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FOR IMMEDIATE RELEASE

WINMARK CORPORATION ANNOUNCES YEAR END RESULTS

Minneapolis, MN (February 24, 2010) – Winmark Corporation (Nasdaq: WINA) announced today net income for the year ended December 26, 2009 of \$5,849,000 or \$1.10 per share diluted, compared to net income of \$1,139,400 or \$.21 per share diluted, in 2008. The fourth quarter 2009 net income was \$1,460,500, or \$.28 per share diluted, compared to a net loss of (\$2,079,200), or (\$.38) per share diluted, for the same period last year. 2008 results were impacted by a \$2.8 million after-tax earnings charge, or \$.52 per share for the fourth quarter, related to the impairment in Winmark’s investment in Tomsten, Inc. (d/b/a Archiver’s). Revenues for the year ended December 26, 2009 were \$37,296,000, up from \$35,423,600 in 2008.

John Morgan, Chairman and Chief Executive Officer, stated “We finished 2009 with strong performance from our franchising business and improved profitability from our leasing activities. We are satisfied with our results in 2009 and feel we are well positioned for 2010.”

Winmark Corporation creates, supports and finances business. At December 26, 2009, there were 877 franchises in operation under the brands Play It Again Sports®, Once Upon A Child®, Plato’s Closet®, Music Go Round® and there were 37 territories in operation under the Wirth Business Credit® brand. An additional 46 retail franchises have been awarded but are not open. In addition, at December 26, 2009, the Company had loans and leases equal to \$39.0 million.

This press release contains forward-looking statements within the meaning of the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), relating to future events or the future financial performance of the Company including statements with respect to our ability to finance the growth of our leasing and franchising businesses for the foreseeable future. Such forward-looking statements are only predictions or statements of intention subject to risks and uncertainties and actual events or results could differ materially from those anticipated. Because actual result may differ, shareholders and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

WINMARK CORPORATION
CONDENSED BALANCE SHEETS

| | December 26, 2009 (unaudited) | December 27, 2008 (audited) |
|--------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 9,490,800 | \$ 2,140,000 |
| Marketable securities | 1,274,000 | 438,300 |
| Current investments | 2,000,000 | 500,000 |
| Receivables, less allowance for doubtful accounts of \$35,700 and \$52,700 | 1,761,100 | 2,064,100 |
| Net investment in leases - current | 17,575,900 | 17,379,700 |
| Income tax receivable | - | 792,200 |
| Inventories | 111,400 | 141,500 |
| Prepaid expenses | 398,800 | 1,018,800 |
| Deferred income taxes | - | <u>216,900</u> |
| Total current assets | 32,612,000 | 24,691,500 |
| Net investment in leases - long term | 19,423,700 | 28,035,300 |
| Long-term investments | 2,232,900 | 3,833,300 |
| Long-term notes receivables, net | 14,900 | 39,200 |
| Property and equipment, net | 1,843,500 | 512,200 |
| Other assets | 677,500 | 677,500 |
| Deferred income taxes | - | <u>320,800</u> |
| | <u>\$ 56,804,500</u> | <u>\$ 58,109,800</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Current line of credit | \$ 3,983,100 | \$ 4,313,200 |
| Current renewable unsecured subordinated notes | 9,166,900 | 8,052,400 |
| Accounts payable | 1,415,200 | 1,108,200 |
| Income tax payable | 183,500 | - |
| Accrued liabilities | 1,794,100 | 2,905,400 |
| Current discounted lease rentals | 972,600 | 1,012,900 |
| Current rents received in advance | 294,400 | 141,600 |
| Current deferred revenue | 1,188,800 | 993,600 |
| Deferred income taxes | <u>1,057,700</u> | <u>-</u> |
| Total current liabilities | 20,056,300 | 18,527,300 |
| Long-term line of credit | 5,298,900 | 9,276,300 |
| Long-term renewable unsecured subordinated notes | 12,058,700 | 12,788,700 |
| Long-term discounted lease rentals | 507,600 | 1,298,500 |
| Long-term rents received in advance | 1,332,000 | 1,696,400 |
| Long-term deferred revenue | 709,500 | 631,400 |
| Other long-term liabilities | 1,298,400 | - |
| Deferred income taxes | 214,400 | - |
| Shareholders' Equity: | | |
| Common stock, no par, 10,000,000 shares authorized, 5,125,025 and 5,433,610 shares issued and outstanding | - | 427,500 |
| Other comprehensive income (loss) | 9,600 | (38,500) |
| Retained earnings | <u>15,319,100</u> | <u>13,502,200</u> |
| Total shareholders' equity | <u>15,328,700</u> | <u>13,891,200</u> |
| | <u>\$ 56,804,500</u> | <u>\$ 58,109,800</u> |

