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) October 29, 2009 (October 28, 2009)

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 1.01. Entry into a Material Definitive Agreement.

On October 28, 2009, Build-A-Bear Workshop, Inc. (the “Company”) and all of its domestic subsidiaries (collectively with the Company, the “Borrower”) entered into a Seventh Amendment to Loan Documents (the “Loan Document Amendment”) with U.S. Bank National Association (“U.S. Bank”), which amends the Company’s Fourth Amended and Restated Loan Agreement (the “Credit Agreement”) and the Fourth Amended and Restated Revolving Credit Note (the “Revolving Credit Note”) with U.S. Bank.

The Loan Document Amendment extends the expiration date of the facility from December 31, 2009 to December 31, 2011. The available line of credit remains unchanged at $40 million for the first half of each calendar year with a $50 million seasonal overline on the line of credit to be in effect from July 1 to December 31 of each year. In addition, the minimum tangible net worth covenant was increased from $93 million to $110 million and the fixed charge coverage ratio covenant was reduced from 1.3:1 to 1.2:1. The interest rate was increased from LIBOR plus 1.3% to LIBOR plus 2.05% and the prime rate option, previously prime minus 1.0%, was eliminated. In addition, the commitment fee on the unused portion of the credit line was increased from 0.125% to 0.25%. The Credit Agreement will continue to be secured by the assets of the Borrower and a pledge of 65% of the Borrower’s ownership interest in certain of its foreign subsidiaries. The Company does not currently have any outstanding borrowings under the Credit Agreement and is in compliance with the Credit Agreement covenants.

As amended by the Loan Document Amendment, the Credit Agreement continues to contain typical representations, warranties and negative covenants, including, among other things, that the Borrower will not incur indebtedness or make any investments in excess of certain thresholds, acquire any subsidiaries, or merge or consolidate with any other entity or acquire all or substantially all of the assets of any other company outside the ordinary course of business.

Relationship to U.S. Bank

The Company has or may have had customary banking relationships with U.S. Bank based on the provision of a variety of financial services, including lending, commercial banking and other advisory services.

The foregoing description of the Loan Document Amendment is only a summary of certain terms and conditions of this document and is qualified in its entirety by reference to the Loan Document Amendment, which has been filed as Exhibits 10.1 hereto and which is incorporated by reference herein. In addition, the Company has previously filed the Credit Agreement and the Revolving Credit Note as Exhibits 10.1 and 10.2, respectively, to its Current Report on Form 8-K, filed on August 13, 2008, which documents have also been incorporated by reference in the Company’s Annual Report on Form 10-K for the year ended January 3, 2009 (File No. 001-32320), filed on March 19, 2009; the foregoing description of those documents is also only a summary of certain terms and conditions therein and is qualified in its entirety to such documents as previously filed.

Item 2.02. Results of Operations and Financial Condition.

On October 29, 2009, Build-A-Bear Workshop, Inc. (the “Company”) issued a press release announcing, among other things, total revenue, net retail sales, renewal of its bank line of credit, losses related to its investment in Ridemakerz, LLC, charges related to the closure of its Friends 2B Made concept and, net loss, and diluted loss per share for the third quarter (13 weeks ended October 3, 2009) and first nine months of fiscal 2009 (39 weeks ended October 3, 2009). The press release also included the Company’s outlook for fiscal 2009 cost reduction initiatives.

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.

The information furnished in contained or incorporated by reference into this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing. In addition, this report (including Exhibit 99.1) shall not be deemed an admission as to the materiality of any information contained herein that is required to be disclosed solely as a requirement of this Item.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
10.1	Seventh Amendment to Loan Documents between Build-A-Bear Workshop, Inc., Build-A-Bear Workshop Franchise Holdings, Inc., Build-A-Bear Entertainment, LLC, Build-A-Bear Retail Management, Inc., as Borrowers, and U.S. Bank National Association, as Lender, entered into as of October 28, 2009
99.1	Press Release dated October 29, 2009

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: October 29, 2009

By: /s/ Tina Klocke
Name: Tina Klocke
Title: Chief Operations and Financial Bear,
Secretary and Treasurer

