

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) August 1, 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 7.01. Regulation FD Disclosure.

Build-A-Bear Workshop, Inc. (the "Company") has prepared a slide presentation for use in connection with an investor meetings held on August 1 and August 2, 2005. The presentation includes, among other things, information regarding Company background, growth strategies, store economic model, historical financial performance, technology, logistics and marketing programs. A copy of the investor presentation is furnished as Exhibit 99.1 hereto and is incorporated by reference herein. The description of the investor presentation contained herein is qualified in its entirety by the full text of such exhibit.

The investor presentation will also be posted on the Company's investor relations website located at <http://ir.buildabear.com> in the Presentations section, although the Company reserves the right to discontinue its availability at any time.

The information in the investor presentation may only be accurate as of the date hereof and is subject to change. The Company does not undertake any plan or obligation to update the presentation, even though its situation may change in the future.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number Description of Exhibit

99.1 Investor Presentation dated August 1, 2005

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: August 1, 2005

By: /s/ Tina Klocke

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

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Investor Presentation dated August 1, 2005



The Bear Facts

Statements in this presentation expressing or indicating the beliefs and expectations of management regarding future performance are forward-looking statements including, without limitation, expected diluted earnings per share in the fiscal 2005 full year, as well as any other plans, objectives, expectations and intentions contained in this presentation 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 generate 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 to 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 deteriorate, 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®, Bearemy®, Where Best Friends are Made™ and other trademarks, services marks, and trade names used in our business are owned by Build-A-Bear Workshop Inc. and/or its affiliated companies. This document also refers to certain trademarks and trade names of our licensors and third parties, which other trademarks and trade names are the property of their respective owners.

See Corporate Disclosure Policy for additional guidelines on disclosure practices.



Agenda

- Build-A-Bear Workshop® Overview
- Growth Strategies
- Technology
- Logistics
- Marketing
- Questions



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Build-A-Bear Workshop Beginnings

Build-A-Bear Workshop was founded on a simple idea that's as real today as it was when Maxine Clark, Founder and Chief Executive Bear, first heard it over 30 years ago...

"Retailing is entertainment and the store is a stage, and when the customer has fun they spend more money."

-Stanley Goodman
Former CEO May Department Stores
May 1972

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Company Overview

- Build-A-Bear Workshop is a global leader in interactive retail that allows children "from 3 to 103" to build and customize their own stuffed animals.
- First store opened in St. Louis, MO in 1997
- An immediate success that has grown to over \$300 million in annual revenue
- An international brand
 - Over 185 stores in the US and Canada
 - Projected 200 stores by end of 2005
 - Stores opened or scheduled in 12 International countries
- 18th largest toy retailer (includes all toy categories) in the US in 2003⁽¹⁾
- Much more than a toy retailer. Build-A-Bear Workshop is a powerful entertainment brand that appeals to a broad range of loyal Guests



¹2003 Playthings Magazine survey based on 2002 sales.

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A Unique Retail-Entertainment Experience

Conventional Retail

- Merchandise driven – sell the brand, item, or price
- Traditional display techniques
- Appeals to a particular demographic
- Sales driven through markdowns and promotion

VS

Build-A-Bear Workshop

- Sells the brand experience
- Highly interactive theme park techniques
- Appeals to a broad demographic
- Marketing builds the brand and drives sales



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Our Associates ARE the Experience



Approximately
80% of returning
Guests plan their
visit to our store in
advance

90% of Guests
rated their overall
experience the
highest or second
highest rating

Guests are Connected to the Brand

- A GREAT EXPERIENCE creates loyal Guests
- Guests have a unique emotional attachment to the brand and stay connected
 - Over 11 Million unique households in our proprietary database
 - Build-A-Bear Workshop receives over 7,500 letters and e-mails from customers every month
 - Over half of Build-A-Bear Workshop business is with a returning Guest
 - 76% of Guests indicate that "nothing" could be done to improve their store experience





Our Products are the Other Half of the Formula

The Latest Trends and Partnerships with Powerful Brands

Fashion



Entertainment



Sports



• Offer a well-coordinated fashion merchandise selection of less than 450 SKUs per store

• Talented in-house product development team

- Tracks cultural and fashion trends
- Disciplined test and reorder methodology
- Cub Advisory Board regularly gives input on new products

• Relationships with strategic brands

• Limited Edition animals encourage collectibility



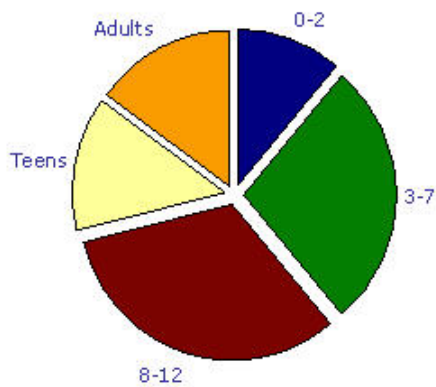
Destination Location With Broad Appeal

- Primary target is families with children typically age 3 to 12
- Other Guest segments include:
 - Grandparents, aunts and uncles shopping for kids
 - Teen girls 13-17 who bring along boyfriends
 - Child-centric organizations
 - Leisure travelers
 - Special interest collectors



For Kids "From 3 to 103"

Customer Age at Time of Purchase⁽¹⁾



- We have a broad customer base and universal appeal – attracting both adults and children
- BBW appeals to Guests of all ages
 - Children, Tweens, Teens & Adults
- BBW families live a suburban lifestyle revolving around the family
 - Two parents, both likely to work, aged 25-45
 - 2 or more children in the household

