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**YOCREAM INTERNATIONAL  
ANNOUNCES RECORD SECOND QUARTER RESULTS  
WITH SALES UP OVER 11%**

PORTLAND, OR – JUNE 21, 2010 – YoCream International, Inc. (Pink Sheets: YOCCM), a manufacturer and wholesaler of frozen desserts and beverages, today reported the financial results for the second quarter ended April 30, 2010.

Sales for the three months ended April 30, 2010 increased 11.3% to \$14,062,000. Sales for the six months increased 9.4% to \$23,276,000.

Net income for the second quarter was \$1,735,000 compared with \$1,840,000, and net income for the six months was \$2,637,000 compared with \$2,795,000 for the same periods in 2009. While the costs of certain dairy ingredients have increased, the Company has chosen not to raise prices at this time in recognition of the general state of the economy.

Sales of the Company's core frozen yogurt business grew 52.1% in the second quarter following 30.9% in the first quarter. Frozen yogurt establishments continue to open across the nation, and the Company is seeing frozen yogurt introductions as secondary menu items in establishments like delis and sandwich shops. Expanded availability of frozen yogurt is enthusiastically accepted by consumers wanting to enjoy healthy probiotic frozen desserts on a more regular basis. While the tarter profile frozen yogurts, like Original Tart™ (available in 7 flavors) and EuroTart™ are popular with many consumers, the sweeter profile frozen yogurts are still the leading sellers. Nonfat and premium sweet flavors, like Georgia Peach and Red Velvet Cake are being enjoyed by consumers that might have traditionally favored ice cream or frozen custard.

The Company is further enthused as attendance at its YoCream University (Yo - U™), an intensive two day course on starting and operating a frozen yogurt business, has helped many new operators open their establishments. To meet the demand of entrepreneurs wanting to attend Yo-U™, the class size was increased earlier this year and has continued to be conducted at capacity with waiting lists each month.

YoCream's complete quarterly report and management's discussion and analysis is posted at [www.yocream.com](http://www.yocream.com) and [www.pinksheets.com](http://www.pinksheets.com).

YoCream International, Inc. is a world leader in the frozen yogurt industry. Since 1977, YoCream has pioneered the innovation, production and marketing of frozen yogurt and fruit-based frozen desserts and beverages. The Company operates a state-of-the-art production facility in Portland, Oregon, to manufacture its "true" frozen yogurt, which contains the real yogurt that is fermented and cultured on site daily. The Company offers over 110 flavors of frozen yogurt, ice cream, frozen custard, sorbet, smoothies, frozen carbonated beverages, slushes and frozen drink mixes. In addition to the YoCream brand, the Company also provides other branded flavors such as Hershey's™ (e.g. Hershey's™ Kisses™, Reese's™, York™, Jolly Rancher™, Twizzlers™, Bubble Yum™) and Rockstar™ under exclusive licenses. YoCream's end-user customers number in the thousands and include marquee convenience stores, quality quick service restaurants, warehouse stores, prestigious eating establishments, large grocery chains, frozen yogurt shops, colleges, military and government foodservice locations, international restaurants and neighborhood stores involving over 250 specialty and full line distributors in the supply chain.

This release may contain certain forward-looking statements, which are based on management's current expectations. Factors that could cause future results to vary materially from these expectations include, but are not limited to, change in distribution abilities, level of customer acceptance of new products, change in strategic alliances and other economic, competitive, governmental, and regulatory factors affecting the Company's operations, pricing, products and service.

YOCREAM INTERNATIONAL, INC.