EXHIBIT INDEX

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99.1	Press Release dated October 29, 2009

Exhibit 10.1

SEVENTH AMENDMENT TO LOAN DOCUMENTS

BUILD-A-BEAR WORKSHOP, INC. ("BABWI"), successor by merger to BUILD-A-BEAR WORKSHOP, LLC, **BUILD-A-BEAR WORKSHOP FRANCHISE HOLDINGS, INC.** ("BABWF"), **BUILD-A-BEAR ENTERTAINMENT, LLC** ("BABE"), **BUILD-A-BEAR RETAIL MANAGEMENT, INC.** ("BABRM"), jointly and severally (individually and collectively, the "Borrower"), and **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), hereby agree as follows effective as of October 28, 2009 (the "Effective Date"):

1. **Recitals**.

1.1 Lender and Build-A-Bear Workshop, LLC entered into a Loan Agreement and related loan and security documents dated as of March 1, 2000 pursuant to which the Lender extended a revolving credit facility to the Borrower (the "Loan").

1.2 Lender, Build-A-Bear Workshop, LLC and BABWI entered into an assumption and amendment agreement dated as of April 3, 2000, whereby BABWI assumed all of the obligations of its predecessor in interest, Build-A-Bear Workshop, LLC.

1.3 Lender and Borrower amended the terms of the Loan by the First Amended and Restated Loan Agreement and related loan and security documents dated as of June 1, 2001 (the "First Amended Loan Agreement").

1.4 Lender and Borrower amended and restated the First Amended Loan Agreement by the Second Amended and Restated Loan Agreement dated as of February 13, 2002 (the "Second Amended Loan Agreement") and Borrower delivered to Lender in connection therewith the First Amended and Restated Revolving Credit Note and the First Amended and Restated Security Agreement.

1.5 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the First Amendment to Loan Documents effective as of May 30, 2003 to add additional borrowers to the Loan Documents, to revise certain financial covenants in the Loan Documents, and to add Build-A-Bear Workshop Canada, Ltd. ("Bear Canada") as a guarantor of the obligations under the Loan Documents.

1.6 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Second Amendment to Loan Documents effective as of December 31, 2003 to add an additional borrower to the Loan Documents.

1.7 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Third Amendment to Loan Documents effective as of May 31, 2004 to extend the Maturity Date and to change certain other terms and covenants in the Loan Documents.

1.8 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Fourth Amendment to Loan Documents effective as of September 28, 2004 to correct the name of Bear Canada.

1.9 Lender and Borrower amended and restated the Second Amended Loan Agreement by the Third Amended and Restated Loan Agreement dated as of May 31, 2005 (the “Third Amended Loan Agreement”) and Borrower delivered to Lender in connection therewith the Second Amended and Restated Revolving Credit Note.

1.10 Lender and Borrower amended the Third Amended Loan Agreement and related Loan Documents pursuant to the Fifth Amendment to Loan Documents effective as of June 30, 2006 to add Build-A-Bear Workshop UK Holdings, Ltd. (“Bear UK”) as a Borrower and to change certain other terms and covenants in the Loan Documents and Borrower delivered to Lender in connection therewith the Third Amended and Restated Revolving Credit Note.

1.11 Lender and Borrower amended the Third Amended Loan Agreement and related Loan Documents pursuant to the Sixth Amendment to Loan Documents effective as of June 19, 2007 to extend the Maturity Date.

1.12 Lender and Borrower amended and restated the Third Amended Loan Agreement by the Fourth Amended and Restated Loan Agreement dated as of August 11, 2008 (the “Fourth Amended Loan Agreement”) and Borrower delivered to Lender in connection therewith the Fourth Amended and Restated Revolving Credit Note (the “Fourth Amended Revolving Credit Note”).

1.13 Lender and Borrower intend to amend the Loan Documents by this Seventh Amendment to Loan Documents (the “Amendment”).

1.14 Capitalized terms used herein and not otherwise defined will have the meanings given such terms in the Loan Agreement.

2. **Amendment**.