⁽¹⁾Source: Company Proprietary Database, 2004 registrations

Favorable Demographic And Socio-Economic Trends



Our Guests Come Back

% of All Transactions



% of Transactions to Repeat Guests

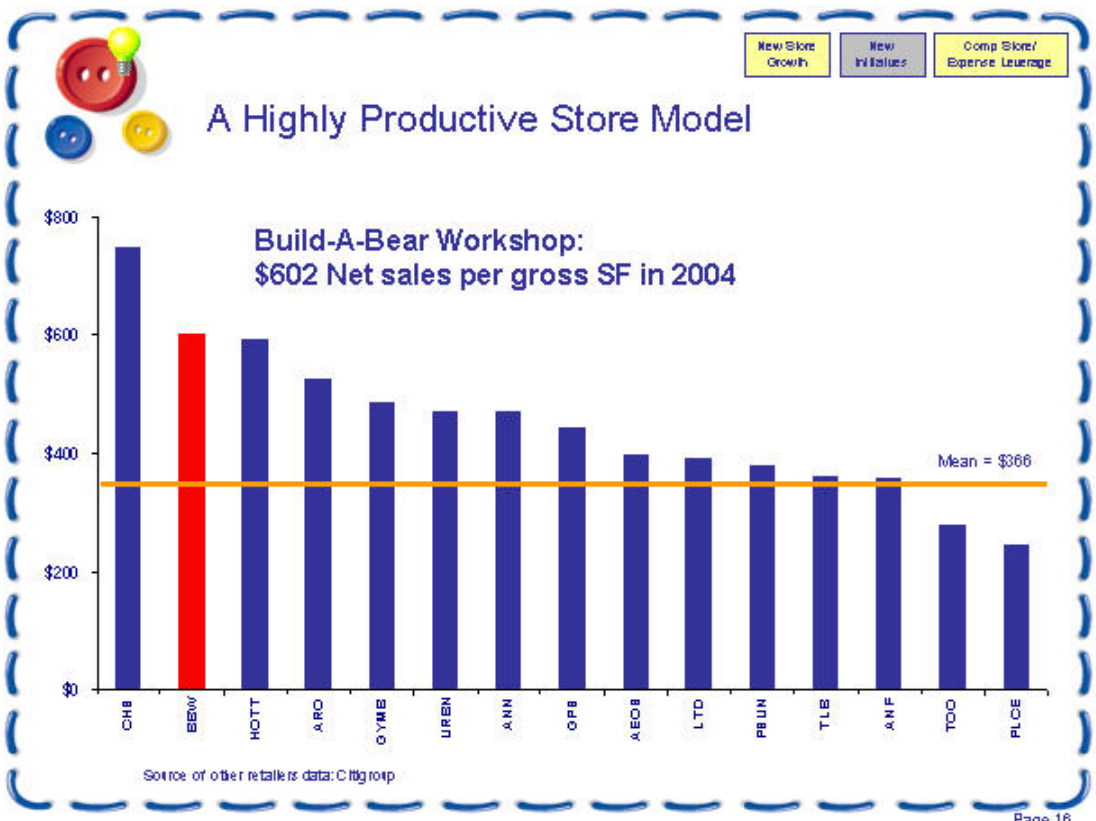


Repeat Guest Factor



Still Growing Strong







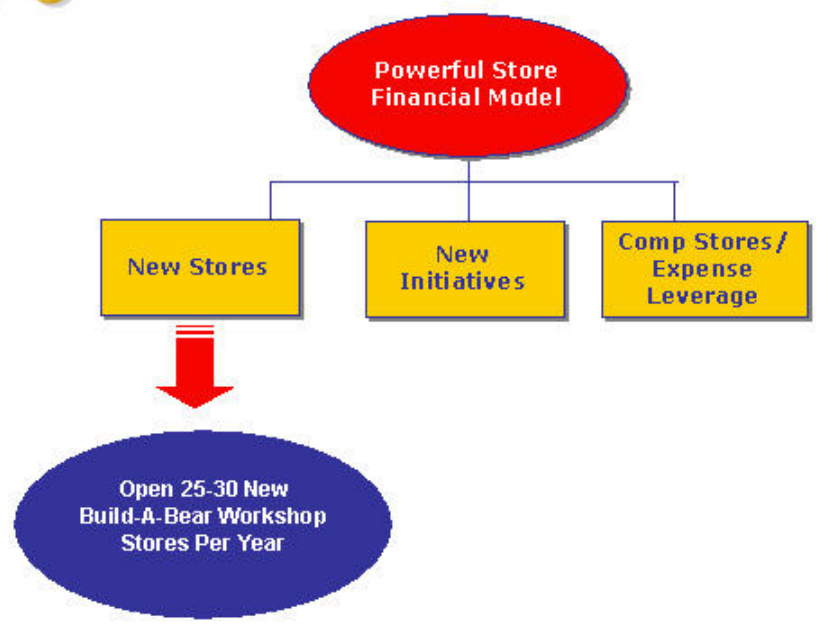
Superior Store Economic Model Supports New Store and Comp Store Growth

- Substantially all stores are profitable in the first 12 months of operation
- In 2004, average store revenues for stores opened for the entire year were \$1.9 million; net retail sales per gross square foot⁽¹⁾ of \$602 in 2004
- Strong gross profit margins reflect both excellent merchandise margins and minimal markdowns and product returns
- Store selling, general and administrative expense includes marketing and advertising expense of approximately 8% of total revenues and store payroll of 14% - 15% of total revenues
- For stores opened in 2004, investment per store averaged \$412,000 – including cost of leasehold improvements (net of tenant allowances), fixtures and equipment, inventory (net of trade payables), and pre-opening expenses.
 - Investment per store has decreased approximately 30% from the average investment in stores opened in 2002

⁽¹⁾Net retail sales per gross square foot represents net retail sales from stores open throughout the entire period divided by the total gross square footage of such stores



New Store Growth





New Store Growth

New Store Growth New Initiatives Comp Store/Expense Leverage



- Plan to open 30 stores in 2005; about half in new markets, and half in existing markets
 - NYC flagship store Grand Opening July 8th
- New stores open with very strong sales, typically above the chain-wide average of \$602 per square foot.
- Expansion plans include both new and existing markets
 - Flexible store model works in a variety of locations and geographies
- New site criteria based on forecasting model and demographic variables
- Estimated market potential of approx. 350 Build-A-Bear Workshop stores



If I Can Make it There...

New Store Growth New Initiatives Comp Store/Expense Leverage

Our flagship store in Manhattan is now open and will expand our geographic reach even more.





