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**YOCREAM INTERNATIONAL
ANNOUNCES SALES TREND CONTINUES
WITH AN INCREASE OF 13.9% IN FIRST QUARTER OF 2007**

PORTLAND, OR – MARCH 21, 2007 – YoCream International, Inc. (Pink Sheets: YOCCM), a manufacturer and wholesaler of frozen desserts and beverages, today reported the financial results for the first quarter ended January 31, 2007.

Sales for the three months ended January 31, 2007 were \$4,167,000, a 13.9% increase compared to sales of \$3,659,000 for the same period in 2006. The breakdown of sales by category was as follows:

<u>Category</u>	<u>2007</u>	<u>% Total</u>	<u>2006</u>	<u>% Total</u>	<u>Dollar Increase</u>	<u>% Change</u>
Frozen Desserts	\$2,454,000	58.9%	\$2,345,000	64.1%	\$ 109,000	4.6%
Frozen Beverages	1,491,000	35.8%	1,260,000	34.4%	231,000	18.3%
Co-packing	<u>222,000</u>	<u>5.3%</u>	<u>54,000</u>	<u>1.5%</u>	<u>168,000</u>	<u>N/A</u>
Total	<u>\$4,167,000</u>	<u>100.0%</u>	<u>\$3,659,000</u>	<u>100.0%</u>	<u>\$ 508,000</u>	<u>13.9%</u>

Sales increased in all categories in the first quarter of 2007, in spite of the inclement weather prevailing in much of the nation, with sales of the new Jolly Rancher® frozen beverage line making up the majority of the increase in the frozen beverages category and sales of the Company's frozen yogurt products accounting for the increase in sales in the frozen desserts category. Co-packing sales were also up in the quarter.

Gross profit for the first quarter of 2007 was \$1,133,000, a 1.8% increase compared to the gross profit of \$1,113,000 for the same period in 2006. Gross profit margins for the first quarter of 2007 were 27.2% compared to 30.4% in 2006. Margins were impacted by costs associated with running the Company's expanded production facilities, and co-packing

operations. "Co-packing is expected to have the effect of reducing gross margins," explained Doug Caudell, Chief Financial Officer. "On the other hand, co-packing contributes to the bottom line because marketing and sales costs associated with co-packing are nominal."

Sales and marketing expenses for the first quarter of 2007 were 13.4% of sales, compared with 14.2% of sales in the same period in 2006. The reduction of sales and marketing expenses as a percentage of sales was a direct result of increased sales.

General and administrative expenses for the first quarter of 2007 were \$495,000 compared to \$540,000 in the same period in 2006. The decrease relates to a reduction in personnel costs during the period.

Income from operations for the first quarter of 2007 was \$80,100, a 51.2% increase compared to income from operations of \$53,000 for the same period in 2006. The increase was primarily due to the combination of increased sales, and the reduction in general and administrative costs described above.

Net income for the quarter was approximately a breakeven, as a result of increased interest expense related to the expanded production facilities, compared with \$20,400 or \$0.01 per share for the same period last year. "The first quarter, which comes during the winter, is normally the Company's slowest quarter," said Caudell. "Sales and earnings have historically increased as the spring and summer months ensue. We expect a strong year resulting from the acceptance of our new product lines by new national customers planning their rollout this spring."

YoCream International, Inc., with headquarters and manufacturing facility in Portland, OR, is a pioneer and leading producer of frozen yogurt. Founded in 1977, YoCream produces, markets and sells its flagship frozen yogurt products along with ice cream and frozen custard mixes under the YoCream brand. YoCream's frozen beverage product lines include Fruitquake® Smoothies, ready-to-use aseptically packaged real fruit smoothies; and Jolly Rancher™ Frozen Beverages, shelf-stable bag-in-box drink mix. With a proven history of providing high-quality products and solution-based customer service, YoCream International is an established food service vendor, co-packer, and industry leader poised for long-term growth.

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 co-packing relationships and strategic

alliances and other economic, competitive, governmental, and regulatory factors affecting the Company's operations, pricing, products and service.