2.1 Section 1 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

1. **Rates of Interest.** Interest on each advance hereunder shall accrue at an annual rate equal to 2.05% plus the one-month LIBOR rate quoted by Bank from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that one-month LIBOR rate in effect and reset each New York Banking Day, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate rounded up to the nearest one-sixteenth percent (a "LIBOR Rate Loan"). The term “New York Banking Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York. Bank's internal records of applicable interest rates shall be determinative in the absence of manifest error.

2.2 Section 3.1 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

3.1 Accrued interest will be due and payable, with respect to each LIBOR Rate Loan, monthly on the last day of each calendar month, and at maturity.

2.3 Section 3.2 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

3.2 The entire outstanding principal balance, all accrued and unpaid interest thereon, and all other amounts due under the Loan Documents will be due and payable in full on December 31, 2011 (the "Maturity Date").

2.4 Section 3.3 of the Fourth Amended Revolving Credit Note is hereby deleted.

2.5 Section 5.2 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

5.2 Any request by Borrower for a LIBOR Rate Loan must be received by Lender not later than 11:00 a.m. (Cincinnati time) on a day that is at least two (2) New York Banking Days prior to the proposed borrowing date (which must be a Business Day). Each request for an advance under this Note will be irrevocable by Borrower. Lender will have no liability in acting upon any request that Lender believes in good faith to have been given on behalf of Borrower and will have no duty to verify the authenticity of the signature(s) appearing on any written request and no duty to verify the identity of any person making any telephonic request. Any disbursement of funds pursuant to a telephonic or written request for an advance under this Note will be subject to all of the terms and conditions of the Loan Agreement. Upon the making of any request for an advance, Borrower will be deemed to have made all of the representations and warranties set forth in the Loan Agreement on and as of the date of such request except for those representations and warranties which were made specific to the effective date of the Loan Agreement.

2.6 Section 5.3 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

5.3 Lender hereby is authorized, at any time and from time to time, to make an advance under this Note in the form of a LIBOR Rate Loan for the payment on behalf of Borrower of any principal, interest or other sums due under this Note or any of the other Loan Documents. Notwithstanding the foregoing, Lender is not obligated to make any such advance.

2.7 Section 5.6 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

5.6 Notwithstanding any other provisions herein, if any law, treaty, rule or regulation, or determination of a court, governmental authority, central bank or comparable agency charged with the interpretation or administration thereof (whether or not having the force of law), or any change therein or in the interpretation or application thereof, makes it unlawful or impossible for Lender to make or maintain LIBOR Rate Loans, Lender will give written notice to Borrower, no additional LIBOR Rate Loans will be made, and outstanding LIBOR Rate Loans will be converted to loans bearing interest at the prime rate announced by Lender from time to time, as and when such rate changes, minus 0.25% per annum.

2.8 Section 2.1.4 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

2.1.4 **Commitment Fee.** Borrower will pay to Lender a commitment fee computed at the rate of 0.25% per annum, on the average daily difference between: (i) the outstanding amount of the Revolving Credit Note plus the outstanding amount of any Letters of Credit, and (ii) the Total Facility, such Commitment Fee to be payable quarterly in arrears on the last day of each June, September, December and March and upon the Maturity Date of the Revolving Credit Note and/or the date this Agreement is terminated.

2.9 Section 6.4 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

6.4 **Minimum Tangible Net Worth.** Permit the Tangible Net Worth of Borrower on a consolidated basis to be less than $110,000,000 at any time. Such amount shall be increased by the amount of all equity contributions made to the Borrower on a consolidated basis from time to time and shall be reduced by the amount of dividends, share repurchases, or any other return of capital contributions permitted under this Agreement; provided however, that such reductions shall not cause the Tangible Net Worth of Borrower on a consolidated basis to be less than $110,000,000 at any time.

2.10 Section 6.6 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

6.6 **Fixed Charge Coverage Ratio.** Permit the ratio of: (i) sum of net income, plus depreciation, plus amortization, plus interest expense, plus income taxes, plus operating lease payments, minus the amount of cash actually expended for taxes and dividends, minus an amount for maintenance capital expenditures equal to $5,000,000, all for the four most recent fiscal quarters to (ii) sum of scheduled principal payments on Indebtedness including capitalized lease payments, plus the amount of cash actually expended for interest and operating lease payments, all for Borrower on a consolidated basis for the same four fiscal quarters, to be less than 1.20 to 1.00 as of the end of each fiscal quarter on a historical rolling four quarters basis.

