



October 19, 2010

Dear Fellow Owners:

Last year in my message I pointed out there had been little change from the prior year. I can make the same comment in this message. The most important influences on the business have remained the same, and they relate to our customers' and our potential customers' views of their own economic futures. Their expectations collectively determine the amounts that they are willing to spend on what we must reluctantly call non-necessity activities. Hardly a day goes by when there isn't an account of a recreational business that points to a troubled business environment based on their customers' view of their own future. In addition, we had record snowfall in the winter in our Northern operating areas which depressed open and league play. Interest earned on our reserve continued to decline.

We have, as I noted last year, counted on the generally favorable business climate in Virginia. That hasn't changed. However, in November 2009, Virginia became the last of our jurisdictions to restrict indoor smoking. As everywhere else, the bowling business took an immediate downturn. Because September 2010 was the first league season to start under these rules, the effect will continue.

We have, therefore, devoted our efforts during the past year to bringing our expenditures as closely in line as possible to our traffic, continuing to promote the business and providing a service that, when economic conditions change, will enable us to accommodate the upswing in our business.

It has been a volatile year for Bowl America stock as well. Some of you noted that \$16.50 has been reported as our 12-month high. One hundred shares traded at that price at the opening on December 17. The prior close had been \$13.75. Furthermore, the trade on December 17 following \$16.50 was at \$13.25, also for 100 shares.

No one can identify for me what caused the sharp percentage differences from transaction to transaction. It certainly could have been avoided with the judicious use of a limit order. Some commentators have suggested that the use of limit orders could have minimized the impact of the "flash trading" which struck the stocks of some of America's biggest companies.

Perhaps someday people will view stock purchases as an opportunity to own part of a business and not simply a piece of paper. We will continue to run this company as though we represent people who prefer the former.

Regards,

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

Leslie H. Goldberg, *President*