STATEMENTS OF INCOME  
(Unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2010	2009	2010	2009
Sales	\$ 14,061,607	\$ 12,626,710	\$ 23,276,072	\$ 21,268,610
Cost of goods sold	<u>7,700,774</u>	<u>6,384,630</u>	<u>12,839,919</u>	<u>11,267,978</u>
Gross profit	6,360,833	6,242,080	10,436,153	10,000,632
Operating costs and expenses				
Distribution expenses	1,591,863	1,149,728	2,663,984	1,950,911
Selling, and marketing expenses	1,058,771	908,014	1,796,012	1,602,222
General and administrative expenses	<u>822,628</u>	<u>960,954</u>	<u>1,589,550</u>	<u>1,651,467</u>
Income from operations	2,887,571	3,223,384	4,386,607	4,796,032
Other income (expenses)				
Interest income	5,586	7,559	13,121	16,754
Interest expense	(100,272)	(119,112)	(206,753)	(232,388)
Restricted stock compensation	<u>-</u>	<u>(280,500)</u>	<u>-</u>	<u>(280,500)</u>
Income before income taxes	2,792,885	2,831,331	4,192,975	4,299,898
Income tax provision	<u>(1,057,600)</u>	<u>(991,000)</u>	<u>(1,556,000)</u>	<u>(1,505,000)</u>
Net income	<u>\$ 1,735,285</u>	<u>\$ 1,840,331</u>	<u>\$ 2,636,975</u>	<u>\$ 2,794,898</u>
Earnings per common share – basic	<u>\$0.67</u>	<u>\$0.80</u>	<u>\$1.01</u>	<u>\$1.22</u>
Earnings per common share – diluted	<u>\$0.67</u>	<u>\$0.76</u>	<u>\$1.01</u>	<u>\$1.16</u>
Shares used in basic earnings per share	<u>2,607,898</u>	<u>2,305,418</u>	<u>2,607,898</u>	<u>2,283,814</u>
Shares used in diluted earnings per share	<u>2,607,898</u>	<u>2,426,484</u>	<u>2,607,898</u>	<u>2,415,553</u>

YOCREAM INTERNATIONAL, INC.

BALANCE SHEETS

	April 30, 2010 <u>(Unaudited)</u>	October 31, 2009 <u>(Audited)</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 6,264,973	\$ 12,118,067
Accounts receivable, net	5,151,177	2,542,618
Inventories	6,368,415	5,151,899
Income tax receivable	-	100,248
Other current assets	712,228	569,775
Deferred tax assets	<u>243,775</u>	<u>243,775</u>
Total current assets	18,740,568	20,726,382
Fixed assets, net	14,594,681	14,712,748
Intangible and other long-term assets, net	1,304,730	1,196,655
Deferred tax assets	<u>294,900</u>	<u>309,500</u>
	<u>\$ 34,934,879</u>	<u>\$ 36,945,285</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Note payable – line of credit	\$ -	\$ -
Current portion of long-term debt	520,414	647,873
Accounts payable	4,183,273	3,440,694
Income tax payable	613,402	-
Other accrued liabilities	<u>293,164</u>	<u>761,085</u>
Total current liabilities	5,610,253	4,849,652
Long-term debt, less current portion	7,085,972	7,378,449
Deferred tax liabilities	2,163,975	2,144,975
Other liabilities	<u>159,905</u>	<u>145,250</u>
Total liabilities	<u>15,020,105</u>	<u>14,518,326</u>
Shareholders' equity		
Preferred stock, no par value, none issued or outstanding	-	-
Common stock, no par value, 30,000,000 shares authorized, 2,607,898 issued and outstanding as of April 2010 and October 2009	7,750,865	7,750,865
Retained earnings	12,636,809	15,172,494
Accumulated other comprehensive income	<u>(472,900)</u>	<u>(496,400)</u>
Total shareholders' equity	<u>19,914,774</u>	<u>22,426,959</u>
	<u>\$ 34,934,879</u>	<u>\$ 36,945,285</u>

YOCREAM INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS

For the six months ended April 30, 2010 and 2009  
(Unaudited)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Net income	\$ 2,636,975	\$ 2,794,898
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	541,634	497,559
Deferred income taxes	19,000	105,400
Change in assets and liabilities		
Accounts receivable	(2,608,559)	(601,306)
Inventories	(1,216,516)	(2,063,220)
Other assets	(250,528)	(66,983)
Accounts payable	923,253	505,496
Income taxes payable	713,650	(1,284,300)
Restricted stock compensation	-	280,500
Other accrued liabilities	<u>(453,266)</u>	<u>(147,067)</u>
Net cash provided by operating activities	<u>305,643</u>	<u>20,977</u>
Cash flows from investing activities		
Proceeds from sale and leaseback of equipment	-	438,753
Expenditures for fixed assets	<u>(604,241)</u>	<u>(1,615,837)</u>
Net cash used in investing activities	<u>(604,241)</u>	<u>(1,177,084)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(381,836)	(357,223)
Excess tax benefits of restricted stock	-	253,100
Cash dividend payment	<u>(5,172,660)</u>	<u>-</u>
Net cash used in financing activities	<u>(5,554,496)</u>	<u>(104,123)</u>
Net decrease in cash and cash equivalents	(5,853,094)	(1,260,230)
Cash and cash equivalents, beginning of period	<u>12,118,067</u>	<u>7,169,393</u>
Cash and cash equivalents, end of period	<u>\$ 6,264,973</u>	<u>\$ 5,909,163</u>

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