

BOWLIN TRAVEL CENTERS, INC.

Financial Statements

For the Quarterly Period Ended

April 30, 2013

(unaudited)

150 Louisiana, NE Albuquerque, NM 87108 (505) 266-5985

BOWLIN TRAVEL CENTERS, INC.
Condensed Balance Sheets
(in thousands, except share data)

	<u>April 30, 2013 (Unaudited)</u>	<u>January 31, 2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,181	\$ 2,366
Marketable securities	900	850
Accounts receivable	33	73
Inventories	3,876	3,493
Prepaid expenses	168	238
Deferred income taxes	62	57
Interest receivable	1	—
Income taxes	492	515
Notes receivable, current maturities	1	1
Total current assets	7,714	7,593
Property and equipment, net	10,074	10,199
Capital lease, net	174	188
Assets held for sale	413	413
Intangible assets, net	38	40
Investment in real estate	419	419
Notes receivable, less current maturities	1	—
Total assets	\$ 18,833	\$ 18,852
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,101	\$ 656
Current installments of long-term debt	253	251
Current maturity of obligation under capital lease	60	59
Accrued liabilities	397	592
Deferred revenue	12	21
Total current liabilities	1,823	1,579
Deferred income taxes	828	903
Obligation under capital lease	115	130
Long-term debt, less current installments	4,673	4,737
Total liabilities	7,439	7,349
Stockholders' equity:		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none issued or outstanding at April 30, 2013 and January 31, 2013	—	—
Common stock, \$0.001 par value; 10,000,000 shares authorized, 4,140,324 issued and outstanding at April 30, 2013 and 4,146,542 issued and outstanding at January 31, 2013	5	5
Less: Treasury stock	1	1
Common stock outstanding	4	4
Additional paid in capital	9,280	9,288
Retained earnings	2,110	2,211
Total stockholders' equity	11,394	11,503
Total liabilities and stockholders' equity	\$ 18,833	\$ 18,852

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Income
(in thousands, except share and per share data)

	Three Months Ended	
	April 30, 2013 (Unaudited)	April 30, 2012 (Unaudited)
Gross sales	\$ 6,933	\$ 6,906
Less discounts on sales	48	140
Net sales	6,885	6,766
Cost of goods sold	4,884	4,795
Gross profit	2,001	1,971
General and administrative expenses	(1,902)	(1,884)
Depreciation and amortization	(246)	(256)
Operating loss	(147)	(169)
Non-operating income (expense):		
Interest income	2	3
Interest expense	(49)	(81)
Rental income	37	43
Total non-operating income (expense)	(10)	(35)
Loss before income taxes	(157)	(204)
Income tax benefit	56	74
Net loss	<u>\$ (101)</u>	<u>\$ (130)</u>
Loss per share:		
Basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
Weighted average common shares outstanding	<u>4,140,324</u>	<u>4,175,678</u>

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Cash Flows
(in thousands)

	For the Three Months Ended	
	April 30, 2013 (Unaudited)	April 30, 2012 (Unaudited)
Cash flows from operating activities:		
Net loss	\$ (101)	\$ (130)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	246	256
Amortization of loan fee	2	2
Deferred income taxes, net	(80)	(42)
Changes in operating assets and liabilities, net	(10)	(91)
Net cash provided by (used) in operating activities	57	(5)
Cash flows from investing activities:		
Purchases of property and equipment, net	(106)	(73)
Accrued interest receivable	(1)	(1)
Marketable securities	(50)	—
Notes receivable, net	(1)	(1)
Net cash used in investing activities	(158)	(75)
Cash flows from financing activities:		
Payments on long-term debt	(62)	(48)
Payments for obligation under capital lease	(14)	(13)
Additional paid-in capital, treasury stock	(8)	(14)
Net cash used in financing activities	(84)	(75)
Net decrease in cash and cash equivalents	(185)	(155)
Cash and cash equivalents at beginning of period	2,366	2,061
Cash and cash equivalents at end of period	\$ 2,181	\$ 1,906

See accompanying notes to condensed financial statements.

Notes to Condensed Financial Statements (Unaudited)

1. The condensed financial statements of Bowlin Travel Centers, Inc. (the "Company") as of and for the three months ended April 2013 and 2012 are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, operating results and cash flows for the interim periods. The interim financial statements should be read in conjunction with the audited financial statements and notes for the fiscal year ended January 31, 2013. Results of operations for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole.
2. The Company continues to list for sale one retail location in Edgewood, New Mexico.

The property, fixtures and equipment located in Edgewood that are listed for sale have been identified as a component as defined in FASB ASC 2005-20-45 – Accounting for Impairment or Disposal of Long-Lived Assets (as amended). The carrying value of the property, fixtures and equipment of approximately \$413,000 have been reclassified as assets held for sale in the April 30, 2013 and the January 31, 2013 balance sheets. On October 31, 2007, the Company closed the Edgewood location. There has been no activity and therefore no results of operations.

3. In September 2012, the Board of Directors voted to continue the stock repurchase program that began in September 2008, whereby up to 1,000,000 shares of its common stock outstanding may be repurchased in the open market or in privately negotiated purchases from time to time, depending on market conditions and other factors. The purchases will be funded from available working capital and will be made in accordance with applicable securities laws and regulations.

The Company repurchased 6,218 of its outstanding common shares for the quarter ended April 30, 2013 at an average price per share of \$1.37, for a total repurchase of \$8,500. The common stock issued and outstanding was reduced by 6,218 shares or \$6 (6,218 shares times the par value of \$0.001), and additional paid in capital was reduced by \$8,494. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.