2.11 Section 13 of the Fourth Amended Loan Agreement is hereby amended to add the following definition in alphabetical order:

"Maturity Date" will have the meaning set forth in the Revolving Credit Note.

3. **General**.

3.1 Except as expressly modified herein, the Loan Documents, as amended, are and remain in full force and effect. Nothing contained herein will be construed as waiving any Default or Event of Default under the Loan Documents or will affect or impair any right, power or remedy of Lender under or with respect to the Loan Documents, as amended, or any agreement or instrument guaranteeing, securing or otherwise relating to any of the Obligations.

3.2 Borrower represents and warrants to Lender that: (a) this Amendment and the documents to be executed by Borrower in connection with this Amendment have been duly authorized, executed and delivered by Borrower; (b) each has full power and authority to enter into this Amendment; and (c) this Amendment and the documents executed by Borrower in connection with this Amendment constitute the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws in effect from time to time affecting the rights of creditors generally and except as such enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in law or in equity).

3.3 All representations and warranties made by Borrower herein will survive the execution and delivery of this Amendment.

3.4 This Amendment will be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns.

3.5 Borrower will pay attorneys' fees and expenses of Lender incurred in connection with this Amendment and related documentation. Such fees, expenses may be charged to Borrower by Lender as a Revolving Advance.

3.6 This Amendment will in all respects be governed and construed in accordance with the laws of the State of Ohio.

3.7 A copy of this Amendment may be attached to the Note as an allonge.

3.8 This Amendment and the documents and instruments to be executed hereunder constitute the entire agreement among the parties with respect to the subject matter hereof and shall not be amended, modified or terminated except by a writing signed by the party to be charged therewith.

3.9 Borrower agrees to execute such other instruments and documents and provide Lender with such further assurances as Lender may reasonably request to more fully carry out the intent of this Amendment.

3.10 This Amendment may be executed in a number of identical counterparts. If so, each such counterpart shall collectively constitute one agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

3.11 No provision of this Amendment is intended or shall be construed to be for the benefit of any third party.

Executed as of the Effective Date.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO SEVENTH AMENDMENT TO LOAN DOCUMENTS

U.S. BANK NATIONAL ASSOCIATION
Lender

By: /s/ Charles L. Thomas
Charles L. Thomas
Vice President

BUILD-A-BEAR WORKSHOP, INC.,
BUILD-A-BEAR WORKSHOP FRANCHISE HOLDINGS, INC.,
BUILD-A-BEAR RETAIL MANAGEMENT, INC.
Borrowers

By: /s/ Maxine Clark
Maxine Clark
Chief Executive Officer

BUILD-A-BEAR ENTERTAINMENT, LLC,
By: Build-A-Bear Retail Management, Inc.,
Sole Member
Borrower

By: /s/ Maxine Clark
Maxine Clark
Chief Executive Officer

Exhibit 99.1

Build-A-Bear Workshop, Inc. Reports Fiscal 2009 Third Quarter Results

- ***Revenue from European operations, excluding the impact of foreign exchange, increased 7% to $18 million in third quarter 2009 vs. third quarter 2008.***
- ***Cost reduction plans ahead of schedule -- year-to-date pre-tax cost savings total $18 million; now expect full year savings of approximately $20 million.***
- ***Company renews bank line of credit; balance sheet remains debt-free with consolidated cash balance of $27 million.***

ST. LOUIS--(BUSINESS WIRE)--October 29, 2009--Build-A-Bear Workshop, Inc. (NYSE: BBW), an interactive entertainment retailer of customized stuffed animals, today reported results for the 2009 third quarter and first nine months. The company also announced the renewal of its bank line of credit with US Bank National Association. The two-year extension expires in December 2011 and provides the company with $40 million in available credit for the first half of each calendar year and a seasonal overline to $50 million from July to December each year.

