



FOR IMMEDIATE RELEASE

DUCKWALL-ALCO STORES REPORTS APRIL SALES RESULTS

Abilene, Kan. (May 6, 2010) - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal four-week period ending May 2, 2010, decreased 7.4% to \$33.2 million compared to \$35.8 million in the prior-year month. Same-store sales decreased 8.0%.

Sales for the first quarter of fiscal 2011 decreased 2.3% to \$111.2 million compared to the prior-year \$113.8 million and same-store sales decreased 2.7%.

Rich Wilson, President and Chief Executive Officer, commented: "The Company's April sales performance was impacted by the shift of Easter into the March period. Combined March and April sales were down 2.4% on a same-store basis. In recent weeks, we have begun rapid rollout of a new merchandising approach to drive more value into our offering for consumers and turn around the sales trend."

Wilson added, "Initial results from our new "Everyday Value" program are encouraging. In addition, sales from our test stores with expanded food and consumables departments are ahead of last year, and this initiative will provide the Company with more consistent traffic as our customers recognize us as a destination for "Everyday Needs. We have also made progress in the area of SKU rationalization, resulting in better leverage from our current assets and lower debt."

The Company is committed to executing five core initiatives for 2010:

1. Providing "Everyday Value" with a core assortment of high quality competitively priced merchandise
2. Driving traffic with expanded food and consumable assortments
3. Improving profitability and prices with an emphasis on growing "Private Label" products
4. Rationalizing assortments to provide a better shopping experience and improve operating results
5. Building store productivity by refining space allocation and productivity metrics.

The Company's continued focus on inventory position is providing improved cash flow. This has resulted in a reduction of over \$22.0 million in the revolving loan balance as of period-end May 2, 2010, compared to the same time in the prior fiscal year. The revolver balance has been reduced by approximately \$4.7 million since fiscal year-end January 31, 2010.

About Duckwall-ALCO Stores, Inc.

Duckwall-ALCO Stores, Inc. is a regional broad line retailer that specializes in meeting the needs of smaller, underserved communities across 23 states, primarily in the central United States. The Company offers an exceptional selection of quality products and recognized brand names at reasonable prices. Its specialty is delivering those products with the friendly, personal service its customers have come to expect. With 256 stores, Duckwall-ALCO Stores is proud to have continually provided excellent products at good value prices to its customers for 109 years. To learn more about Duckwall-ALCO Stores, Inc. visit www.ALCOSTORES.COM.

Forward-looking statements

This press release contains forward-looking statements, as referenced in the Private Securities Litigation Reform Act of 1995 ("the Act"). Any forward-looking statements are made by the Company in good faith, pursuant to the safe-harbor provisions of the Act. These forward-looking statements reflect management's current views and projections regarding economic conditions, retail industry environments, and Company performance. Factors which could significantly change results include but are not limited to: sales performance, expense levels, competitive activity, interest rates, changes in the Company's financial condition, and factors affecting the retail category in general. Additional information regarding these and other factors may be included in the Company's 10-Q filings and other public documents, copies of which are available from the Company on request and are available from the United States Securities and Exchange Commission.

###

For more information, contact:

Donny R. Johnson

Executive Vice President - Chief Financial Officer

785-263-3350 X164

email: djohnson@ALCOSTORES.COM

or

Debbie Hagen

Hagen and Partners

913-652-6547

email: dhagen@hagenandpartners.com