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) January 31, 2013 (January 28, 2013)

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):

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

In connection with the announcement of Maxine Clark's planned retirement discussed in Item 2.02 below, on January 28, 2012 Build-A-Bear Workshop, Inc. (the "Company") and Ms. Clark entered into a Retirement, Separation Agreement and General Release (the "Retirement Agreement") which provides that her employment with the Company will terminate following a six-week transition period following the date that a successor Chief Executive Officer is employed by the Company. Ms. Clark will receive $1,318,400, less any applicable withholding, payable in equal installments in accordance with the Company's regular payroll dates for a period of 24 months following her retirement, reduced by any cash compensation from a subsequent employer during that period. During this 24-month period, Ms. Clark will also receive the amount that the Company has been paying toward her coverage under the Company's welfare benefit plans, also payable in equal installments in accordance with the Company's regular payroll dates. In addition, Ms. Clark will remain eligible to receive a bonus under the Company's 2012 bonus plan for its chief executives, and will remain eligible to receive a bonus under the Company's 2013 bonus plan for chief executives, in each case to the extent performance and other criteria are met under the respective bonus plans, provided that any bonus for 2013 will be pro rated based on the number of full calendar weeks Ms. Clark is employed by the Company. All shares of Ms. Clark's restricted shares and stock options which have not vested on the date of her retirement will continue to vest through March 31, 2014 and all vested unexercised stock options will remain exercisable until the earlier of their original expiration date or April 30, 2014. The Company will pay up to $25,000 of Ms. Clark's legal expenses incurred in connection with drafting and negotiation of the Retirement Agreement. Ms. Clark also agreed to (1) a general release of claims, (2) keep Company information secret and confidential, (3) certain non-compete restrictions for 24 months following retirement, and (4) certain non-solicitation restrictions for 36 months following retirement.

On January 28, 2012, the Company and Ms. Clark also entered into a six month Consulting Agreement (the "Consulting Agreement") which will begin upon her retirement. During such six-month period, Ms. Clark will be paid consulting fees of $29,166 per month.

The foregoing description of the Retirement Agreement and the Consulting Agreement is only a summary of certain terms and conditions of these documents and is qualified in its entirety by reference to the Retirement Agreement and the Consulting Agreement, which have been filed as Exhibit 10.1 and Exhibit 10.2 hereto and which are incorporated by reference herein.

Item 2.02. Results of Operations and Financial Condition.

On January 31, 2013, the Company issued a press release announcing, among other things, that its Founder, Maxine Clark, has announced her plan to retire as Chief Executive Bear. Ms. Clark will continue in her current position until a successor has been named and a successful transition has occurred. She will remain as a member of the Build-A-Bear Workshop Board of Directors. In addition, the press release announced, on a preliminary unaudited basis, consolidated comparable store sales, comparable store sales in North America and Europe, consolidated e-commerce sales, and sales increases at the six stores that feature the Company's newly imagined store design for the fourth quarter (13-weeks ended December 29, 2012). The press release also noted that increased SG&A expenses, reduced performance in the UK, and anticipated nonrecurring charges are expected to have a significant negative impact on fourth quarter profitability. The press release announced the Company's expected year-end inventory and cash. In addition, the press release reported expected fiscal 2013 and 2014 store closures and associated transfer sales, relocations and remodels.

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 Current Report on Form 8-K (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	Retirement, Separation Agreement and General Release by and between Maxine Clark and Build-A-Bear Workshop, Inc., dated January 28, 2013
10.2	Consulting Agreement by and between Maxine Clark and Build-A-Bear Workshop, Inc., dated January 28, 2013
99.1	Press Release dated January 31, 2013

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: January 31, 2013

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

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	Retirement, Separation Agreement and General Release by and between Maxine Clark and Build-A-Bear Workshop, Inc., dated January 28, 2013
10.2	Consulting Agreement by and between Maxine Clark and Build-A-Bear Workshop, Inc., dated January 28, 2013
99.1	Press Release dated January 31, 2013

Exhibit 10.1

RETIREMENT, SEPARATION AGREEMENT AND GENERAL RELEASE

This retirement, separation agreement and general release ("Agreement") is entered into by and between Maxine Clark ("Employee") and Build-A-Bear Workshop, Inc. ("Company").

RECITALS

A. Employee has served as the Company's Founder and Chief Executive Bear for over fifteen years.

B. The Company and Employee have determined that it is appropriate to plan for her retirement and an orderly transition of leadership of the Company. Therefore, Employee's employment with the Company will terminate as hereinafter provided.

C. Employee and the Company (individually, "Party" and collectively, "Parties") desire to agree upon provisions for the termination of all duties, responsibilities, and compensation requirements of the Parties.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Termination of Employment Responsibilities. Employee agrees that her employment with the Company will terminate effective at the close of business on the last day of the six week period (the "Termination Date") following the initial date (the "Transition Commencement Date") that a successor Chief Executive Officer is employed by the Company. All further obligations of the Company to Employee, of whatever kind and nature, including all forms of compensation and benefits that otherwise might have been owed to Employee due to her holding any employment with the Company, except those that are expressly identified in this Agreement will terminate as of the Termination Date. Employee further agrees, as of the Transition Commencement Date, to resign from her position as an officer of the Company, and as an officer and a director of any subsidiary or affiliate of the Company, and Employee agrees to complete and submit any documentation necessary to resign such positions. Through the Termination Date, Employee shall perform such duties as shall be assigned to her by the Company, to the best of her abilities; provided that, the Non-Executive Chairman of the Company will determine whether Employee will continue to maintain an office at the Company's premises for the duration of the six week transition period. Employee may continue to refer to herself as the Founder of the Company through and following the Termination Date.

Employee acknowledges that except as provided in Paragraph 2 below and Exhibit 1 hereto, she is not entitled to any payments or benefits under any employee benefit plan, arrangement, policy, agreement or other arrangement of the Company (collectively, "Plans") following her termination of employment.

Notwithstanding anything herein to the contrary, Employee shall remain as a director serving on the Board of Directors of the Company following the Termination Date for her current term in such capacity, subject to her earlier resignation or removal, all in accordance with the Company's certificate of incorporation, bylaws and applicable law. Notwithstanding anything herein to the contrary or any other arrangement to the contrary, for such period as Employee is receiving any separation pay hereunder, Employee shall not receive any compensation under any compensation program for non-management directors or otherwise for her service as a director on the Board of Directors of the Company following the Termination Date.