In addition, the company reported that cost reduction plans are progressing ahead of schedule. The company now expects to generate approximately $20 million in annualized pre-tax savings in 2009, up from a previous estimate of $18 million. The company's consolidated cash balance was $27 million at the end of the third quarter.

"Our third quarter results include solid progress toward our goals and reflect a steady improvement in our comparable store sales trend, continued cost savings, and a strong balance sheet," said Build-A-Bear Workshop Chairman and Chief Executive Bear Maxine Clark. "As we begin the fourth quarter we are encouraged. Sales trends continue to improve over the third quarter and we are focused on maximizing the holiday season with compelling products, marketing and a new holiday store experience. Next week, we launch the transformation of Build-A-Bear Workshop to Santa's Workshop for the holiday season and on November 24th, for the first time in company history, our plush animals will be brought to life on television in a one-hour feature movie on ABC Family. The combination of our merchandise assortment, marketing programs, entertainment appeal and new in-store experiences are expected to deliver continued improvements in our fourth quarter results.

“We continue to be diligent about cost control; year-to-date we have achieved $18 million in cost reductions and are now on track to deliver $20 million in full year cost savings, ahead of our plans, and our balance sheet remains debt free.”

Fiscal 2009 third-quarter (13 weeks ended October 3, 2009):

- Total revenues were $91.7 million compared to $107.2 million in the fiscal 2008 third quarter (13 weeks ended September 27, 2008). Consolidated comparable store sales declined 12.9% including a 2.5% increase in Europe and a 16.0% decrease in North America (third quarter comparable store sales are compared to the 13 week period ended October 4, 2008).
- The net loss was $4.8 million, or $0.25 per diluted share, compared to the fiscal 2008 third quarter net loss of $2.0 million or $0.11 per diluted share.
- The net loss for the third quarter of fiscal 2009 included a non-cash charge of $2.3 million, or $0.12 per diluted share, resulting from the allocation of losses related to the company’s minority investment in Ridemakerz, LLC, and costs of $0.1 million or $0.01 per diluted share, for the Friends 2B Made concept closure.

Fiscal 2009 first nine months (39 weeks ended October 3, 2009):

- Total revenues were $271.5 million compared to $325.7 million in the fiscal 2008 first nine months (39 weeks ended September 27, 2008). Consolidated comparable store sales declined 15.0% including a 5.3% increase in Europe and an 18.2% decrease in North America (first nine month comparable store sales are compared to the 39 week period ended October 4, 2008).
- The net loss was $11.6 million, or $0.61 per diluted share compared to the fiscal 2008 first nine months net loss of $0.4 million, or $0.02 per diluted share.
- The net loss for the first nine months of fiscal 2009 included, a non-cash charge of $2.8 million, or $0.15 per diluted share, resulting from the allocation of losses related to the company’s minority investment in Ridemakerz, LLC, and costs of $0.5 million, or $0.03 per diluted share charge for the Friends 2B Made concept closure.

Fiscal 2009 Third-Quarter

Fiscal 2009 third quarter total revenues include net retail sales of $89.7 million, compared to $105.8 million in 2008. Excluding the impact of foreign exchange, net retail sales declined 14.1%.

European operations net retail sales were $17.6 million in the 2009 third quarter, compared to $19.0 million in the 2008 third quarter. Excluding the impact of foreign exchange, European operations net retail sales increased 7.1%. The pre-tax earnings from European operations totaled $1.3 million in the 2009 third quarter, compared to $0.8 million in the 2008 third quarter.

Fiscal 2008 third-quarter net loss included costs of $1.7 million, or $0.09 per diluted share charge for the Friends 2B Made concept closure.

Year-to-date Financial Results

Fiscal 2009 first nine month total revenues include net retail sales of $267.4 million, compared to $321.1 million in last year's first nine months. Excluding the impact of foreign exchange, net retail sales declined 15.3%.

European operations net retail sales were $45.9 million in the first nine months of fiscal 2009, compared to $50.6 million in the first nine months of fiscal 2008. Excluding the impact of foreign exchange, European operations net retail sales increased 13.7%. The pre-tax loss from European operations totaled $0.6 million in the 2009 first nine months, compared to a loss of $0.5 million in the 2008 first nine months.

