

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event
reported) April 28, 2005

Build-A-Bear Workshop, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	001-32320	43-1883836
----- (State or Other Jurisdiction of Incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)

1954 Innerbelt Business Center Drive St. Louis, Missouri	63114
----- (Address of Principal Executive Offices)	----- (Zip Code)

(314) 423-8000

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2005, Build-A-Bear Workshop, Inc. (the "Company") issued a press release announcing, among other things, total revenue, net income, net retail sales, gross margin and diluted earnings per share for the first quarter of fiscal 2005. The press release also included expected earnings and diluted earnings per share for the second quarter of fiscal 2005 and for the full year of fiscal 2005. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein. The description of the press release contained herein is qualified in its entirety by the full text of such exhibit.

In addition, the Company is hereby furnishing certain balance sheet information for the first quarter of 2004 as Exhibit 99.2 hereto.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description of Exhibit
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99.1	Press Release dated April 28, 2005
99.2	Unaudited Condensed Consolidated Balance Sheet of the Company

as of April 3, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BUILD-A-BEAR WORKSHOP, INC.

Date: April 28, 2005

By: /s/ Tina Klocke

Name: Tina Klocke
Title: Chief Financial Bear, Secretary
and Treasurer

EXHIBIT INDEX

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Build-A-Bear Workshop, Inc. Reports Net Income Growth of 51 Percent in Fiscal 2005 First Quarter

ST. LOUIS--(BUSINESS WIRE)--April 28, 2005--Build-A-Bear Workshop, Inc. (NYSE: BBW):

- First quarter revenue increased 23.6%, net income increased 50.8%.
- Earnings per diluted share were \$0.40 vs. \$0.30 in fiscal 2004, an increase of 33.3%, and include \$0.02 per diluted share for flagship store preopening costs.
- Fiscal 2005 earnings guidance remains \$1.35 to \$1.41 per diluted share, representing net income growth of 37% to 43% compared to fiscal 2004. Guidance includes \$0.06 per diluted share for flagship store preopening costs.
- New franchise agreement with Norway completed in April - international franchisees to now open 20 to 25 new stores in 2005

Build-A-Bear Workshop, Inc. (NYSE: BBW), an interactive entertainment retailer of customized stuffed animals, announced earnings results for the fiscal 2005 first quarter, the addition of Norway as an international franchisee and reiterated fiscal 2005 earnings guidance.

Total revenue for the fiscal 2005 first quarter (13 weeks ended April 2, 2005) increased 23.6% to \$86.1 million, compared to \$69.6 million in the prior year's first quarter (13 weeks ended April 3, 2004). First quarter net income increased 50.8% to \$8.0 million, or \$0.40 per diluted share, on 20.12 million diluted shares outstanding. These results compare to net income of \$5.3 million, or \$0.30 per diluted share, on 17.86 million diluted shares outstanding in last year's first quarter.

The company now expects European franchisees to open 16 to 18 new stores in 2005. Including these European new stores, total international franchisee new stores are now targeted at 20 to 25 in 2005.

The company reiterates fiscal 2005 earnings guidance of \$1.35 to \$1.41 per diluted share and second quarter earnings guidance of \$0.23 to \$0.25 per diluted share.

"Our earnings growth in the first quarter was outstanding and illustrates the power of our business and store model to deliver growth and improvement," said Chairman and Chief Executive Bear Maxine Clark. "Our strategy of raising brand awareness, taking our creative merchandise and "hands-on" shopping experience to wherever families go to have fun, and growing our highly productive and profitable store base is paying off.

Our progress remains positive -- new store expansion activity is on-plan and on-schedule, including our New York City flagship store; our oldest stores continued to show comparable store sales growth higher than the total store average; we look forward to a winning season with three ballpark stores now open for business; we've added the National Football League to our line-up of licensed sports apparel partners; and Build-A-Bear Workshop On Tour, our mobile store, is spreading smiles across the country."