2. Separation Benefits.

a. Separation Pay. Employee shall receive the amount of One Million Three Hundred Eighteen Thousand Four Hundred Dollars ($1,318,400), payable in equal installments for a period of twenty four (24) months ("Payment Period") on the Company's regular payroll dates, in accordance with its regular payroll practices, less any applicable withholding, commencing on the date that is thirty (30) days after the Termination Date. Notwithstanding the foregoing or any other provision to the contrary, no payment shall be made or other benefits made available under this Agreement unless Employee does not resign her employment with the Company before the Termination Date, executes this Agreement, the release herein becomes effective, and any revocation period has expired by the thirtieth (30^{th}) day after Employee's Termination Date. Any payments under this Paragraph 2a shall be reduced by the amount of any cash compensation from a subsequent employer during the Payment Period; provided that, by way of clarification, the parties agree that the foregoing shall not apply to any fees, honoraria or stipends received by Employee for speaking engagements, published writings, television appearances, or service as a non-employee director, but will apply to any compensation received by Employee as an employee or consultant other than consulting fees paid by the Company (which are not subject to offset).

b. Welfare Payments. The Parties agree that Employee shall not be treated as a full-time employee following the Termination Date under the Welfare Benefit Plans or under any other Plans. The Company shall pay Employee the total amount of Twelve Thousand Two Hundred Seventeen Dollars ($12,217.00) ("Welfare Payments"), payable in equal installments during the Payment Period on the Company's regular payroll dates, in accordance with its regular payroll practices, less any applicable withholding, commencing on the date that is thirty (30) days after the Termination Date. The Parties agree that the Welfare Payments are equal to the monthly amount that the Company was paying as the employer contribution toward Employee's coverage under all of the Welfare Benefit Plans as of the Termination Date times twenty-four (24). For purposes of this Agreement, Welfare Benefit Plans shall mean the medical, dental, vision, long and short term disability and life insurance plans maintained by the Company in which Employee participates on the Termination Date.

c. Bonus. Employee shall be eligible to receive a bonus under the 2012 Performance Objectives for Chiefs ("2012 Bonus Plan"), if any, with respect to the 2012 year, in accordance with and at the time and in the manner set forth under the terms of the 2012 Bonus Plan to the extent the performance and other criteria under the 2012 Bonus Plan are achieved. In addition, Employee shall be eligible to receive a bonus under the 2013 Performance Objectives for Chiefs ("2013 Bonus Plan"), if any, with respect to the 2013 year, in accordance with and at the time and in the manner set forth under the terms of the 2013 Bonus Plan to the extent the performance and other criteria under the 2013 Bonus Plan are achieved without regard to whether Employee remains employed with the Company during the applicable fiscal year; however, any such bonus shall be prorated based on the number of full calendar weeks in the applicable fiscal year during which Employee was employed by the Company. Notwithstanding anything herein to the contrary, payment of any such bonus described above shall be made no later than March 15 following the end of the applicable year to which it relates.

d. Notwithstanding the specific terms of the Build-A-Bear Workshop, Inc. Second Amended and Restated 2004 Stock Incentive Plan (or applicable predecessor or successor plans thereto) ("Incentive Plan") or the Employee's applicable award agreements thereunder, with respect to any restricted stock ("Restricted Stock") and nonqualified stock options ("Options"), the following provisions shall apply:

(i) *Vested Options*. All Options which have vested on or prior to the Termination Date, but which have not expired, been exercised, or otherwise terminated, shall remain vested and exercisable through April 30, 2014, but in no event after the expiration of their respective terms (as set forth in the applicable option agreements).

(ii) *Unvested Options*. All Options which have not vested as of the Termination Date, and which have not expired or otherwise terminated, shall continue to vest to the extent they would have otherwise vested after the Termination Date until March 31, 2014, in accordance with their respective terms as if Employee were still employed by the Company, and shall remain vested (to the extent they vest hereunder) and exercisable through April 30,. 2014, but in no event after the expiration of their respective terms (as set forth in the applicable option agreements).

(iii) *Restricted Stock*. All shares of Restricted Stock which have not vested as of the Termination Date, and which have not expired, terminated, or otherwise been forfeited, shall continue to vest to the extent they would have otherwise vested after the Termination Date until March 31, 2014, in accordance with their respective terms, including, without limitation, subject to achievement of any performance criteria, as if Employee were still employed by the Company (as set forth in the applicable restricted stock agreements); provided, however, that such Restricted Stock shall remain nontransferable and be subject to the risks of forfeiture described herein, without consideration therefor, until the time the restrictions would have otherwise lapsed under the applicable award agreements. Employee shall forfeit any shares of Restricted Stock that remain outstanding at any time that Employee violates or otherwise breaches any of the obligations set forth in Paragraphs 8-13 below, to the extent such Restricted Stock remains subject to restrictions under the applicable vesting schedule at such time.

The applicable provisions of this Agreement amend the terms and provisions of the awards granted to Employee under the Incentive Plan to the extent addressed herein.

e. No Further Payments; Exhibit 1. By executing this Agreement, Employee acknowledges and agrees that she accepts the amounts described in this Paragraph 2 in full discharge of all obligations of the Company and waives any right or claim she may have to benefits, compensation, or payment from the Company or under any Plans, with the exception of the payments set forth specifically in Exhibit 1. The payments and benefits referred to in this Paragraph 2 relate exclusively to the Employee's service as an employee and officer of the Company. Employee acknowledges that said payments constitute good and valuable consideration for the various commitments undertaken and releases provided by Employee in this Agreement.

With respect to Plan amounts set forth on Exhibit 1, unless otherwise explicitly stated, such amounts have been determined consistent with the respective Plan provisions and consistent with the Company's normal practice in determining such benefit amounts. If the Company becomes aware of any discrepancy in any amount set forth in Exhibit 1, it will immediately notify Employee in writing of such discrepancy and make an appropriate adjustment, whether positive or negative, to the respective Plan account balance.

f. Withholding; Plan Compensation. All payments under this Agreement shall be subject to all applicable federal and state tax withholding including FICA, and any other requirements of law. Subject to the provisions of the applicable employee benefit plan, payments made under this Agreement are not considered to be eligible earnings for pension or 401(k) plan purposes.

g. Ancillary Arrangements. Employee may continue to use a Company e-mail address, subject to such reasonable restrictions as the Company may impose. The Company shall take such action as may be reasonably necessary to transfer the Company cellular phone number used by Employee to Employee's personal account in a manner that allows Employee to maintain the existing phone number associated with such cellular phone.

h. Legal Fees. The Company shall pay invoices submitted to it by Employee's legal counsel for fees incurred in connection with drafting and negotiation of this Agreement, in an aggregate amount not to exceed $25,000.

