



**FOR IMMEDIATE RELEASE**

## **DUCKWALL-ALCO STORES REPORTS MAY SALES RESULTS**

**Abilene, Kan. (June 3, 2010)** - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal four-week period ending May 30, 2010, decreased 7.5% to \$39.2 million compared to \$42.3 million in the prior-year month. Same-store sales decreased 9.0%.

Sales year-to-date decreased 3.7% to \$150.4 million compared to prior year sales of \$156.1 million, and same-store sales decreased 4.4%.

Rich Wilson, President and Chief Executive Officer, commented: "Our May sales performance was disappointing. While sales for the Memorial Day holiday were positive, they did not offset sales decreases experienced the first two weeks of the month, which were partly attributable to unseasonably cooler temperatures and heavy rain throughout our largest markets (Kansas, Oklahoma and Texas)."

Mr. Wilson added, "We are encouraged that our strategy to drive customer traffic with expanded assortments in food and consumables is working, particularly in Food, which is up 8.9%, and Health Care, which is up 3.2%. Business areas that did not perform to our expectation included Apparel, Spring/Summer Seasonal, and Sporting Goods, where we have lacked the inventory investment needed to achieve top line results. The Company has taken corrective actions to address these shortfalls for the remainder of the second quarter."

### **Investor Conference Call**

**The Company will host an investor conference call at 10:00 a.m. Central Daylight Time on June 11, 2010, to discuss operating results for the first quarter ended May 2, 2010. The dial-in number for the conference call is 866-316-1367 (international/local participants dial 913-312-1268), and the Confirmation Code is 7674121. Parties interested in participating in the conference call should dial in approximately five minutes prior to 10:00 a.m. Central Daylight Time. A replay of the call will be available from two hours after completion on June 11, 2010 through June 16, 2010 by dialing 888-203-1112 or for international/local callers by dialing 719-457-0820. The Replay Passcode is 7674121. A replay of the call will also be available four hours after completion of the call by visiting the Investors page on the Company's website, [www.ALCOstores.com](http://www.ALCOstores.com).**

### **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](http://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.

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