The 2008 first nine month net loss included $2.1 million, or $0.11 per diluted share charge for the Friends 2B Made concept closure.

Stores

Build-A-Bear Workshop ended the 2009 third quarter with 345 company-owned stores – 291 in North America and 54 in Europe. During the 2009 third quarter, the company opened one new store in Calgary, Alberta and relocated one store in Houston; during the 2009 first nine months, the company opened one new store, relocated one store, and closed two stores. This completes the planned store activity for fiscal 2009.

During the 2008 third quarter the company opened 11 new stores – 10 in North America and one in Europe. During the first nine months of 2008, the company opened 20 new stores – 16 in North America and four in Europe. The company opened 25 new stores in fiscal 2008.

Other Costs

In the 2009 third quarter, the company recorded a non-cash, net-of-tax charge of $2.3 million or $0.12 per diluted share resulting from the allocation of losses related to its investment in Ridemakerz, LLC. Ridemakerz is a young company still in its start-up phase which has developed an interactive retail concept that allows children and families to build and customize their own personalized cars. Ridemakerz incurred substantial losses during the 2009 third quarter while it accomplished major restructuring of its operations. Consistent with Ridemakerz's strategy to operate primarily in tourist venues and develop products for sale in third party retail, to-date they have closed seven of nine mall-based stores and opened one new temporary store in Downtown Disney in the Disneyland Resort in Anaheim, Calif. As Ridemakerz continues to incur losses, Build-A-Bear Workshop will be required to recognize those losses as non-cash charges up to the amount of the company's total investment, including receivables, unless additional equity investments are made by other investors. As of October 3, 2009, the company's investment in Ridemakerz was approximately $3.2 million and outstanding receivables from Ridemakerz were $1.0 million.

In the 2009 third quarter the company also completed the closure of the Friends 2B Made concept and recorded a net-of-tax charge of $0.1 million or $0.01 per diluted share associated with concept closure. The company announced plans to close the Friends 2B Made concept, a line of make-your-own dolls and related products in the fiscal 2008 third quarter. The closure plan included nine Friends 2B Made locations. Charges associated with this concept closing are identified as 'store closing' costs on the consolidated statement of operations included in this press release.

Today's Conference Call Webcast

Build-A-Bear Workshop will host a live Internet webcast of its quarterly investor conference call at 9 a.m. EDT today. The audio broadcast may be accessed at our investor relations Web site, http://IR.buildabear.com. The call is expected to conclude by 10 a.m.

A replay of the conference call webcast will be available in the investor relations Web site for one year. A telephone replay will be available beginning at approximately noon EDT today until midnight EST on November 12, 2009. The telephone replay is available by calling (617) 801-6888. The access code is 80935456.

About Build-A-Bear Workshop, Inc.

Build-A-Bear Workshop, Inc. is the leading and only global company that offers an interactive make-your-own stuffed animal retail-entertainment experience. Founded in 1997, the company currently operates more than 400 Build-A-Bear Workshop® stores worldwide, including company-owned stores in the United States, Puerto Rico, Canada, the United Kingdom, Ireland and France, and franchise stores in Europe, Asia, Australia and Africa. In 2007, the interactive experience was enhanced - all the way to CyBEAR™ space - with the launch of buildabearville.com®, the company's virtual world stuffed with fun. Build-A-Bear Workshop (NYSE: BBW) posted total revenue of $468 million in fiscal 2008. For more information, call 888.560.BEAR (2327) or visit the company's award-winning Web sites at buildabear.com®.

