

October 16, 2009

Dear Fellow Owners:

(Continued from my last message.....)

My outlook for our bowling business, short term, is unchanged from last year. Our customers' perceptions about their employment and income prospects will be the most important factors affecting our results in the coming year. Money for recreation is often what is left after other needs are met. Despite this, we have been able to continue to operate at a profit, maintain our service and strengthen our reserves.

What has changed since last year is the amount of proposed legislation, none of which can currently be viewed as helpful to our business. There seems to be no accurate consensus about what will pass. In such an environment, we feel it is important to maintain our financial flexibility even at the expense of our possible expansion. As ever, this balance is subject to continual review as we learn more about the overall legislative and business climate.

There are two non-operating items which will decrease our profit this year. The first will be familiar to you, if, like me, you have a money market fund that is paying 00.00% interest. (Would someone tell the people who run these funds that a single zero is just as informative as a string of zeros!) We emphasize safety in the investment of Bowl America's reserve funds and, as such, have a number of CDs that have FDIC protection and very secure short term paper. Our interest rates on this paper can reasonably be referred to as negligible. Bowl America is among the group of people and companies who have been prudent, saved and now are seeing their expected earnings going to "rebuild" the capital base of America's largest financial institutions, which behaved recklessly in the face of all available evidence. This transfer has been fostered by our government.

It has only been ten years since the collapse of Long-Term Capital Management, which felt that it could

eliminate all risk by using complicated derivatives. Since they were so sure their system would work, they felt they could engage in enormous transactions without any significant capital to support them. That was in 1998 and elements of that prior collapse helped create our current meltdown. Many of the people involved in setting the country's financial policy at that time are now orchestrating our current bailout.

Sarbanes-Oxley continues..... This year Bowl America and its existing accounting firm will be augmented by another accounting firm that will examine our internal financial reporting controls approved 30 years ago by a third respected accounting firm and, although reviewed many times, little changed since. Your company on your behalf, of course, will pay for this.

There are reasons to be optimistic. We are in the Washington, DC area, which should experience population growth with the inevitable expansion of the federal government. Most of our operations are in Virginia, which a recent survey said was the best state in which to do business. And we never did believe in "the Wizard behind the curtain."

I was recently asked if I could recall a scarier time for business.

"How about December 7, 1941?"

Regards,



Leslie H. Goldberg, *President*

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