3. General Release and Agreement Not to Sue. For and in consideration of the representations, covenants, promises, agreements and acknowledgments contained herein, the sufficiency of which are hereby acknowledged, Employee agrees as follows:

a. For purposes of this Agreement, the term "Releasees" means Build-A-Bear Workshop, Inc. and all of its parents, subsidiaries, affiliated entities, predecessors, successors, assigns, directors, officers, administrators, officials, employees, shareholders, transferees, agents, counsel, plans and insurers.

b. Employee, on behalf of herself and each of her personal and legal representatives, heirs, devisees, executors, successors and assigns, hereby acknowledges full and complete satisfaction of, and fully and forever waives, releases, acquits, and discharges the Releasees from, any and all claims, causes of action, grievances, demands, rights, liabilities, damages of any kind, obligations, costs, expenses, and debts, of every kind and nature whatsoever, whether based on statute, tort, contract, common law, or other theory of recovery, whether known or unknown, suspected or unsuspected, or fixed or contingent, which Employee holds or at any time previously held against the Releasees, or any of them, with the exception of claims challenging the validity of or alleging breaches of this Agreement, through the effective date of this Agreement (singularly, "Claim" and collectively, "Claims"). This general release specifically includes, but is not limited to, any and all Claims:

i. Arising under, based upon, or in any way related to Employee's employment with and/or service as an officer and/or director for any of the Releasees, incidents occurring during Employee's employment with and/or service as an officer and/or director for any of the Releasees, or the termination of Employee's employment with and/or service as an officer and/or director for any of the Releasees; and/or

ii. Arising under, based upon, or in any way related to TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, as amended, THE CIVIL RIGHTS ACT OF 1991, 42 U.S.C. §1981, THE AMERICANS WITH DISABILITIES ACT, THE REHABILITATION ACT, THE FAMILY AND MEDICAL LEAVE ACT, THE FAIR LABOR STANDARDS ACT, THE EMPLOYEE RETIREMENT INCOME SECURITY ACT, THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE OLDER WORKERS BENEFIT PROTECTION ACT, THE EQUAL PAY ACT, THE NATIONAL LABOR RELATIONS ACT, THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT, STATE WORKERS' COMPENSATION LAW, THE ELECTRIC SERVICE CUSTOMER CHOICE AND RATE RELIEF LAW OF 1997, and any other federal, state, county, or local common law, statute, rule, ordinance, decision, order, policy, or regulation prohibiting employment discrimination, harassment and/or retaliation, providing for the payment of wages or benefits, or otherwise creating rights or claims for employees, including, but not limited to, any and all claims alleging breach of public policy, the implied obligation of good faith and fair dealing, or any express, implied, oral or written contract, handbook, manual, policy statement or employment practice, or claims alleging misrepresentation, defamation, libel, slander, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, false imprisonment, assault, battery, fraud, negligence, or wrongful discharge; and/or

iii. Any claim arising under the Plans; provided, however, it is understood and agreed by the parties that Employee is not waiving or releasing any claim or rights to the Plan benefits which are described in Exhibit 1 hereto. Employee understands that she is entitled to such benefits in accordance with the specific terms and provisions of the respective Plans.

Employee hereby agrees not to sue or pursue any claim against Releasees with respect to any Claims released in this Agreement except as specifically stated below. Employee hereby agrees that if any such Claim referenced herein is filed, pursued or otherwise prosecuted, Employee waives her right to relief from such Claim, including the right to damages, attorneys' fees, costs, and any and all other relief, whether legal or equitable, sought in connection with such Claim. Employee further agrees that if she, or anyone on her behalf, files, pursues or otherwise prosecutes any such Claim, then Employee shall be liable for the payment of all damages and costs, including attorneys' fees, incurred by the Releasees, or any of them, in connection with such Claim and the Company shall no longer be obligated to make any payment or benefit not already made to Employee, and the Company shall be entitled to recoup the value of all payments and benefits paid hereunder. This agreement not to sue does not prohibit Employee from pursuing a lawsuit or claim to challenge the validity or enforceability of this Agreement under the Age Discrimination in Employment Act or the Older Workers Benefit Protection Act, nor does it render Employee liable for damages or costs, including attorneys' fees, incurred by Releasees in connection with a lawsuit or claim to challenge the validity or enforceability of this Agreement under the Age Discrimination in Employment Act or the Older Workers Benefit Protection Act. Employee further agrees that if a trier-of-fact finds that Employee has otherwise breached any of the terms of this Agreement, then Employee shall be liable for the payment of all damages, costs and expenses, including attorneys' fees, incurred by the Releasees, or any of them, in connection with such breach. Employee represents and warrants that as of the date she signs this Agreement, she has not initiated or caused to be initiated against the Company any administrative claim, investigation, proceeding, or suit of any kind. This Agreement shall be a fully binding and complete settlement by Employee, her personal and legal representatives, heirs, devisees, executors, successors, and assigns. The Parties acknowledge that by signing the Agreement, Employee is not waiving any rights which may arise in the future.

c. Notwithstanding the foregoing, nothing in this Agreement shall effect a release of Employee's right (i) to enforce the terms of this Agreement, and (ii) to indemnity as provided for under the Company's articles, bylaws, agreements and at common law.

4. General Release. The Parties hereby acknowledge and agree that the release set forth above is a general release of all Claims that Employee holds or previously held against Releasees, or any of them, whether or not they are specifically referred to herein. No reference herein to any specific Claim, statute or obligation is intended to limit the scope of this general release and, notwithstanding any such reference, this Agreement shall be effective as a full and final bar to all Claims that are released in this Agreement.

5. Non-Admission. Employee, the Company, and Releasees understand and agree that this Agreement is intended to finally and fully conclude the employment and officer relationship between Employee, the Company and any of the Releasees and shall not be interpreted as an admission by Employee, the Company or any of the Releasees of any wrongdoing or any violation of federal, state or local law, regulation or ordinance against the other Party. All Parties expressly deny that she/it/they, or their employees, supervisors, representatives, agents, officers, or directors have ever committed any wrongdoing whatsoever.

6. Taxes. Employee agrees that she is responsible for the payment of all federal, state and local taxes, of any type whatsoever, due and resulting from the payment to her of the above-described consideration.