Forward-Looking Statements

This press release contains "forward-looking statements" (within the meaning of the federal securities laws) which represent Build-A-Bear Workshop expectations or beliefs with respect to future events. Our actual results may differ materially from the results discussed in the forward-looking statements. These risks and uncertainties include, without limitation, those detailed under the caption "Risk Factors" in our annual report on Form 10-K for the fiscal year ended January 3, 2009, and quarterly reports on Form 10-Q for the fiscal quarters ended April 4, 2009 and July 4, 2009, as filed with the SEC, and the following: general economic conditions may continue to deteriorate, which could lead to disproportionately reduced consumer demand for our products, which represent relatively discretionary spending; our consolidated financial results may be significantly affected by changes in foreign currency exchange rates; customer traffic may continue to decrease in the shopping malls where we are located, on which we depend to attract guests to our stores; 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; our marketing and on-line initiatives may not be effective in generating sufficient levels of brand awareness and guest traffic; we may be unable to generate comparable store sales growth; losses incurred by our affiliate Ridemakerz LLC may adversely affect our financial condition and profitability; we may be unable to open new stores or may be unable to effectively manage our growth; we may be unable to effectively manage our international franchises or laws relating to those franchises may change; we may be unable to renew or replace our store leases, or enter into leases for new stores on favorable terms or in favorable locations, or may violate the terms of our current leases; the ability of our principal vendors to deliver merchandise may be disrupted; the availability and costs of our products could be adversely affected by risks associated with international manufacturing and trade; high petroleum products prices could increase our inventory transportation costs and adversely affect our profitability; we may be unable to repurchase shares at all or at the times or in the amounts we currently anticipate or the results of the share repurchase program may not be as beneficial as we currently anticipate; fluctuations in our quarterly results of operations could cause the price of our common stock to substantially decline; we may suffer negative publicity or be sued due to violations of labor laws or unethical practices by manufacturers of our merchandise; we may improperly obtain or be unable to protect information from our guests in violation of privacy or security laws or expectations; our products could become subject to recalls or product liability claims that could adversely impact our financial performance and harm our reputation among consumers; we may lose key personnel, be unable to hire qualified additional personnel, or experience turnover of our management team; we may be unable to realize the anticipated benefits from our company-owned distribution center or our third-party distribution center providers may perform poorly; we may be unable to realize some of the expected benefits of the acquisition of Amsbra and Bear Factory, and the inclusion of France as a company-owned country; our market share could be adversely affected by a significant, or increased, number of competitors; we may fail to renew, register or otherwise protect our trademarks or other intellectual property; and we may have disputes with, or be sued by, third parties for infringement or misappropriation of their proprietary rights. 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. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

(Financial Tables Follow)

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 October 3, 2009	% of Total Revenues (1)	13 Weeks Ended September 27, 2008	% of Total Revenues (1)
Revenues:				
Net retail sales	$ 89,731	97.8	$ 105,786	98.6
Franchise fees	945	1.0	982	0.9
Licensing revenue	1,064	1.2	478	0.5
Total revenues	91,740	100.0	107,246	100.0
Costs and expenses:				
Cost of merchandise sold	57,024	63.5	63,471	60.0
Selling, general and administrative	39,255	42.8	43,491	40.6
Store preopening	73	0.1	871	0.8
Store closing	250	0.3	2,916	2.7
Equity losses from investment in affiliate	4,592	5.0	—	—
Interest expense (income), net	(44)	(0.0)	(135)	(0.1)
Total costs and expenses	101,150	110.3	110,614	103.1
Loss before income taxes	(9,410)	(10.3)	(3,368)	(3.1)
Income tax benefit	(4,647)	(5.1)	(1,353)	(1.3)
Net loss	$ (4,763)	(5.2)	$ (2,015)	(1.9)
Loss per common share:				
Basic	$ (0.25)		$ (0.11)	
Diluted	$ (0.25)		$ (0.11)	
Shares used in computing common per share amounts:				
Basic	18,876,697		18,815,996	
Diluted	18,876,697		18,815,996	