New Store Growth

New Initiatives

Comp Store/Expense Leverage

New Interactive Experiences in NYC Flagship Store

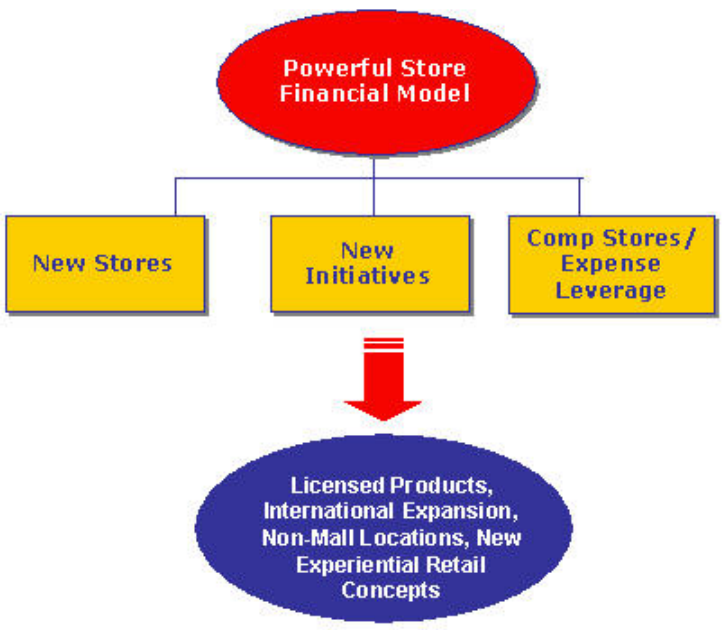


New Store Growth

New Initiatives

Comp Store/Expense Leverage

Developing New Initiatives





New Store Growth

New Initiatives

Comp Store/ Expense Leverage

Grow International Franchises



- Currently have 12 master franchise agreements
- 12 stores at year end 2004
 - Plan to open 20-25 stores in 2005
 - Potential of approx. 350 stores
- Strict control of franchisee format and operations
- Goal is to have well-capitalized franchisees with retail and/or real estate expertise



New Store Growth

New Initiatives

Comp Store/ Expense Leverage

Licensed Product Growth



- Licensed products will:
 - Expand brand awareness
 - Increase customer reach
- Agreements with leading manufacturers to use our brand to develop products for retailers including:
 - Scrapbooking products from Creative Imaginations
 - Books from HarperCollins
 - Bedding and room décor from Springs
 - Greeting cards and calendars from American Greetings
 - Kids' shoes from Elan-Polo



New Store Growth

New Initiatives

Comp Store/Expense Leverage

Develop New Experiential Retail Concepts

🐾 Leverage core competencies in entertainment and family-oriented retailing

2004 Chain Store Age design competition:
Retail Store of the Year:
Exterior (Mall)



The Mall at Robinson, Pittsburgh, PA

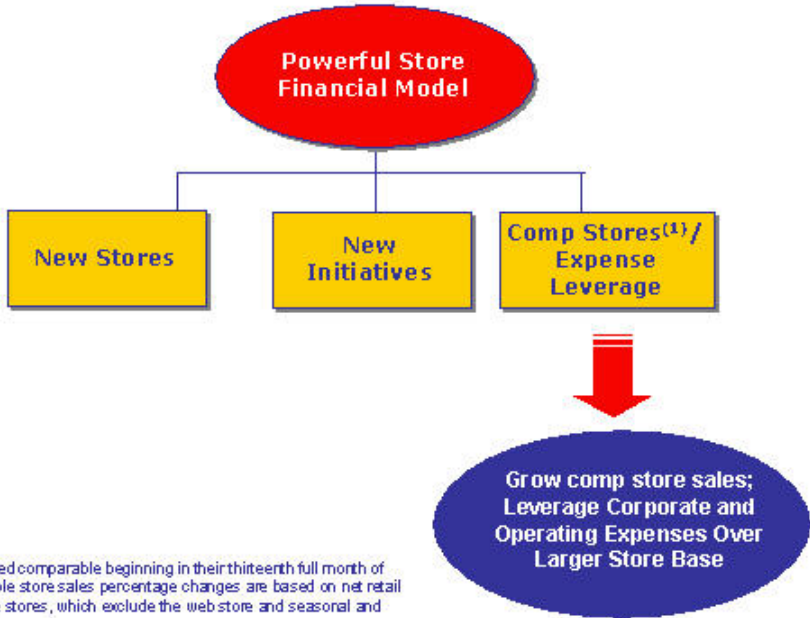


New Store Growth

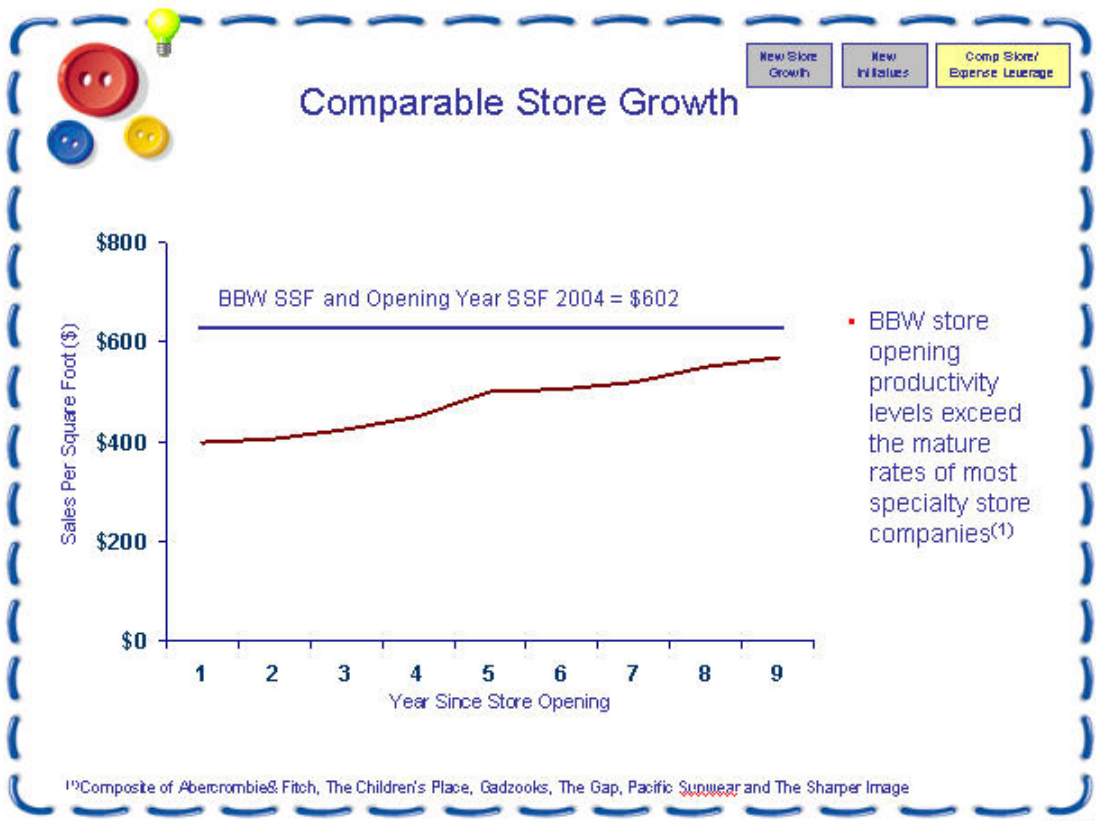
New Initiatives

Comp Store/Expense Leverage

Grow Comp Store Sales/Expense Leverage



¹⁾Stores are considered comparable beginning in their thirteenth full month of operations. Comparable store sales percentage changes are based on net retail sales and comparable stores, which exclude the web store and seasonal and event-based locations.