WINMARK CORPORATION
CONDENSED STATEMENTS OF OPERATIONS

| | Quarter Ended | | Fiscal Year Ended | |
|-----------------------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| | December 26, 2009 (unaudited) | December 27, 2008 (unaudited) | December 26, 2009 (unaudited) | December 27, 2008 (audited) |
| REVENUE: | | | | |
| Royalties | \$ 5,969,600 | \$ 5,428,200 | \$ 23,616,200 | \$ 21,804,200 |
| Leasing income | 2,420,500 | 2,172,800 | 9,536,900 | 8,092,800 |
| Merchandise sales | 488,200 | 582,700 | 2,386,700 | 3,268,100 |
| Franchise fees | 268,300 | 359,000 | 1,072,900 | 1,704,500 |
| Other | <u>236,500</u> | <u>158,000</u> | <u>683,300</u> | <u>554,000</u> |
| Total revenue | 9,383,100 | 8,700,700 | 37,296,000 | 35,423,600 |
| | | | | |
| COST OF MERCHANDISE SOLD | 473,500 | 555,300 | 2,290,200 | 3,120,700 |
| LEASING EXPENSE | 544,900 | 461,800 | 2,288,200 | 1,881,800 |
| PROVISION FOR CREDIT LOSSES | 918,000 | 1,343,700 | 2,795,500 | 2,569,800 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | <u>4,761,800</u> | <u>4,691,800</u> | <u>19,141,700</u> | <u>19,760,200</u> |
| Income from operations | 2,684,900 | 1,648,100 | 10,780,400 | 8,091,100 |
| LOSS FROM EQUITY INVESTMENTS | (39,100) | (2,881,500) | (100,500) | (3,163,200) |
| INTEREST EXPENSE | (299,200) | (306,800) | (1,309,000) | (1,305,000) |
| INTEREST AND OTHER INCOME (LOSS) | <u>107,900</u> | <u>(21,700)</u> | <u>459,300</u> | <u>224,600</u> |
| Income (loss) before income taxes | 2,454,500 | (1,561,900) | 9,830,200 | 3,847,500 |
| PROVISION FOR INCOME TAXES | <u>(994,000)</u> | <u>(517,300)</u> | <u>(3,981,200)</u> | <u>(2,708,100)</u> |
| NET INCOME (LOSS) | <u>\$ 1,460,500</u> | <u>\$ (2,079,200)</u> | <u>\$ 5,849,000</u> | <u>\$ 1,139,400</u> |
| EARNINGS (LOSS) PER SHARE - BASIC | <u>\$.28</u> | <u>\$ (.38)</u> | <u>\$ 1.10</u> | <u>\$.21</u> |
| EARNINGS (LOSS) PER SHARE - DILUTED | <u>\$.28</u> | <u>\$ (.38)</u> | <u>\$ 1.10</u> | <u>\$.21</u> |
| WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC | <u>5,205,082</u> | <u>5,461,011</u> | <u>5,303,177</u> | <u>5,504,705</u> |
| WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED | <u>5,278,875</u> | <u>5,461,011</u> | <u>5,337,668</u> | <u>5,531,216</u> |