



October 16, 2015

Dear Fellow Owners:

I am still a person who always pauses when told “there is a light at the end of the tunnel.” It reminds me of the possibility that it could be the headlight on a locomotive bearing down on me.

Bowl America is an outgrowth of the owners of Shirley Bowling Center creating a public company from that business in 1958. The new public company started with 600,000 shares priced at \$2.00 per share. The public bought half of the new company for \$600,000, while the owners contributed \$100,000 to the growing business, in effect valuing Shirley Bowl at \$500,000. At one point, as a result of stock dividends and splits the share count rose to slightly over 7 million before repurchases brought it back to the current 5 million shares. If you acquired one of the original shares at \$2.00 and still held it today, you would have 11.4 shares and would have received dividends of \$164. The market value of those 11-plus shares roughly equals the dividends received, suggesting a balanced return as rewards of our ownership.

Overbuilding in the industry in the early ‘60s required the founders to guarantee additional borrowing to save the company. From that experience the directors decided that it would be wise to own property rather than lease locations so that if business turned down again it would not be faced with closing good locations or paying inflated rents. It would also enable us, in time, to finance growing dividends and create a company funded employee stock ownership plan.

Today we own 16 of our 18 bowling centers. Over the years we sold two properties housing non-performing bowling centers with a total book value of \$1 million, for slightly over \$5 million. This emphasis on ownership is also consistent with our view that the interests of all of our constituencies – employees, customers and owners - are best served by a long-term outlook. Our employees get to build ownership in the company along with job security. More and more of our customers get to be on a first-name basis with the people who serve them. Furthermore, stockholders get to benefit from their holdings without being involved in frequent management of those holdings.

Is the bright light in the tunnel a sign of better times or a warning to get out of the way?

This year represents the 52nd consecutive year in which we have shown a profit. Consumer spending on recreation in general seems to be replacing spending on high-priced gasoline among our customers. We have momentum. We followed our improved fiscal 2015 year by sharply reducing our summer losses.

I believe that light indicates brighter days ahead.

Regards,

A handwritten signature in black ink, appearing to read "Leslie H. Goldberg".

Leslie H. Goldberg, *President*