Fiscal 2005 Outlook

- ✦ Continued strong new store performance
 - Typically perform at or above chain wide average for sales per square foot
 - 16 new stores so far this year, including NYC flagship store vs. 8 last year
 - 14 additional new stores to open in 2005

- ✦ Continued growth in International franchise fees and licensing revenues
 - International licensing fee revenue targeted at approximately \$2 million in 2005
 - Licensing revenues targeted at approximately \$1 million in 2005

- ✦ Comp store sales growth expected to be flat

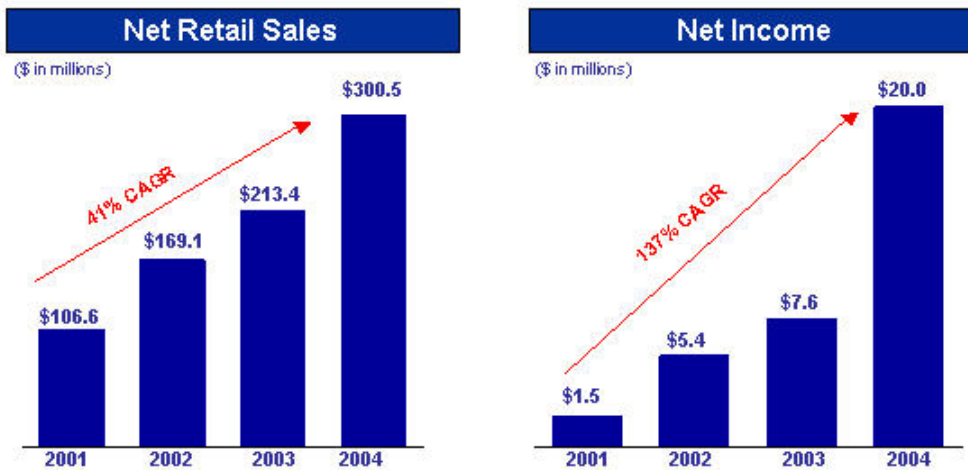
- ✦ Higher allocation of marketing and advertising spend in the second half of 2005
 - Full year spending targeted at \$28 to \$29 million
 - Approximately 70% allocated to second half in 2005 vs. 65% in 2004

- ✦ Unusual charges recognized in the 2004 second half do not recur in 2005 second half
 - Stock Based Compensation, 'cheap stock'
 - Bonus expense

- ✦ Bulk of second half earnings expected in the fourth quarter



Impressive Financial Performance



Fiscal 2003 includes 53 weeks.





First Half 2005 Results

(\$ in millions except EPS)	First Half Fiscal 05	First Half Fiscal 04	\$ Change
Total Revenue	\$159.8	\$135.7	\$24.1
Comp Store Sales	-0.6%	+13.8%	
Gross Margin ¹	\$77.4	\$65.4	\$12.0
%	48.7%	48.3%	
Net Income	\$11.5	\$10.2	\$1.3
Earnings Per Share (Diluted)	\$0.57	\$0.57	
Number of Stores	186	157	

¹ Gross margin represents net retail sales less cost of merchandise sold. Gross margin percentage represents gross margin divided by net retail sales.



Well Capitalized for Growth

- \$48 million in cash
- No debt

(\$ in millions)	ACTUAL 7/2/05
Cash	\$48.0
Debt	0.0
Stockholder's Equity	\$111.4
Total Capitalization	\$111.4





Strong Operating Cash Flow

- Strong cash flow from operations
- Impressive cash flow, despite growth in new stores

(\$ in millions)	Fiscal Year Ended		
	2004	2003	2002
Net Income	\$20.0	\$7.6	\$5.4
Depreciation and Amortization	14.9	12.8	9.0
Changes in Assets/Liabilities	12.5	9.4	8.2
Other	1.1	1.9	1.4
Cash Flow from Operations	48.5	31.7	24.0
Capital Expenditures	(16.5)	(24.9)	(24.0)
Purchases of Other Assets & Minority Interest in Subs	(1.2)	(2.1)	(1.6)
Cash Used in Investing Activities	(17.7)	(27.0)	(25.6)
Cash Provided (Used) in Financing Activities	15.9	-	(0.1)
Net (decrease) in Cash and Cash Equivalents	46.7	4.7	(1.7)

