



October 19, 2016

Dear Fellow Owners:

Just last week the front page of my local newspaper had a headline emphasizing that the National Football League TV packages suffered large declines in ratings. Then this week the Wall Street Journal did a feature on the number of restaurant chains that were filing for bankruptcy and/or closing locations. It would seem that the old pattern of consumer preferences changing is in fact accelerating and is most pronounced in the things that people view as entertainment.

However the particular impact of in-home entertainment is not new. Our predecessor company went into business two months before World War II. We were exposed to the behavioral changes brought about by new television technology. First was your little 10 inch black and white that seemed to be a miracle, followed eventually by color television, VCRs, DVDs, high definition, cable, 3-D and, of course, streaming TV. Each of these events had an impact that was noticeable on the bowling business and from each of them Bowl America recovered. This year was the 53rd consecutive year of profitable operation.

We think two factors have helped us. Most important is our view that an enlightened policy toward our employees has produced an experienced staff able to deal with the changing bowling customer. We have instituted non-contributory profit-sharing and stock ownership plans which make our employees partners in our business. Over 700 Bowl America employees are owners of that stock. Bowling as a sport has long been gender neutral, giving us the advantage both among customers and employees of being available to all of the population. It is these roots in bowling as a game that have made it natural for so many of our staff to be bowlers. They might have participated in a "mixed" neighborhood bowling league or been a female bowler whose skills closed down a "pot" game because she took all the money from the boys. My parents regularly bowled together in the thirties. It was so much fun they decided to start a business.

This open atmosphere has been coupled with a conservative fiscal policy. Bowl America owns most of its real estate rather than leasing it. It has no mortgages. This stability is a key to the development of long-term employment opportunities.

None of these activities will necessarily prevent us from suffering some sort of totally unexpected catastrophe that damages the business. What it does do is provide us with a staff not afraid of change and not inexperienced in dealing with it.

I am pleased to thank all of the employee co-owners who have been willing to make a career of Bowl America and therefore made Bowl America a place to have a career.

Regards,

A handwritten signature in black ink, appearing to read "Leslie H. Goldberg". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Leslie H. Goldberg, *President*