Fiscal 2005 First Quarter

Fiscal 2005 first quarter total revenue includes net retail sales of \$85.7 million, an increase of \$16.2 million or 23.4% compared to last year's first quarter. Net retail sales growth was primarily driven by the addition of new stores opened during the past twelve months and comparable store sales growth of 5.4%. First quarter total revenue includes revenue from international franchise fees and third-party licensing totaling \$336,000, an increase of \$219,000 compared to last year's first quarter.

First quarter net income growth of \$2.7 million, compared to the fiscal 2004 first quarter, was driven primarily by increased revenue and improved leverage on costs and expenses, and higher interest income, partially offset by higher store preopening costs. Gross margin rate improved to 50.3% up from 48.3% in the fiscal 2004 first quarter, as sales volume leveraged store occupancy costs and produced purchasing cost efficiencies. Selling, general and administrative expense as a percent of total revenue decreased to 34.4% from 35.9% as efficiencies were realized in store payroll expense, marketing spending and corporate office expense. Store preopening costs increased primarily due to higher store preopening costs associated with the New York City flagship store, which totaled \$580,000 pretax, or \$0.02 per diluted share, in the first quarter.

Beginning in February 2005, the company began to 'anniversary' the start of its national television advertising campaign. Sales in the 2004 first quarter benefited from the company being featured in one segment of a nationally syndicated television show. Sales in the 2005 first quarter benefited from a shift in the Easter holiday from the second quarter in fiscal 2004 to the first quarter in 2005.

During the 2005 first quarter, the company opened three new Build-A-Bear Workshop(R) retail stores in the United States and Canada, as planned. This

compares to opening one new Build-A-Bear Workshop store during the 2004 first quarter. With these new stores, Build-A-Bear Workshop stores at the end of the first quarter totaled 167 in the United States and six in Canada. During the quarter the international franchisees opened no new international stores; international stores totaled 12 at the end of the first quarter.

International Expansion Plan

On April 8, 2005, the company signed a franchise agreement to open Build-A-Bear Workshop stores in Norway. In March, the company entered into a franchise agreement for the Netherlands, Belgium and Luxembourg (Benelux countries). These recent agreements bring the total number of international countries with franchise agreements to twelve. Those countries include Australia, Belgium, Denmark, France, Japan, Luxembourg, the Netherlands, Norway, the Republic of China (Taiwan), South Korea, Sweden and the United Kingdom. In fiscal 2004, revenue from international franchise fees totaled \$846,000. The company expects fiscal 2005 international franchise fee revenue to total approximately \$2.0 million.

"With the addition of four new European countries, we are expanding our European new store growth outlook," said President and Chief Operating Officer Bear, Barry Erdos. "Our franchisees in Europe now look to open 16 to 18 stores this year, including 8 to 10 stores in the United Kingdom, two in Denmark, two in France - the first to open in May in the world famous Galeries Lafayette department store in Paris - one store in Sweden, two stores in the Netherlands, and one store in Norway."

IPO Lock-up Expiration

Build-A-Bear Workshop(R) priced its initial public offering on October 27, 2004. The offering closed on November 2, 2004. A mandatory 180-day lock-up period, and 18-day lock-up extension, applicable to shares held by executive officers and directors, and the selling stockholders, is expected to expire on May 16, 2005.

Outlook

At this time, the company expects fiscal 2005 (52 weeks ended Dec. 31, 2005) net income in the range of \$27.3 million to \$28.5 million, representing net income growth of 37% to 43% compared to fiscal 2004. Diluted earnings per share (EPS) are expected to be in the range of \$1.35 to \$1.41. Comparable store sales growth is expected to be approximately 3%.

The company plans to open a flagship store in New York City in July 2005. Estimated flagship store pre-opening costs of approximately \$1.9 million pretax, or \$0.06 per diluted share, are significantly higher than for a typical store and are included in the fiscal 2005 earnings guidance.