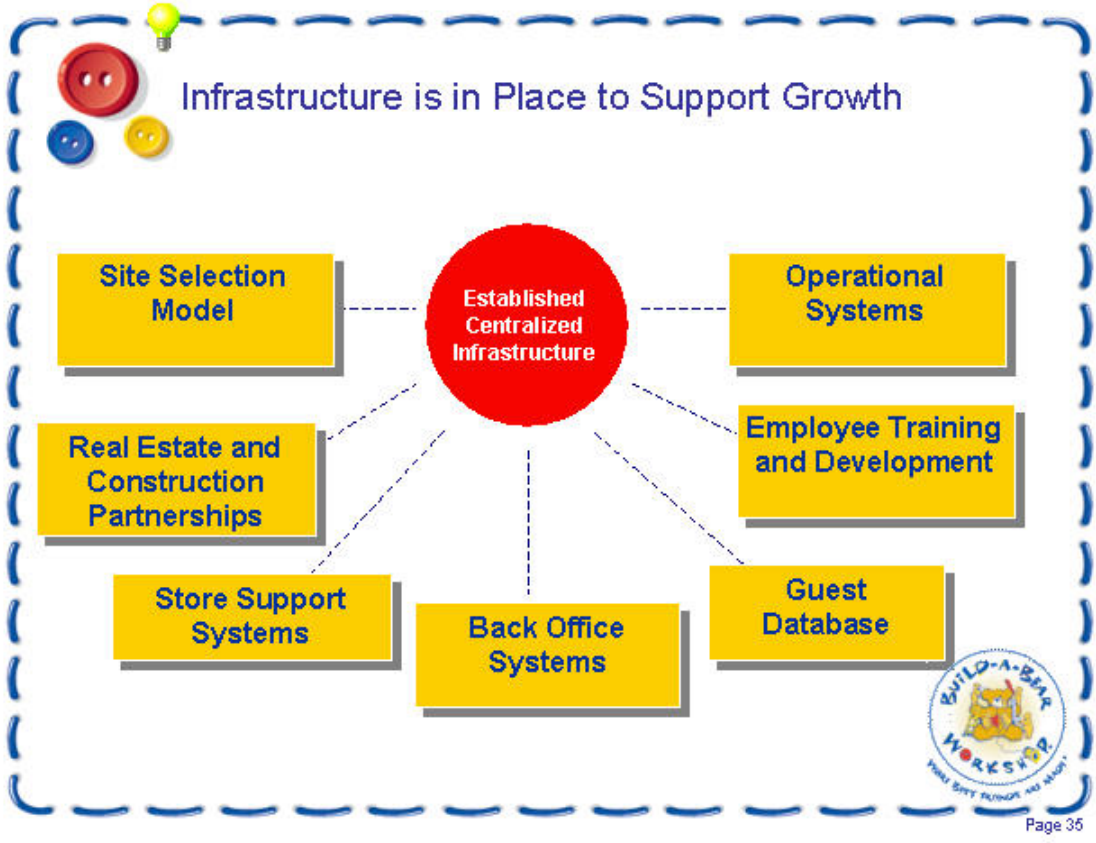
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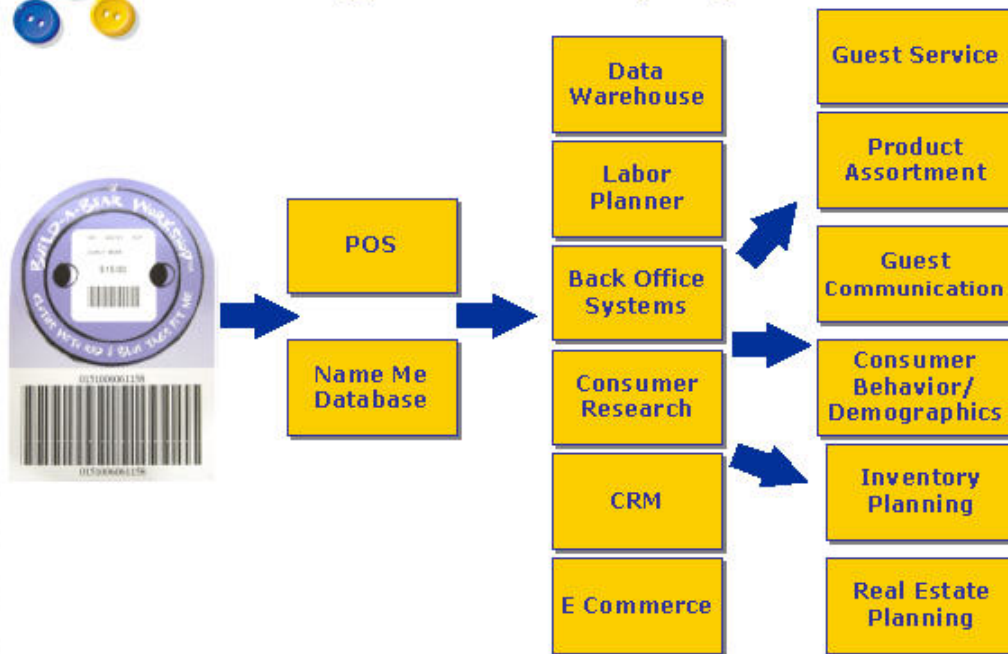
In-Bear-Mation Technology



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Technology is Behind Everything We Do

