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**YOCREAM INTERNATIONAL
ANNOUNCES FIRST QUARTER SALES INCREASE**

PORTLAND, OR – MARCH 15, 2010 – YoCream International, Inc. (Pink Sheets: YOYM), a manufacturer and wholesaler of frozen desserts and beverages, today reported the financial results for the first quarter ended January 31, 2010.

Sales for the three months ended January 31, 2010 increased 6.6% to \$9,214,000 compared to \$8,642,000, for the first quarter in fiscal 2009. Net income for the quarter remains strong at \$902,000 compared to \$955,000 a year ago. Full quarterly report with management's discussion is posted at www.yocream.com and on Pink Sheets at www.otcmarkets.com.

Frozen yogurt sales to the general foodservice market remain robust at a growth rate of 30.9%. Sales of a specialty product to a major national chain were impacted by the establishment of a secondary supplier; however, the Company expects to remain as the major supplier for this account. The Company continues to work with large national accounts, and four more are presently in test with different products. The expansion of smaller regional chains and the increase in independent shops throughout the country continues to increase consumer awareness of frozen yogurt and the enjoyment of frequenting these fun establishments. The Company recognized the needs of entrepreneurs for education about frozen yogurt and sound foodservice operations and established YoCream University (YO - U™) in August 2009. This intensive two-day course on starting and operating a frozen yogurt business is offered monthly for a modest fee. Some YoCream University graduates have recently opened their businesses and more are set to open before summer 2010.

Frozen beverage category sales for the first quarter of 2010 increased 5.1%. The Company anticipates future growth in frozen beverages with customer commitments to feature newer flavors like Ice Breakers™ Sugar Free Berry Splash and Peach Dragonfruit. Sales of the core Jolly Rancher™ Watermelon and Green Apple flavors will be complemented by new Jolly Rancher™ Tropical Tremor™ Pomegranate, Mango, Sour Green Apple and Wild Berry flavors. These items are

sold, especially in convenience stores, both as frozen carbonated beverages and also as frozen slushes.

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

For the three months ended January 31, 2010 and 2009
(Unaudited)

	<u>2010</u>	<u>2009</u>
Sales	\$ 9,214,465	\$ 8,641,900
Cost of goods sold	<u>5,139,145</u>	<u>4,883,348</u>
Gross profit	4,075,320	3,758,552
Operating costs and expenses		
Distribution expenses	1,072,121	801,183
Selling and marketing expenses	737,241	694,208
General and administrative expenses	<u>766,922</u>	<u>690,513</u>
Income from operations	1,499,036	1,572,648
Other income (expense)		
Interest income	7,535	9,195
Interest expense	<u>(106,481)</u>	<u>(113,276)</u>
Income before income taxes	1,400,090	1,468,567
Income tax provision	<u>(498,400)</u>	<u>(514,000)</u>
Net income	<u>\$ 901,690</u>	<u>\$ 954,567</u>
Earnings per common share – basic	\$0.35	\$0.42
Earnings per common share - diluted	\$0.35	\$0.40
Shares used in basic earnings per share	2,607,898	2,262,210
Shares used in diluted earnings per share	2,607,898	2,404,622

YOCREAM INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

For the three months ended January 31, 2010 and 2009
(Unaudited)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Net income	\$ 901,690	\$ 954,567
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	271,237	237,293
Deferred income taxes	7,000	18,000
Change in assets and liabilities		
Accounts receivable	(336,832)	(123,283)
Inventories	458,218	(302,905)
Other assets	(62,518)	(51,966)
Accounts payable	(1,300,077)	(379,206)
Income taxes payable	368,300	(1,131,800)
Other accrued liabilities	<u>(332,222)</u>	<u>(376,872)</u>
Net cash used in operating activities	<u>(25,204)</u>	<u>(1,156,172)</u>
Cash flows from investing activities		
Expenditures for fixed assets	<u>(459,928)</u>	<u>(797,696)</u>
Net cash used in investing activities	<u>(459,928)</u>	<u>(797,696)</u>
Cash flows from financing activities		
Proceeds from line of credit	-	-
Principal payments on long-term debt	(130,066)	(112,199)
Cash dividend payment	<u>(5,172,660)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(5,302,726)</u>	<u>(112,199)</u>
Net decrease in cash and cash equivalents	(5,787,858)	(2,066,067)
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>\$ 6,330,209</u>	<u>\$ 5,103,326</u>

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