7. Attorney Review; Time for Execution; Revocation; Acknowledgements and Representations.

a. The Company hereby advises Employee to consult with an attorney prior to executing this Agreement. Each Party shall bear all attorneys' fees and costs arising from the actions of its own counsel in connection with the review and execution of this Agreement. Employee shall have twenty one (21) days from the date of the presentation of this Agreement to consider whether to sign it. Any changes, regardless of materiality, that are made to this Agreement following its initial presentation to Employee shall not toll or restart Employee's consideration. Employee may revoke the Agreement, thereby nullifying the Agreement and all of its terms, by notifying the Company by delivering written notice of revocation to William F. Seabaugh at Bryan Cave LLP by U.S. Mail at 211 North Broadway, Suite 3600, St. Louis, Missouri 63102, at any time within seven (7) days after executing the Agreement. In the event Employee exercises her right to revoke this Agreement, this Agreement will be null and void and the Company shall have no obligation to make the payments or furnish the other consideration recited above, or any other obligation under this Agreement.

b. Employee expressly agrees, acknowledges and understands that: (a) other than what is required by law, the consideration set forth above is consideration that she is not otherwise entitled to and is given in exchange for the release contained above and for the other promises contained in this Agreement; (b) she is waiving any and all rights or claims arising under the Age Discrimination in Employment Act; (c) she has been, and is hereby, advised by the Company to consult with an attorney prior to executing this Agreement; (d) she has been given a period of at least twenty one (21) days within which to consider this Agreement; (e) this Agreement does not become effective or enforceable until the seven (7) day revocation period described above has elapsed, with no revocation having occurred, and then the Agreement shall be considered effective retroactive to the date of execution by Employee; (f) she may revoke this Agreement at any time within seven (7) days after execution; (g) she shall not be entitled to any payments or benefits under this Agreement in the event of a revocation; (h) she has had a full opportunity to read and consider this Agreement; and (i) she has knowingly and voluntarily entered into this Agreement, and fully understands and agrees to all of its terms.

8. Confidentiality. Employee agrees to keep secret and confidential, and not to use or disclose to any third parties, except as directly required for Employee to perform Employee's employment responsibilities for the Company, any of the Company's proprietary Confidential Information. Employee acknowledges and confirms that certain data and other information (whether in human or machine readable form) that comes into her possession or knowledge (whether before or after the date of this Agreement) and which was obtained from the Company, or obtained by Employee for or on behalf of the Company ("Confidential Information") is the secret, confidential property of the Company. This Confidential Information includes, but is not limited to: (a) lists or other identification of customers or prospective customers of the Company; (b) lists or other identification of sources or prospective sources of the Company's products or components thereof, its landlords and prospective landlords and its current and prospective alliance, marketing and media partners (and key individuals employed or engaged by such parties); (c) all compilations of information, correspondence, designs, drawings, files, formulae, lists, machines, maps, methods, models, studies, surveys, scripts, screenplays, artwork, sketches, notes or other writings, plans, leases, records and reports; (d) financial, sales and marketing data relating to the Company or to the industry or other areas pertaining to the Company's activities and contemplated activities (including, without limitation, leasing, manufacturing, transportation, distribution and sales costs and non-public pricing information); (e) equipment, materials, designs, procedures, processes, and techniques used in, or related to, the development, manufacture, assembly, fabrication or other production and quality control of the Company's products, stores and services; (f) the Company's relations with its past, current and prospective customers, suppliers, landlords, alliance, marketing and media partners and the nature and type of products or services rendered to, received from or developed with such parties or prospective parties; (g) the Company's relations with its employees (including, without limitation, salaries, job classifications and skill levels); and (h) any other information designated by the Company to be confidential, secret and/or proprietary (including, without limitation, information provided by customers, suppliers and alliance partners of the Company). Further, Employee agrees not to divulge or release this Agreement or its contents, except to her attorneys, financial advisors, or immediate family, provided they agree to keep this Agreement and its contents confidential, or in response to a valid subpoena or court order. Information that is or becomes publicly available through no wrongful act or breach of obligation by Employee shall not be deemed to be Confidential Information. In the event Employee receives a subpoena or court order requiring the release of this Agreement or its contents or any Confidential Information, Employee will notify the Company sufficiently in advance of the date for the disclosure of such information in order to enable the Company to contest the subpoena or court order, and Employee agrees to cooperate with the Company in any related proceeding involving the release of this Agreement or its contents or any Confidential Information. Employee agrees that notwithstanding anything else in this Agreement to the contrary, she has the obligation to maintain strict secrecy regarding trade secrets beyond the expiration of this Agreement.

9. Restrictions. Employee agrees that through the Termination Date and for the period of time set forth below following the Termination Date, Employee will not, directly or indirectly (whether as owner, partner, consultant, employee or otherwise):

a. For twenty-four (24) months, engage in, assist or have an interest in, or enter the employment of or act as an agent, advisor or consultant for, any person or entity which is engaged in the development, manufacture, supplying or sale of a product, process, service or development: (i) which is competitive with a product, process, service or development on which the Company has expended resources, on which the Employee worked and which, at the time of Employee's termination, Company is selling or producing or has not abandoned plans to sell or produce; or (ii) with respect to which Employee has or had access to Confidential Information while at the Company provided the Company has not abandoned, as of the date of Employee's termination, plans to use such Confidential Information (in either case (i) or (ii), a "Restricted Activity"), and which person or entity is located within the United States or within any country where the Company has established a retail presence either directly or through a franchise arrangement; or

b. For thirty six (36) months, induce or attempt to induce any employee, consultant, partner or advisor of the Company to accept employment or an affiliation with any entity engaged in a Restricted Activity.

c. Following termination of Employee's employment, the restrictions in paragraph 9(a) and 9(b) shall not apply to Employee with respect to an entity that engages in Restricted Activity so long as, for twenty four (24) months following her termination of employment: (i) the sale of stuffed plush toys is not a material business of the entity; (ii) Employee has no direct or personal involvement in the sale of stuffed plush toys; and (iii) neither Employee, her relatives, nor any other entities with which she is affiliated own more than one percent (1%) of the entity. As used in this Paragraph, "material business" shall mean that either (A) greater than ten percent (10%) of annual revenues received by such entity were derived from the sale of stuffed plush toys and related products, or (B) the entity otherwise annually derives or its projected to derive annual revenues in excess of five million dollars ($5,000,000) from a retail concept that is similar in any material regard to the Company.

10. Acknowledgment. Employee recognizes and agrees that the restraints contained in Paragraph 9 (both separately and in total), including the geographic scope thereof in light of the Company's marketing efforts, are reasonable and enforceable in view of the Company's legitimate interests in protecting its Confidential Information and customer goodwill and the limited scope of the restrictions in Paragraph 9.