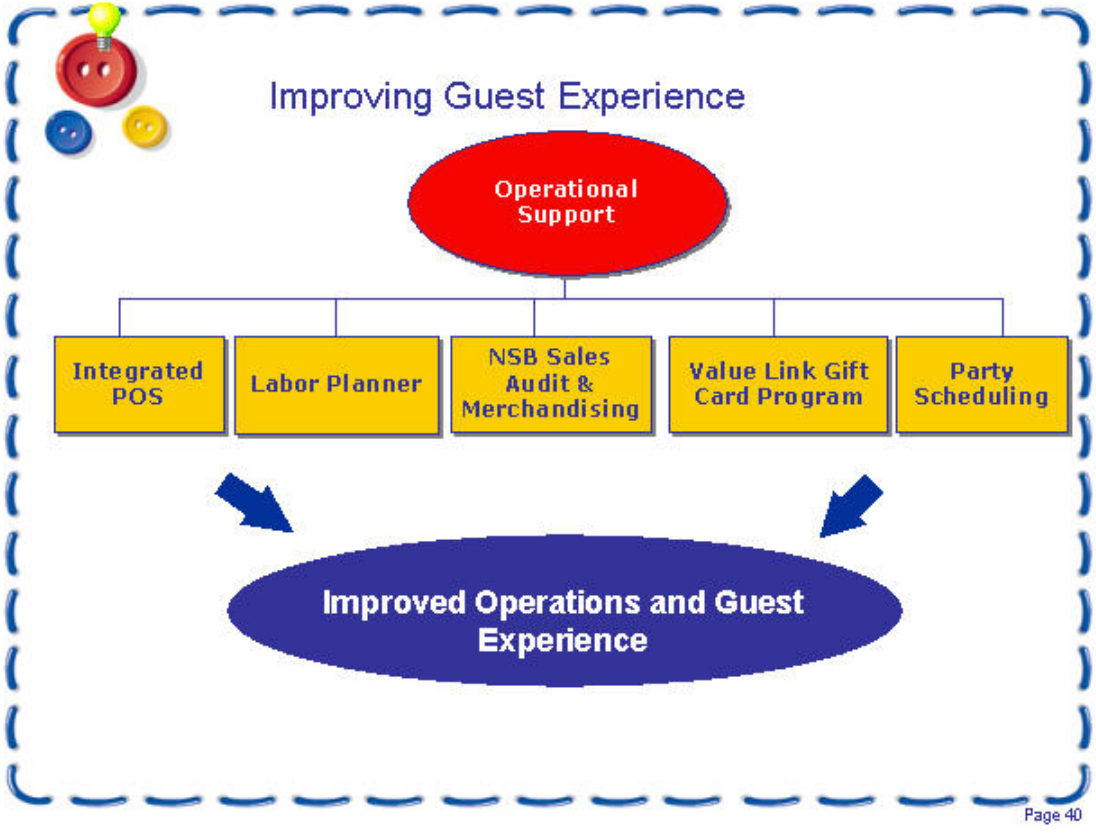
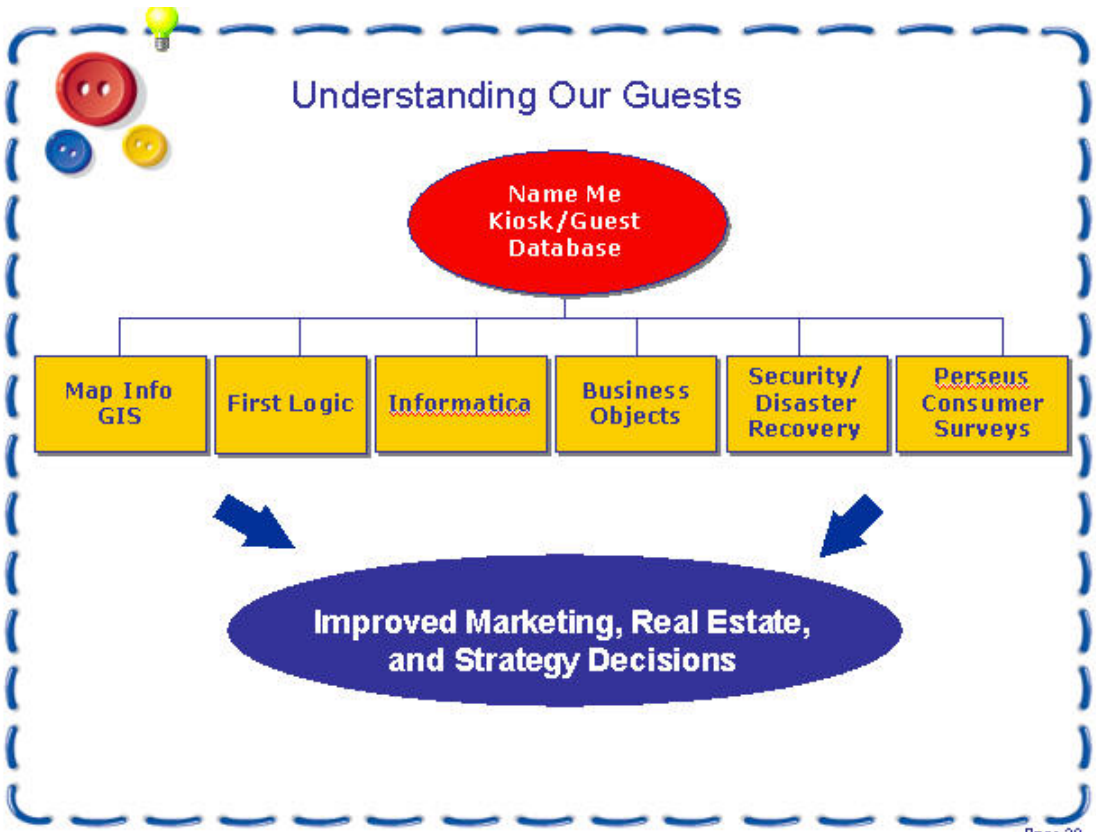


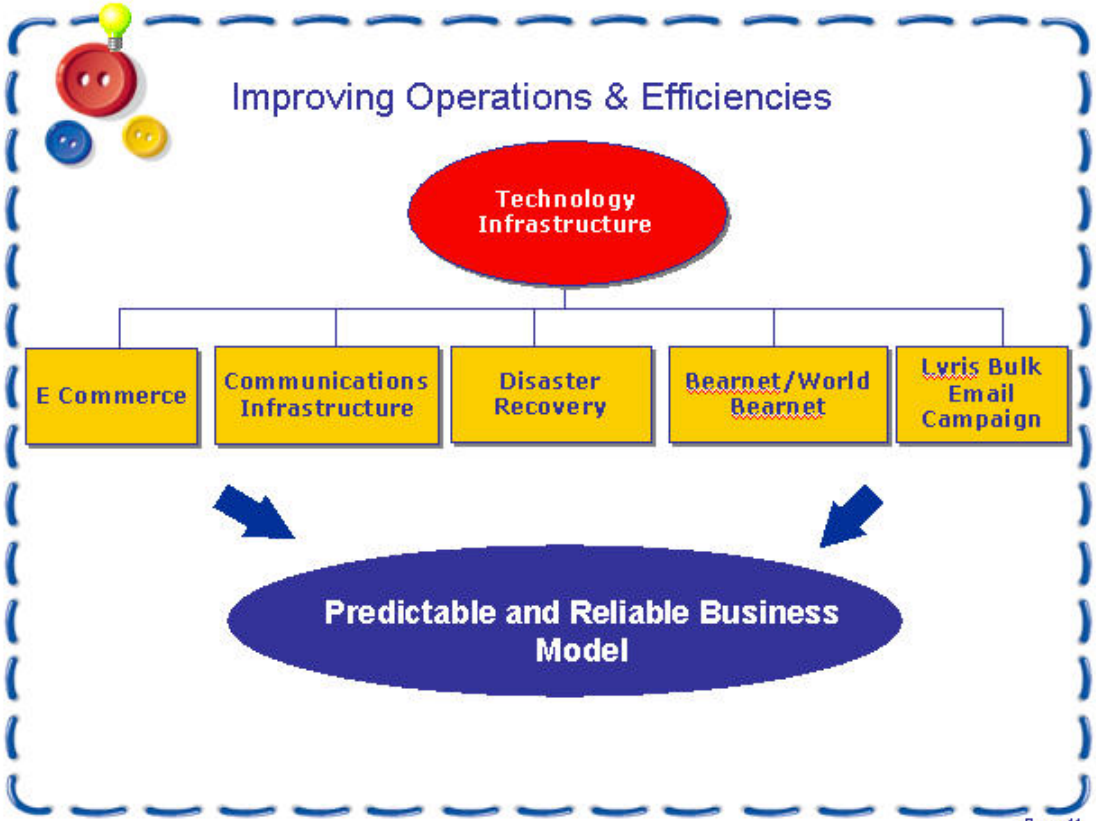
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High Touch and High Tech