The company expects fiscal 2005 second quarter (13 weeks ended July 2, 2005) net income in the range of \$4.7 million to \$5.1 million, and diluted EPS in the range of \$0.23 to \$0.25 on 20.3 million diluted shares outstanding. These expected results include flagship store pre-opening costs of approximately \$1.3 million pretax or \$0.04 per diluted share. Comparable store sales growth is expected to be in the range of 2% to 3% in the second quarter. The 2004 second quarter included the Easter holiday. These expected results compare to fiscal 2004 second quarter net income of \$4.9 million, and diluted EPS of \$0.27 on 18.0 million diluted shares outstanding.

Build-A-Bear Workshop expects to open 28 to 30 new Build-A-Bear Workshop stores in the United States and Canada, including the flagship store in New York City, and three new friends 2B made(R) stores in fiscal 2005. Twelve of the new stores are planned to open in the second quarter. International franchisees expect to open 20 to 25 new stores in fiscal 2005.

The company expects to begin expensing stock-based compensation in the first quarter of fiscal 2006 as required by the SEC's recently released amendment to the required effective dates for SFAS 123R, Share-Based Payment.

Other News

Build-A-Bear Workshop will host its Annual Meeting of Shareholders in St. Louis, Missouri, on Thursday, May 12, 2005, at 10:00 a.m. local time (CDT). The company will broadcast the meeting over the Internet via webcast. The webcast will be accessible through the Investor Relations page of the corporate web site, <http://ir.buildabear.com>. Following the live meeting, a replay of the webcast will be available until the next annual meeting.

Today's Conference Call Webcast

Today at 10:00 a.m. EDT, Build-A-Bear Workshop(R) will host a live audio webcast of its discussion with the investment community regarding the company's fiscal 2005 first quarter results. The webcast can be accessed at <http://ir.buildabear.com>. Following the live discussion, a replay of the webcast will be available until the next quarterly conference call.

About Build-A-Bear Workshop, Inc.

Build-A-Bear Workshop, Inc. (NYSE: BBW), with fiscal 2004 total revenue of \$302 million, is the only national company that offers Guests an interactive make-your-own-stuffed animal retail-entertainment experience. The first store opened in St. Louis in 1997; at the end of 2004 the company operated 170 stores in 40 states and Canada. With the opening of its store in Sheffield, England, in the fall of 2003 and the addition of international stores in Japan, Denmark and Australia in 2004, Build-A-Bear Workshop has become the global leader in the teddy bear business. In November 2004, the company opened two friends 2B made(R) stores, the newest concept based on the doll-making experience. For more information about the company and its products, call 888.560.BEAR (2327) or visit the company's award-winning Web site at www.buildabear.com.

Forward-Looking Statements

Statements in this news release expressing or indicating the beliefs and expectations of management regarding future performance are forward-looking statements including, without limitation, company financial performance, sales growth, new store openings, any other plans, objectives, expectations and intentions contained in this release that are not historical facts. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. These risks and uncertainties include, without limitation, those detailed in our 2004 annual report on Form 10-K filed with the SEC on March 29, 2005 under the caption "Risk Factors" and the following: (1) we may be unable to maintain our current comparable store sales growth; (2) our marketing initiatives may not be effective in generating sufficient levels of brand awareness and Guest traffic; (3) we may be unable open new stores to effectively manage our growth; (4) we may be unable to effectively manage our international franchises or laws relating to those franchises may change; (5) we may be unable to generate interest in and demand for our interactive retail experience, or to identify and respond to consumer preferences in a timely fashion; (6) customer traffic may decrease in the shopping malls where we are located, on which we depend to attract Guests to our stores; (7) general economic conditions may decrease, which could lead to reduced consumer demand for our products; (8) our market share could be adversely affected by a significant number of competitors; (9) we may lose key personnel, be unable to hire qualified additional personnel, or experience turnover of our management team; (10) the ability of our principal vendors to deliver merchandise may be disrupted; (11) the availability and costs of our products could be adversely affected by risks associated with international manufacturing and trade; (12) third parties that manage our warehousing and distribution functions may perform poorly; (13) we may fail to renew, register or otherwise protect our trademarks or other intellectual property; (14) we may have disputes with, or be sued by, third parties for infringement or misappropriation of their proprietary rights; (15) we may be unable to renew or replace our store leases, or enter into leases for new stores on favorable terms, or may violate the terms of our current leases; (16) we may experience failures in our communications or information systems; (17) terrorism or the uncertainty of future terrorist attacks or war could reduce consumer confidence and mall traffic; (18) we may become subject to challenges relating to overtime pay or other regulations relating to our employees; (19) we may suffer negative publicity or be sued due to violations of labor laws or unethical practices by manufacturers of our merchandise, and (20) we may improperly obtain or be unable to protect information from our Guests in violation of privacy or security laws or expectations.