11. Inventions. Any and all ideas, inventions, discoveries, patents, patent applications, continuation-in-part patent applications, divisional patent applications, technology, copyrights, derivative works, trademarks, service marks, improvements, trade secrets and the like (collectively, "Inventions"), which are or have been developed, conceived, created, discovered, learned, produced and/or otherwise generated by Employee, whether individually or otherwise, during the time that Employee has been employed by the Company, whether or not during working hours, that related to (a) current and anticipated businesses and/or activities of the Company, (b) the current and anticipated research or development of the Company, or (c) any work performed by Employee for the Company, shall be the sole and exclusive property of the Company, and the Company shall own any and all right, title and interest to such Inventions. Employee assigns, and agrees to assign to the Company whenever so requested by the Company, any and all right, title and interest in and to any such Invention, at the Company's expense, and Employee agrees to execute any and all applications, assignments or other instruments which the Company deems desirable or necessary to protect such interests, at the Company's expense.

Employee acknowledges that as part of her work for the Company, she has been asked to create, or contribute to the creation of, computer programs, documentation and other copyrightable works. Employee hereby agrees that any and all computer programs, documentation and other copyrightable materials that she has prepared or worked on for the Company shall be treated as and shall be a "work made for hire," for the exclusive ownership and benefit of the Company according to the copyright laws of the United States, including, but not limited to, Sections 101 and 201 of Title 17 of the U.S. Code ("U.S.C.") as well as according to similar foreign laws. The Company shall have the exclusive right to register the copyrights in all such works in its name as the owner and author of such works and shall have the exclusive rights conveyed under 17 U.S.C. Sections 106 and 106A including, but not limited to, the right to make all uses of the works in which attribution or integrity rights may be implicated. Without in any way limiting the foregoing, to the extent the works are not treated as works made for hire under any applicable law, Employee hereby irrevocably assigns, transfers, and conveys to the Company and its successors and assigns any and all worldwide right, title, and interest that Employee may now or in the future have in or to the works, including, but not limited to, all ownership, U.S. and foreign copyrights, all treaty, convention, statutory and common law rights under the law of any U.S. or foreign jurisdiction, the right to sue for past, present, and future infringement, and moral, attribution, and integrity rights. Employee hereby expressly and forever irrevocably waives any and all rights that she may have arising under 17 U.S.C. Sections 106A, rights that may arise under any federal, state, or foreign law that conveys rights that are similar in nature to those conveyed under 17 U.S.C. Sections 106A, and any other type of moral right or droit moral.

12. Company Property. Employee acknowledges and represents that any and all equipment and notes, records, sketches, computer diskettes, training materials and other documents relating to the Company obtained by or provided to Employee, or otherwise made, produced or compiled during Employee's employment with the Company, regardless of the type of medium in which they are preserved, are the sole and exclusive property of the Company and shall be or have been surrendered by Employee to the Company on the Termination Date.

13. Non-Disparagement. Employee agrees that she will not make any public statement which would materially adversely affect the business of Releasees or any other related entity of the Company, in any manner, at any time, even beyond the date after which Employee will receive no further compensation or benefits of any kind pursuant to the provisions of this Agreement. The Company agrees that its Chief Executive Bear, senior management (i.e., Chiefs) and members of its Board of Directors will not make any public statement which would materially adversely affect the reputation of Employee, in any manner, at any time. Nothing in this Agreement, however, shall be construed to prohibit Employee or the Company from communicating with any government agency in a manner protected by applicable law. Employee agrees that she will not disparage, criticize or speak negatively about Releasees or their decisions or actions, about Releasees' products, services or operations, about any of Releasees' past, present or future directors, officers or employees or any of their actions or decisions, or about Releasees' customers. The Parties agree that Employee shall refer any and all inquiries from prospective employers solely to Darlene Elder, or such person's successor.

14. Remedies. The Parties respectively acknowledge that the other Party would be greatly injured by, and have no adequate remedy at law for, breach of obligations contained in Paragraphs 8-13 above. The Parties further recognize the difficulty in ascertaining damages for breach of these provisions. Accordingly, the Parties agree that in the event of a breach or threatened breach of any of Employee's duties and obligations under the terms and provisions of such Paragraphs hereof, the Company shall be entitled, in addition to any other legal or equitable remedies it may have in connection therewith (including any right to damages that it may suffer), to temporary, preliminary and permanent injunctive relief restraining such breach or threatened breach. Employee hereby expressly acknowledges that the harm which might result to the Company's business as a result of any noncompliance by Employee with any of the provisions of such Paragraphs would be largely irreparable. Employee specifically agrees that if there is a question as to the enforceability of any such provisions, Employee will not engage in any conduct inconsistent with or contrary to such Paragraphs until after the question has been resolved by a final judgment of a court of competent jurisdiction.

15. Severability. The provisions of this Agreement are fully severable. Therefore, if any provision of this Agreement is for any reason determined to be invalid or unenforceable under applicable law in any jurisdiction, the remaining provisions hereof shall be unaffected as to such jurisdiction and such adjudication shall not affect the validity or enforceability of such provisions in any other jurisdiction. Furthermore, any invalid or unenforceable provisions shall be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or, if such provision cannot under any circumstances be modified or restricted, it shall be excised from the Agreement without affecting the validity or enforceability of any of the remaining provisions. The Parties expressly acknowledge and agree that this Paragraph is reasonable in view of the Parties' respective interests.

16. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matters of this Agreement and supersedes all prior negotiations and agreements, whether written or oral, including, without limitation, the Employment, Confidentiality and Noncompete Agreement between the Parties dated May 1, 2004 and as further amended under the First Amendment to Employment, Confidentiality and Noncompete Agreement dated February 24, 2006 and the Second Amendment to Employment, Confidentiality and Noncompete Agreement dated March 22, 2011. This Agreement may not be altered or amended except by a written document executed by both Parties. Employee represents and acknowledges that in executing this Agreement, she has not relied upon any representation or statement not set forth herein made by the Company or any of the Releasees or by any of the Releasees' agents, representatives, or attorneys, with regard to the subject matters, basis or effect of this Agreement, the Company, its business or its stock, or any other matter.