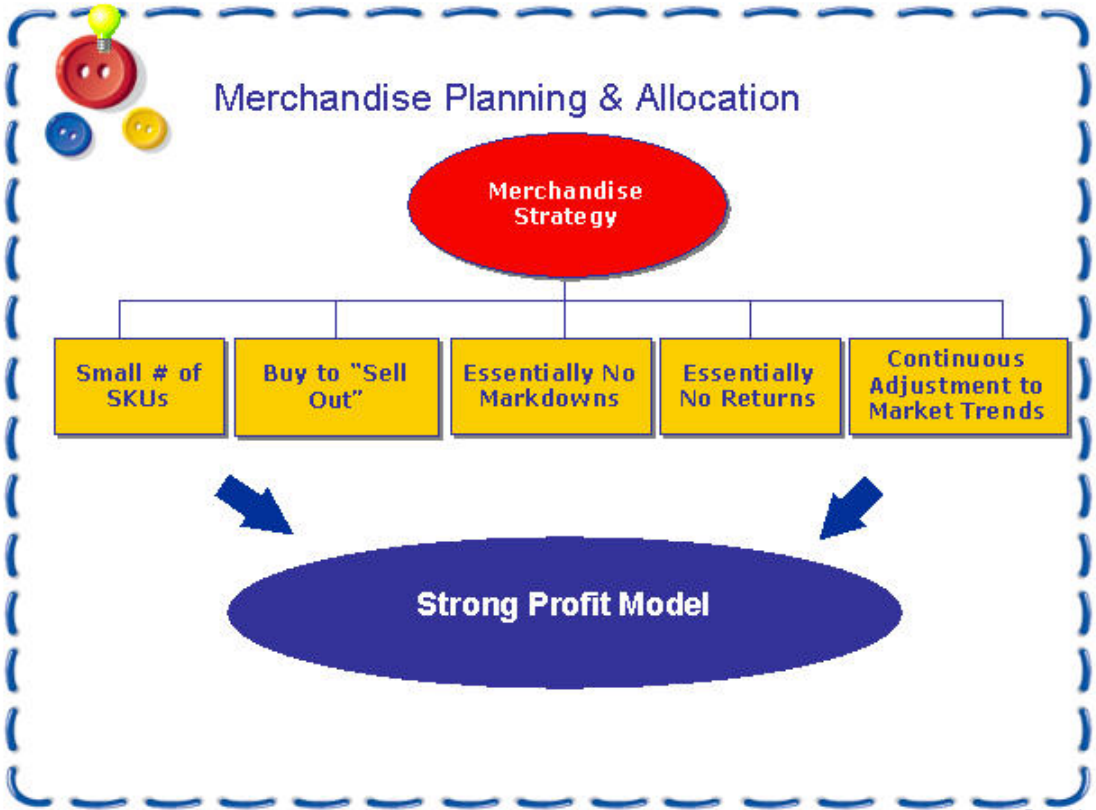
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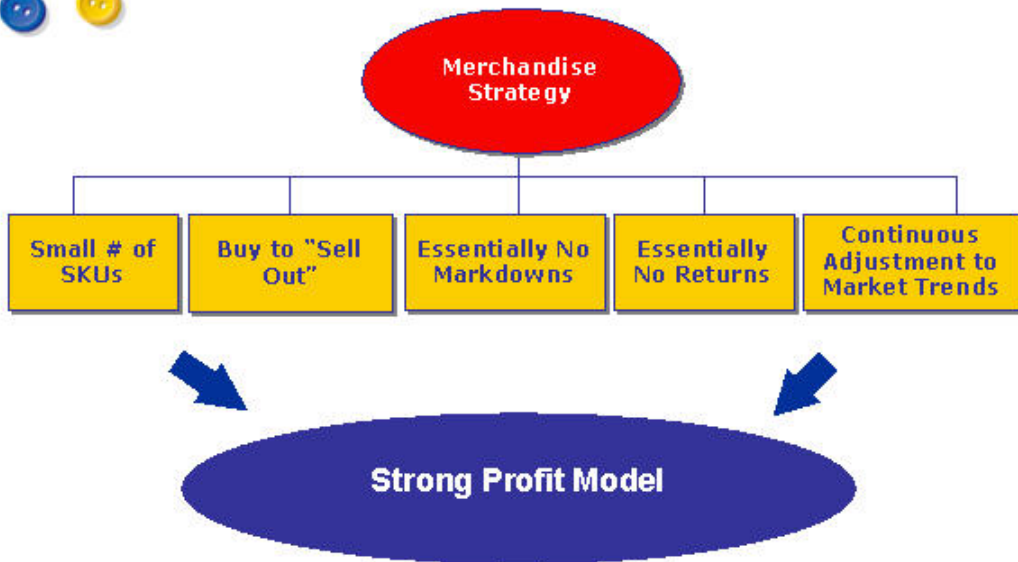




Bear Logistics



Merchandise Planning & Allocation





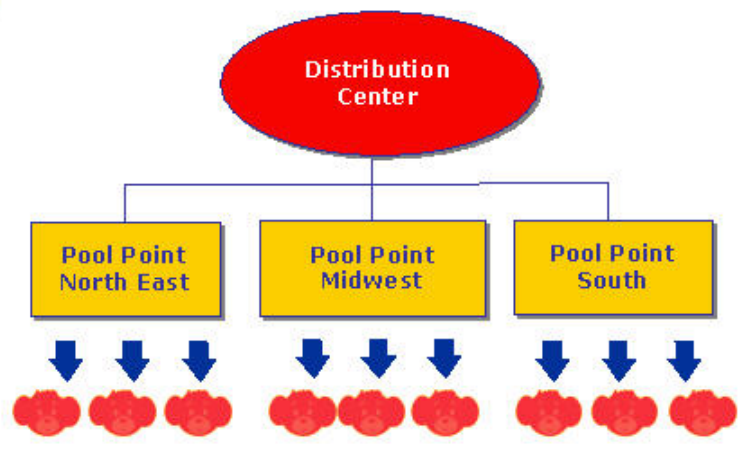
Strategically Located Distribution Centers



Currently operated by third party providers



Efficient Transportation Network



- 🐾 Majority of stores are delivered weekly via regional third party pool points
- 🐾 Gaining efficiencies via every two week deliveries to select stores, full-truck loads and California DC