These risks, uncertainties and other factors may adversely affect our business, growth, financial condition or profitability, or subject us to potential liability, and cause our actual results, performance or achievements to be materially different from those expressed or implied by our forward-looking statements. We do not undertake any obligation or plan to update these forward-looking statements, even though our situation may change.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Operations
(dollars in thousands, except share and per share data)

	13 Weeks Ended April 2, 2005	% of Total Revenues(1)	13 Weeks Ended April 3, 2004	% of Total Revenues(1)
Revenues:				
Net retail sales	\$ 85,723	99.6 %	\$ 69,495	99.8 %
Franchise fees	306	0.4	117	0.2
Licensing revenue	30	0.0	--	0.0
Total revenues	86,059	100.0	69,612	100.0

Costs and expenses:				
Costs of merchandise sold	42,607	49.7	35,922	51.7
Selling, general and administrative	29,635	34.4	24,993	35.9
Store preopening	1,188	1.4	212	0.3
Interest expense (income), net	(368)	(0.4)	(39)	(0.1)

Total costs and expenses	73,062	84.9	61,088	87.8

Income before income taxes	12,997	15.1	8,524	12.2
Income tax expense	5,029	5.8	3,239	4.7

Net income	7,968	9.3	5,285	7.6
Cumulative dividends and accretion of redeemable preferred stock	--		492	
Cumulative dividends of nonredeemable preferred stock	--		114	

Net income available to common and participating preferred stockholders	\$ 7,968		\$ 4,679	
=====				
Net income allocated to common stockholders	\$ 7,968		\$ 104	
=====				
Net income allocated to participating preferred stockholders	\$ --		\$ 4,575	
=====				
Earnings per common share:				
Basic	\$ 0.41		\$ 0.48	
=====				
Diluted	\$ 0.40		\$ 0.30	
=====				
Shares used in computing common per share amounts:				
Basic	19,274,625		217,519	
Diluted	20,123,927		17,858,276	

(1) Selected statement of operations data expressed as a percentage of total revenues, except costs of merchandise sold which is expressed as a percentage of net retail sales. Percentages will not total due to costs of merchandise sold being expressed as a percentage of net retail sales and rounding.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Balance Sheets
(dollars in thousands, except share and per share data)

	April 2, 2005	January 1, 2005

ASSETS		
Current assets:		
Cash and cash equivalents	\$70,609	\$67,327
Inventories	30,819	30,791
Receivables	3,473	3,792
Prepaid expenses and other current assets	5,031	5,320
Deferred tax assets	2,836	2,725

Total current assets	112,768	109,955

Property and equipment, net	77,321	75,815
Other intangible assets	1,300	1,411
Other assets, net	2,155	2,056
	-----	-----
Total Assets	\$193,544	\$189,237
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$21,883	\$25,767
Accrued expenses	13,321	13,966
Other current liabilities	17,750	22,222
	-----	-----
Total current liabilities	52,954	61,955
	-----	-----
Deferred franchise revenue	2,047	2,075
Deferred rent	28,578	26,426
Other liabilities	695	732
Deferred tax liabilities	1,964	2,539
	-----	-----
Stockholders' equity:		
Common stock, par value \$0.01 per share.	199	196
Additional paid-in capital	81,441	77,708
Retained earnings	27,354	19,386
Notes receivable from officers	(146)	(1,770)
Unearned compensation	(1,542)	(10)
	-----	-----
Total stockholders' equity	107,306	95,510
	-----	-----
Total Liabilities and Stockholders' Equity	\$193,544	\$189,237
	=====	=====

