A-Bear Workshop in various marketing vehicles in the coming year.

Build-A-Bear Workshop is an interactive, entertainment mall-based retailer that invites Guests of all ages to create their own customized stuffed animals. The company operates 109 stores nationwide including a very successful e-commerce business. Build-A-Bear Workshop is the innovator and leader of the make-your-

own-stuffed animal concept for mall-based retailing. The premier store opened in the Saint Louis Galleria, St. Louis, Missouri, in October 1997. For more information, call (888) 560-BEAR or visit the company's award-winning Web site at www.buildabear.com.