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

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

	39 Weeks Ended October 3, 2009	% of Total Revenue (1)	39 Weeks Ended September 27, 2008	% of Total Revenue (1)
Revenues:				
Net retail sales	$ 267,354	98.5	$ 321,108	98.6
Franchise fees	2,153	0.8	3,055	0.9
Licensing revenue	1,978	0.7	1,585	0.5
Total revenues	271,485	100.0	325,748	100.0
Costs and expenses:				
Cost of merchandise sold	172,663	64.6	191,640	59.7
Selling, general and administrative	113,683	41.9	130,492	40.1
Store preopening	90	0.0	2,046	0.6
Store closing	981	0.4	2,916	0.9
Equity losses from investment in affiliate	5,125	1.9	—	—
Interest expense (income), net	(92)	0.0	(774)	(0.2)
Total costs and expenses	292,450	107.7	326,320	100.2
Loss before income taxes	(20,965)	(7.7)	(572)	(0.2)
Income tax benefit	(9,408)	(3.5)	(159)	(0.0)
Net loss	$ (11,557)	(4.3)	$ (413)	(0.1)
Loss per common share:				
Basic	$ (0.61)		$ (0.02)	
Diluted	$ (0.61)		$ (0.02)	
Shares used in computing common per share amounts:				
Basic	18,844,009		19,299,301	
Diluted	18,844,009		19,299,301	

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

	October 3, 2009	January 3, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,043	$ 47,000
Inventories	48,457	50,586
Receivables	5,124	8,288
Prepaid expenses and other current assets	21,545	16,151
Deferred tax assets	4,243	3,839
Total current assets	106,412	125,864
Property and equipment, net	107,616	123,193
Goodwill	33,247	30,480
Other intangible assets, net	4,037	3,903
Investment in affiliate	3,159	7,721
Other assets, net	10,584	8,991
Total Assets	$ 265,055	$ 300,152
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 28,134	$ 37,547
Accrued expenses	4,795	12,593
Gift cards and customer deposits	21,157	29,210
Deferred revenue	7,811	7,634
Total current liabilities	61,897	86,984
Deferred franchise revenue	2,102	2,033
Deferred rent	36,298	41,714
Other liabilities	1,222	1,696
Stockholders' equity:		
Common stock, par value $0.01 per share	204	195
Additional paid-in capital	78,871	76,852
Accumulated other comprehensive loss	(7,247)	(12,585)
Retained earnings	91,708	103,263
Total stockholders' equity	163,536	167,725
Total Liabilities and Stockholders' Equity	$ 265,055	$ 300,152

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
Unaudited Selected Financial and Store Data
(dollars in thousands)

	13 Weeks Ended October 3, 2009	13 Weeks Ended September 27, 2008	39 Weeks Ended October 3, 2009	39 Weeks Ended September 27, 2008
Other financial data:				
Gross margin ($) (1)	$ 32,707	$ 42,315	$ 94,691	$ 129,468
Gross margin (%) (1)	36.5%	40.0%	35.4%	40.3%
Capital expenditures, net (2)	$ 2,938	$ 5,656	$ 6,651	$ 20,372
Depreciation and amortization	$ 7,025	$ 7,383	$ 21,114	$ 21,626
Sales over the Internet	$ 1,731	$ 2,024	$ 5,966	$ 6,893
Store data (3):				
Number of company-owned stores at end of period				
North America			291	288
Europe			54	53
Total stores			345	341
Number of franchised stores at end of period			61	60
Company-owned store square footage at end of period				
North America			843,382	844,220
Europe (4)			77,520	75,981
Total square footage			920,902	920,201
Comparable store sales change (%) (5) (6)				
North America	(16.0)%	(14.4)%	(18.2)%	(15.8)%
Europe	2.5%	8.2%	5.3%	8.3%
Consolidated	(12.9)%	(11.6)%	(15.0)%	(13.1)%

(1) Gross margin represents net retail sales less cost of merchandise sold. Gross margin percentage represents gross margin divided by net retail sales.
(2) Capital expenditures, net represents cash paid for property, equipment, other assets and other intangible assets.
(3) Excludes our webstore and seasonal and event-based locations. North American stores are located in the United States, Canada and Puerto Rico. In Europe, stores are located in the United Kingdom, Ireland and France.
(4) Square footage for stores located in Europe is estimated selling square footage.
(5) Comparable store sales percentage changes are based on net retail sales and stores are considered comparable beginning in their thirteenth full month of operation.
(6) Comparable store sales percentage changes for 2009 are based on net retail sales as compared to the 13 and 39 week periods ended October 4, 2008.

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