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Cash Flows
(dollars in thousands)

	13 Weeks Ended April 2, 2005	13 Weeks Ended April 3, 2004
	-----	-----
Cash flows from operating activities:		
Net income	\$7,968	\$5,285
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,165	3,543
Deferred taxes	(686)	(268)
Tax benefit from exercise of non-qualified options	2,095	-
Loss on disposal of property and equipment	112	-
Stock-based compensation	61	26
Change in assets and liabilities:		
Inventories	(28)	3,089
Receivables	319	1,102
Prepaid expenses and other current assets	289	598
Accounts payable	(3,884)	(3,734)
Accrued expenses and other liabilities	(5,240)	1,083
	-----	-----
Net cash provided by operating activities	5,171	10,724
	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment	(5,501)	(2,403)
Purchases of other assets	(270)	(299)
	-----	-----
Net cash used in investing activities	(5,771)	(2,702)
	-----	-----
Cash flows from financing activities:		
Exercise of employee stock options and employee stock purchases	2,237	-
Collection of note receivable from officer	1,645	-
	-----	-----
Net cash provided by financing activities	3,882	-
	-----	-----
Net increase in cash and cash equivalents	3,282	8,022
Cash and cash equivalents, beginning of period	67,327	20,601
	-----	-----
Cash and cash equivalents, end of period	\$70,609	\$28,623
	=====	=====

Unaudited Selected Financial and Store Data
(dollars in thousands, except square foot data)

	13 Weeks Ended April 2, 2005	13 Weeks Ended April 3, 2004
	-----	-----
Other financial data:		
Gross margin (\$) (1)	\$ 43,116	33,573
Gross Margin (%) (1)	50.3%	48.3%
Capital expenditures (2)	\$ 5,501	2,403
Depreciation and amortization	\$ 4,165	3,543

Store data (3):

Number of stores at end of period	173	151
Store square footage at end of period	522,630	464,972
Comparable store sales change (%) (4)	5.4%	14.8%

- (1) Gross margin represents net retail sales less costs of merchandise sold. Gross margin percentage represents gross margin divided by net retail sales.
- (2) Capital expenditures consists of leasehold improvements, furniture and fixtures, and computer equipment and software purchases.
- (3) Excludes our webstore and seasonal and event-based locations.
- (4) Comparable store sales percentage changes are based on net retail sales and stores are considered comparable beginning in their thirteenth full month of operation.

CONTACT: Build-A-Bear Workshop, Inc., St. Louis
Investors:
Molly Salky, 314-423-8000, Ext. 5353
or
Media:
Jill Saunders, 314-423-8000, Ext. 5293
www.buildabear.com

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
 Unaudited Condensed Consolidated Balance Sheets
 (dollars in thousands, except share and per share data)

	April 3, 2004

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 28,623
Inventories	19,484
Receivables	1,061
Prepaid expenses and other current assets	3,617
Deferred tax assets	1,754

Total current assets	54,539
Property and equipment, net	72,777
Goodwill	97
Other intangible assets	1,486
Other assets, net	1,926

Total Assets	\$ 130,825
=====	
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 18,088
Accrued expenses	10,111
Other current liabilities	11,473

Total current liabilities	39,672

Deferred franchise revenue	1,905
Deferred rent	22,187
Other liabilities	840
Deferred tax liabilities	3,175
Redeemable preferred stock, at redemption price	38,382
Stockholders' equity:	
Nonredeemable preferred stock, at par value	94
Common stock, par value \$0.01 per share.	5
Additional paid-in capital	10,967
Retained earnings	15,442
Notes receivable from officers	(1,844)
Unearned compensation	-

Total stockholders' equity	24,664

Total Liabilities and Stockholders' Equity	\$ 130,825
=====	