Continuous Improvement: Network Study

- Potential opportunity to bring overall Logistics process in-house
- Potential for enhanced:
 - Inventory Control and Management
 - Systems Integration
 - Leveraging entire supply chain to improve efficiencies and reduce operating costs

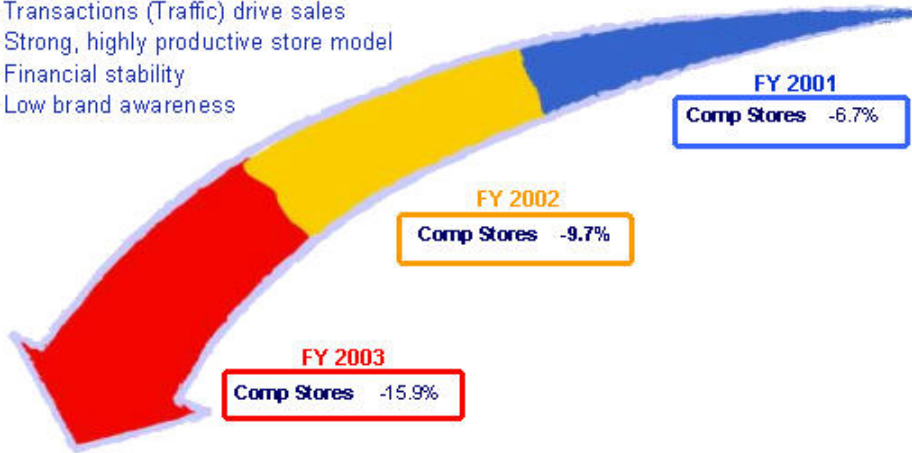


Marketing



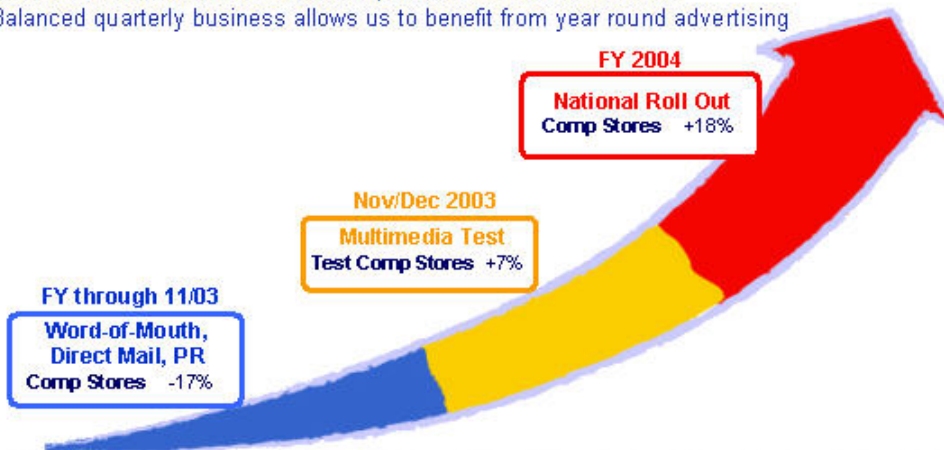
2003: Was it a Fad?

- Growing total sales but experiencing comp store declines
 - Increasing market penetration and building critical mass
- Business overview showed positive findings:
 - High Guest Satisfaction
 - Transactions (Traffic) drive sales
 - Strong, highly productive store model
 - Financial stability
 - Low brand awareness



A Strong Business Model with Significant Growth Potential

- Opportunity to grow brand awareness
 - Guests who knew us... loved us. But not enough people knew about BABW
 - Shifted Marketing Strategy to 75% Acquisition Model
 - Tested television advertising in 2003 after reaching critical store mass
- National roll-out led to tremendous top-line and bottom-line results
- Balanced quarterly business allows us to benefit from year round advertising



Marketing Builds the Brand and Drives Sales



National TV Advertising



Direct Mail and Email



www.buildabear.com



Public Relations



Macy's Thanksgiving Day Parade



Tourist Locations



Parties & Store Events



Mobile Marketing



Partners



Television Advertising Cornerstone of Integrated Plan



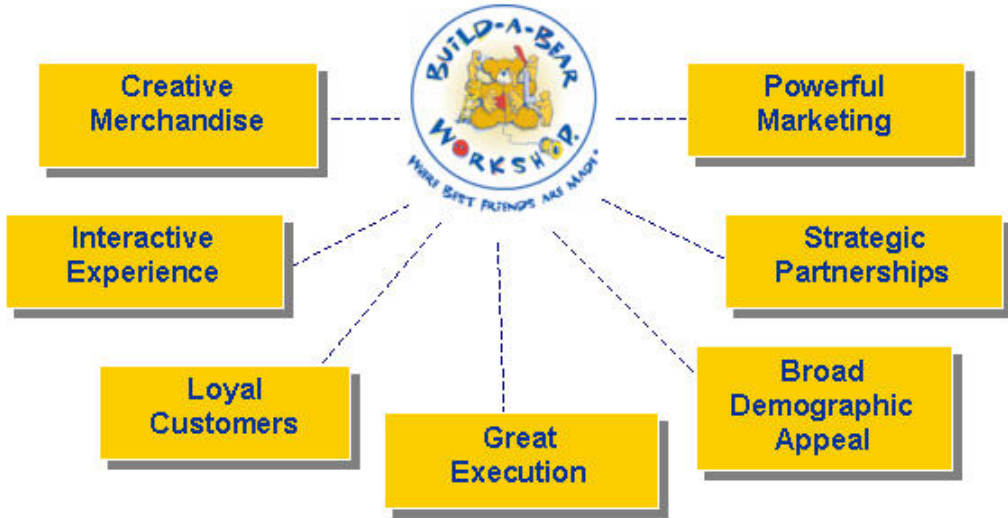
- 🐾 Highly sensory "product"
 - Media must communicate sight, sound, motion, FUN!
- 🐾 Television ads communicate:
 - Relationship: Mom/child, Friends
 - In-store experience
 - Music as a back drop
- 🐾 Acquisition tactics effective for retention as well
 - Drove store traffic: Both New and Repeat customer levels grew



To view our latest TV commercials,
please visit www.buildabear.com



Highly Profitable Retail-Entertainment Brand



www.buildabear.com