17. ARBITRATION. ANY CONTROVERSY OR CLAIM ARISING OUT OF, OR RELATING TO THIS AGREEMENT, THE BREACH THEREOF, OR EMPLOYEE'S EMPLOYMENT BY THE COMPANY OR TERMINATION THEREOF, SHALL, AT THE COMPANY'S SOLE OPTION, BE SETTLED BY BINDING ARBITRATION IN THE COUNTY OF ST. LOUIS IN ACCORDANCE WITH THE RULES THEN IN FORCE OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. IN THE EVENT EMPLOYEE COMMENCES ANY ACTION IN COURT WHICH THE COMPANY HAS THE RIGHT TO SUBMIT TO BINDING ARBITRATION, THE COMPANY SHALL HAVE SIXTY (60) DAYS FROM THE DATE OF SERVICE OF A SUMMONS AND COMPLAINT UPON THE COMPANY TO DIRECT IN WRITING THAT ALL OR ANY PART OF THE DISPUTE BE ARBITRATED. ANY REMEDY AVAILABLE IN ANY COURT ACTION SHALL ALSO BE AVAILABLE IN ARBITRATION.

18. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, Employee and her personal and legal representatives, heirs, devisees, executors, successors, and assigns, and the Company and its successors and assigns.

19. Paragraph Headings; Governing Law; Third Party Benefit. Paragraph headings herein are for convenience and reference only and in no way define, limit or enlarge the rights and obligations of the Parties under this Agreement. The provisions of this Agreement are intended to benefit Employee and each of the Releasees and as such may be enforced by each Releasee in such party's individual right. In light of the Company's substantial contacts with the State of Missouri, the Parties' interests in ensuring that disputes regarding the interpretation, validity and enforceability of this Agreement are resolved on a uniform basis, and the Company's execution of, and the making of, this Agreement in Missouri, the Parties agree that: (a) any litigation involving any noncompliance with or breach of the Agreement, or regarding the interpretation, validity and/or enforceability of the Agreement, shall be filed and conducted in the state or federal courts in St. Louis City or County, Missouri; and (b) the Agreement shall be interpreted in accordance with and governed by the laws of the State of Missouri, without regard for any conflict of law principles.

20. Section 409A. The Agreement is intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom. In no event may Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Separation Agreement and General Release on the date(s) identified below.

PLEASE READ CAREFULLY. THIS SEPARATION AGREEMENT AND GENERAL RELEASE INCLUDES A RELEASE OF ALL CLAIMS. THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE COMPANY. BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE CAREFULLY READ AND FULLY UNDERSTAND THIS AGREEMENT AND UNDERSTAND THE RIGHTS THEY ARE WAIVING BY SIGNING THIS AGREEMENT. THE PARTIES ARE ENTERING INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND SIGN IT OF THEIR OWN FREE ACT AND DEED.

BUILD-A-BEAR WORKSHOP, INC.	**EMPLOYEE**
/s/ Tina Klocke	/s/ Maxine Clark
By: Tina Klocke, Chief Operating and Financial Bear	Maxine Clark
Date: January 28, 2013	Date: January 28, 2013

Exhibit 1

Benefit Summary - Employee

All amounts will be calculated as of the actual Termination Date.

1. Build-A-Bear Workshop, Inc. Employee Savings Trust ("401(k) Plan"):

Benefits will be distributed in accordance with the terms of the 401(k) Plan.

2. Medical and Other Insurance Benefits

- Employee may elect COBRA continuation coverage under the Company group health plan, to the extent permitted under the applicable plan terms and COBRA. Any conversion or other rights shall be governed by the terms of the applicable plans.

3. Build-A-Bear Workshop, Inc. Non-Qualified Deferred Compensation Plan ("Deferred Compensation Plan")

- Employee elected not to participate in the Deferred Compensation Plan and has no benefits thereunder.

4. Stock Options and Restricted Stock Awards

- All unexercised stock options and unvested restricted stock awards that remain outstanding on the Termination Date shall be governed by the terms of the applicable plans and awards, as amended by Paragraph 2 of the Agreement.

5. Indemnification Agreement dated January 26, 2005 between Build-A-Bear Workshop, Inc. and Employee ("Indemnification Agreement")

- Employee's rights under the Indemnification Agreement shall continue following the Termination Date to the extent provided therein.

This exhibit summarizes the benefits Employee could receive at separation. Please note that it only describes the highlights of each plan and estimated amounts. For detailed plan information, refer to the legal plan documents. If there is a discrepancy between the benefit provisions described in this guide and the legal plan documents, the legal plan documents will govern.

Exhibit 10.2

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into by and between Maxine Clark ("Consultant") and Build-A-Bear Workshop, Inc. ("Company").

RECITALS

A. Consultant has been an employee of the Company through the date hereof, and will continue to be employed until the "Termination Date", as defined in that Retirement, Separation Agreement and General Release between the parties relating to such termination of employment ("Separation Agreement").

B. The Company wishes to secure the consulting services of Consultant for a six month transition period after the Termination Date, upon the terms set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Resignation of Employment. Consultant's employment with the Company will terminate effective at the close of business on the Termination Date as set forth in the Separation Agreement. The parties hereby affirm their understandings relating to such termination and all terms relating thereto as set out in the Separation Agreement.

2. Consulting Arrangement. Subject to the terms and provisions of this Agreement, Consultant agrees to make herself available to the Company on an as-needed basis as an independent consultant for a six-month period commencing on the Termination Date and ending on the six month anniversary of such Termination Date, subject to extension by mutual agreement ("Consulting Period"). Both parties agree to work diligently and in good faith to make certain the consultant assignments are completed in a timely and professional manner.

a. In consideration for the consulting services described in this Paragraph, Consultant shall receive during the Consulting Period the amount of $29,166 per month with the first payment commencing on the last day of the month in which the Termination Date occurs and each subsequent monthly payment paid on the last day of each month thereafter, provided Consultant fulfills all assigned duties and complies with the terms of this Agreement. For purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), each such monthly payment shall be considered a separate payment. Payments for less than a month will be pro rated.

b. Consultant shall be reimbursed for all necessary and ordinary expenses incurred by Consultant which are directly associated with the consulting services rendered hereunder, subject to such limitations as shall be imposed by and submission of such vouchers, receipts or other evidence as may be required by the Company from time to time.

c. Consultant is engaged by the Company only for the purposes of, and to the extent set forth, in this Paragraph, and the relationship of Consultant with the Company under this Paragraph shall be that of an independent contractor. Consultant agrees to devote sufficient time, effort, resources, ability, skill and attention as may be necessary for Consultant to perform the services required to be provided to the Company under this consulting arrangement. Consultant further warrants that her consulting services under this Paragraph shall be performed in a good, workmanlike, professional and ethical manner. Consultant is to set her own hours of work to the extent feasible and consistent with the mutual pledge in this Paragraph to work with potential conflicting demands on Consultant's time and still perform the work in a timely and professional manner. Consultant shall be available on an as-needed basis, upon reasonable notice and at reasonable times as requested by the Chief Executive Bear of the Company to assist with transition issues and such other areas of executive-level consulting as the Chief Executive Bear may determine appropriate from time to time.

d. The Company may terminate the consulting arrangement provided hereunder effective immediately upon written notice to Consultant if she (i) fails to perform her duties and obligations hereunder after at least 30 days' advance written notice of performance deficiency(ies) and an opportunity to correct them; (ii) breaches any of the terms or conditions of this Agreement after at least 30 days' advance written notice of breach(es) and an opportunity to cure; or (iii) commits any acts constituting willful fraud or dishonesty against the Company or willful conduct which significantly impairs the reputation of, or harms, the Company.