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YOCREAM INTERNATIONAL, INC.
STATEMENTS OF INCOME

For the three months ended January 31, 2007 and 2006
(Unaudited)

	<u>2007</u>	<u>2006</u>
Sales	\$ 4,166,522	\$ 3,658,806
Cost of goods sold	<u>3,033,044</u>	<u>2,545,679</u>
Gross profit	1,133,478	1,113,127
Selling and marketing expenses	558,419	520,297
General and administrative expenses	<u>494,974</u>	<u>539,860</u>
Income from operations	80,085	52,970
Other income (expense)		
Interest income	11,316	10,420
Interest expense	<u>(90,040)</u>	<u>(31,023)</u>
Income before income taxes	1,361	32,367
Income tax provision	<u>(500)</u>	<u>(12,000)</u>
Net income	<u>\$ 861</u>	<u>\$ 20,367</u>
Earnings per common share - basic	\$ 0.00	\$ 0.01
Earnings per common share - diluted	\$ 0.00	\$ 0.01
Shares used in basic earnings per share	2,095,752	2,378,770
Shares used in diluted earnings per share	2,132,385	2,381,566

YOCREAM INTERNATIONAL, INC
BALANCE SHEETS

	January 31, 2007 (Unaudited)	October 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 331,151	\$ 2,386,645
Accounts receivable, net of allowance for doubtful accounts	1,218,068	1,337,604
Inventories	3,703,381	3,389,154
Other current assets	412,537	220,131
Income taxes receivable	5,403	-
Deferred tax assets	187,898	187,898
Total current assets	5,858,438	7,521,432
Fixed assets, net	14,827,498	13,570,020
Intangible and other long-term assets, net	1,012,175	1,013,090
	<u>\$ 21,698,111</u>	<u>\$ 22,104,542</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Note payable – line of credit	\$ 796,220	\$ -
Current portion of long-term debt	427,778	427,778
Accounts payable	2,426,764	3,448,287
Income tax payable	-	30,497
Other accrued liabilities	247,739	298,576
Total current liabilities	3,898,501	4,205,138
Long-term debt, less current portion	8,206,059	8,168,222
Deferred tax liabilities	1,114,898	1,169,098
Other liabilities	87,290	83,182
Total liabilities	13,306,748	13,625,640
Shareholders' equity		
Preferred stock, no par value, none issued or outstanding	-	-
Common stock, no par value, 30,000,000 shares authorized, 2,095,752 issued and outstanding as of January 2007 and October 2006	6,354,965	6,354,965
Unearned compensation – restricted stock	(2,407,700)	(2,407,700)
Retained earnings	4,535,898	4,535,037
Accumulated other comprehensive income	(91,800)	(3,400)
Total shareholders' equity	8,391,363	8,478,902
	<u>\$ 21,698,111</u>	<u>\$ 22,104,542</u>

YOCREAM INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

For the three months ended January 31, 2007 and 2006
(Unaudited)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Net income	\$ 861	\$ 20,367
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	181,438	163,071
Deferred income taxes	1,000	8,000
Change in assets and liabilities		
Accounts receivable	119,536	27,187
Inventories	(314,227)	(461,847)
Other assets	(191,491)	(210,791)
Accounts payable	(224,905)	105,096
Income taxes receivable and payable	(35,900)	3,100
Other accrued liabilities	<u>(46,729)</u>	<u>(71,898)</u>
Net cash used in operating activities	<u>(510,417)</u>	<u>(417,715)</u>
Cash flows from investing activities		
Expenditures for fixed assets	<u>(2,235,534)</u>	<u>(477,105)</u>
Net cash used in investing activities	<u>(2,235,534)</u>	<u>(477,105)</u>
Cash flows from financing activities		
Proceeds from line of credit	796,220	-
Principal payments on long-term debt	(105,763)	(102,686)
Repurchase of common stock	<u>-</u>	<u>(234,577)</u>
Net cash provided by (used in) financing activities	<u>690,457</u>	<u>(337,263)</u>
Net decrease in cash and cash equivalents	(2,055,494)	(1,232,083)
Cash and cash equivalents, beginning of period	<u>2,386,645</u>	<u>2,759,066</u>
Cash and cash equivalents, end of period	<u>\$ 331,151</u>	<u>\$ 1,526,983</u>

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