3. Taxes. Consultant agrees that she is responsible for the payment of all federal, state and local taxes, of any type whatsoever, due and resulting from the payment to her of the above-described consideration.

4. Attorney Review; Time for Execution; Revocation; Acknowledgements. The Company hereby advises Consultant to consult with an attorney prior to executing this Agreement. Each Party shall bear all attorneys' fees and costs arising from the actions of its own counsel in connection with the review and execution of this Agreement.

5. Severability. The provisions of this Agreement are fully severable. Therefore, if any provision of this Agreement is for any reason determined to be invalid or unenforceable by a Court of competent jurisdiction, such invalidity or unenforceability will not affect the validity or enforceability of any of the remaining provisions. Furthermore, any invalid or unenforceable provisions shall be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or, if such provision cannot under any circumstances be modified or restricted, it shall be excised from the Agreement without affecting the validity or enforceability of any of the remaining provisions.

6. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matters of this Agreement and supersedes all prior negotiations and agreements, whether written or oral. This Agreement may not be altered or amended except by a written document executed by both Parties. Consultant represents and acknowledges that in executing this Agreement she has not relied upon any representation or statement not set forth herein made by the Company or any of its affiliates, agents, representatives, or attorneys, with regard to the subject matters, basis or effect of this Agreement, the Company, its business or its stock, or any other matter. Notwithstanding anything herein to the contrary, the Parties specifically reaffirm the provisions of the Separation Agreement, which shall remain in full force and effect.

7. ARBITRATION. ANY CONTROVERSY OR CLAIM ARISING OUT OF, OR RELATING TO THIS AGREEMENT, THE BREACH THEREOF, OR CONSULTANT'S SERVICE WITH THE COMPANY OR TERMINATION THEREOF, SHALL, AT THE COMPANY'S SOLE OPTION, BE SETTLED BY BINDING ARBITRATION IN THE COUNTY OF ST. LOUIS IN ACCORDANCE WITH THE RULES THEN IN FORCE OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. IN THE EVENT CONSULTANT COMMENCES ANY ACTION IN COURT WHICH THE COMPANY HAS THE RIGHT TO SUBMIT TO BINDING ARBITRATION, THE COMPANY SHALL HAVE SIXTY (60) DAYS FROM THE DATE OF SERVICE OF A SUMMONS AND COMPLAINT UPON THE COMPANY TO DIRECT IN WRITING THAT ALL OR ANY PART OF THE DISPUTE BE ARBITRATED. ANY REMEDY AVAILABLE IN ANY COURT ACTION SHALL ALSO BE AVAILABLE IN ARBITRATION.

8. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, Consultant and her personal and legal representatives, heirs, devisees, executors, successors, and assigns, and the Company and its successors and assigns. Notwithstanding the foregoing, this Agreement, including the obligations and benefits hereunder, may not be assigned to any party by Consultant.

9. Paragraph Headings; Governing Law; Third Party Benefit. Paragraph headings herein are for convenience and reference only and in no way define, limit or enlarge the rights and obligations of the Parties under this Agreement. This Agreement and any amendments to this Agreement shall be construed and interpreted in accordance with the laws of the State of Missouri, without regard to conflicts of law principles, except to the extent preempted by Federal law. The provisions of this Agreement are intended to benefit the Parties as such may be enforced in such party's individual right.

10. Section 409A. Notwithstanding anything herein to the contrary, to the extent Consultant is determined to be a specified employee within the meaning of Code Section 409A and would otherwise be entitled to any payment that constitutes deferred compensation subject to Code Section 409A, any such payment on a separation from service shall be paid on the date that is six months and one day after such separation from service, to the extent required to avoid any adverse tax consequences under Code Section 409A. It is anticipated by the Parties that Consultant will have a separation from service with the Company as of the Termination Date for purposes of Code Section 409A and that the level of services provided under this Agreement will not be of a level that would affect that determination.

IN WITNESS WHEREOF, the undersigned have executed this Consulting Agreement on the date(s) identified below.

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE COMPANY. BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE CAREFULLY READ AND FULLY UNDERSTAND THIS AGREEMENT AND UNDERSTAND THE RIGHTS THEY ARE WAIVING BY SIGNING THIS AGREEMENT. THE PARTIES ARE ENTERING INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, AND SIGN IT OF THEIR OWN FREE ACT AND DEED.

BUILD-A-BEAR WORKSHOP, INC.

/s/ Tina Klocke

By: Tina Klocke, Chief Operating and Financial Bear

Date: January 28, 2013

CONSULTANT

/s/ Maxine Clark

Maxine Clark

Date: January 28, 2013

Exhibit 99.1

Build-A-Bear Workshop Founder and CEO Announces Retirement

ST. LOUIS – January 31, 2013 – Build-A-Bear Workshop, Inc. (NYSE: BBW), an interactive entertainment retailer, today announced that its Founder, Maxine Clark, has announced her plan to retire as Chief Executive Bear. Ms. Clark, 63, will continue in her current position until a successor has been named and a successful transition has occurred. She will remain as a member of the Build-A-Bear Workshop Board of Directors. The Company also announced select preliminary unaudited fourth quarter fiscal 2012 store and e-commerce sales results, as well as expectations for certain balance sheet metrics at year end.

“Creating Build-A-Bear Workshop and nurturing the Company from a fledgling start up to a global retail brand has been one of the greatest experiences of my professional life. I have met so many wonderful people – associates and Guests – which made my decision to retire as CEB a difficult one,” stated Maxine Clark, Chief Executive Bear. “Although our business has experienced challenges over the past few years as consumers have reduced discretionary purchases, our strategic plan and key initiatives are beginning to work. I believe now is an opportune time to attract a new chief executive to take this incredible brand forward and for me to take my entrepreneurial experience and combine it with my passion to improve public education in our region in a more significant way. We have made great progress in education reform in the St. Louis area, but more is needed so that all children have the chance to achieve their dreams just as I have.”

“Maxine Clark has been the inspiration and driving force that resulted in Build-A-Bear Workshop becoming a global retail entertainment brand,” said Mary Lou Fiala, Non-Executive Chairman of the Board. “Through her vision, Build-A-Bear Workshop has achieved status as a favorite brand known to families worldwide. I am confident in our business plan. The Board is working closely with Maxine and the executive team to achieve our goals and execute our long term strategies.”

-more-

On a preliminary unaudited basis for the Fourth Quarter, the 13-weeks ended December 29, 2012:

- Consolidated comparable store sales are expected to decline 1.7%, representing a marked improvement from the 11.1% decline in third quarter fiscal 2012;
- Comparable store sales in North America are expected to increase 1.5% and decline 11.4% in Europe;
- Consolidated e-commerce sales are expected to increase 14.0%, excluding the impact of foreign exchange;
- The six stores that feature the Company's newly imagined store design are expected to report an average 30% increase in sales in the fourth quarter of 2012 from the fourth quarter of 2011; and
- The Company noted that it strategically increased investment in SG&A to support its long term growth strategies and that it expects a reduction in its UK performance versus the 2011 fourth quarter. This combined with anticipated nonrecurring charges are expected to have a significant negative impact on fourth quarter profitability.

In addition:

- Inventory at year end is expected to decline from the prior year end on an average square foot basis; and
- Cash at year end is expected to approximate $45 million.

The Company also remains on track to close 50 to 60 existing stores in fiscal 2013 and fiscal 2014 to reach its optimal store base of 225 to 250 stores. These select store closures are expected to transfer approximately 20% of sales to other stores in the same markets. In addition, the Company continues to expect to relocate and remodel between 40 to 50 existing locations in its new store design by year-end 2014.

The Company noted that it is in its normal year-end closing and review procedures and the final results for the fourth quarter and fiscal year 2012, the 13-week and 52-week periods ended December 29, 2012, may differ, subject to year-end closing procedures and/or adjustments and should not be viewed as a substitute for annual financial statements prepared in accordance with generally accepted accounting principles.

The Company expects to report full results for the fourth quarter and 2012 fiscal year on February 14, 2013.

“Our preliminary sales results point to an improved comparable store sales performance versus the third quarter and included the continued success of our six stores in our new store design, which experienced average sales growth of 30%. In the UK, comparable store sales declined driven by the ongoing challenging economic environment. This combined with increased expenses and non recurring charges are expected to negatively impact our fourth quarter and full year operating performance versus last year,” Ms. Clark continued. “As we begin 2013, we are pleased to see our strategies begin to gain traction. During holiday our increased brand marketing investment resulted in our Guests favoring the Build-A-Bear Workshop experience as a gift for family and friends. This led to increased gift card sales in North America and the UK during the fourth quarter and has translated into a notable improved sales trend in the beginning of the first quarter as these cards are redeemed. The actions we are taking to close and reposition stores within markets, remodel existing stores to our successful new store design and support the brand with a re-invigorated brand marketing campaign are expected to position our Company for improved profitability and growth. I am confident that our seasoned and committed leadership team will take the Build-A-Bear Workshop brand to even greater heights and equally grateful for the unwavering support of the Build-A-Bear Workshop associates and Guests who helped me bring the vision for our Company to life. They are truly the heart of our brand.”

About Build-A-Bear Workshop, Inc.

Build-A-Bear Workshop, Inc. is the only global company that offers an interactive make-your-own stuffed animal retail-entertainment experience. There are more than 400 Build-A-Bear Workshop stores worldwide, including company-owned stores in the U.S., Puerto Rico, Canada, the United Kingdom and Ireland, and franchise stores in Europe, Asia, Australia, Africa, the Middle East, Mexico and South America. Founded in St. Louis in 1997, Build-A-Bear Workshop is the leader in interactive retail. Brands include make-your-own Major League Baseball® mascot in-stadium locations, and Build-A-Dino® stores. Build-A-Bear Workshop extends its in-store interactive experience online with its award winning virtual world website at bearville.com™. The company was named to the FORTUNE 100 Best Companies to Work For® list for the fifth year in a row in 2013. Build-A-Bear Workshop (NYSE: BBW) posted total revenue of $394.4 million in fiscal 2011. For more information, call 888.560.BEAR (2327) or visit the company's award-winning website at buildabear.com®.

TRADEMARKS

We would like to thank you for your interest in covering our business. As you write your story, we would ask that you use our full name: Build-A-Bear Workshop® and that when referencing the process of making stuffed animals you use the word “make” not “build." Build-A-Bear Workshop is our well-known trade name and our registered trademark of Build-A-Bear Retail Management, Inc. Build-A-Bear Workshop® should only be used in capital letters to refer to our products and services and should not be used as a verb.

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 December 31, 2011, as filed with the SEC, and the following: general global economic conditions may continue to deteriorate, which could lead to disproportionately reduced consumer demand for our products, which represent relatively discretionary spending; customer traffic may 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; we may be unable to effectively operate or manage the overall portfolio of our company-owned stores; 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 availability and costs of our products could be adversely affected by risks associated with international manufacturing and trade, including foreign currency fluctuation; 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 are susceptible to disruption in our inventory flow due to our reliance on a few vendors; high petroleum products prices could increase our inventory transportation costs and adversely affect our profitability; we may not be able to operate our company-owned stores in the United Kingdom and Ireland profitably; we may be unable to effectively manage our international franchises or laws relating to those franchises may change; we may improperly obtain or be unable to protect information from our guests in violation of privacy or security laws or expectations; we may suffer negative publicity or be sued due to violations of labor laws or unethical practices by manufacturers of our merchandise; we may suffer negative publicity or negative sales if the non-proprietary toy products we sell in our stores do not meet our quality or sales expectations; we may lose key personnel, be unable to hire qualified additional personnel, or experience turnover of our management team; we may be unable to operate our company-owned distribution center efficiently or our third-party distribution center providers may perform poorly; 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; poor global economic conditions could have a material adverse effect on our liquidity and capital resources; we may have disputes with, or be sued by, third parties for infringement or misappropriation of their proprietary rights; fluctuations in our quarterly results of operations could cause the price of our common stock to substantially decline; and we may be unable to repurchase shares of our common stock 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. 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.

Contacts:
Investors:
Tina Klocke
Build-A-Bear Workshop
314.423.8000 x5210
Media:
Jill Saunders,
Build-A-Bear Workshop
314.423.8000 x5293
Cell: 314-422-4523