



**FOR IMMEDIATE RELEASE**

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

**Abilene, Kan. (August 5, 2010)** - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal four-week period ending August 1, 2010, decreased 4.3% to \$31.5 million compared to \$32.9 million in the prior-year month. Same-store sales decreased 5.9%.

Sales for the second quarter of fiscal 2011 decreased 5.8% to \$116.0 million compared to the prior-year \$123.1 million and same-store sales decreased 7.2%.

Sales year-to-date decreased 4.1% to \$227.2 million compared to prior-year sales of \$236.9 million, and same-store sales decreased 5.1%.

Rich Wilson, President and Chief Executive Officer, commented, "The Company's 5.9% July same-store sales decrease was an improvement versus sales trends over the last three months. In addition, approximately 50% of July's decrease is attributable to a shift in marketing. July advertising was reduced by one advertising exposure; this marketing effort and its related expense was realized in March, as it was designed to support an improved Easter advertising campaign. Our marketing plans for the balance of 2010 are consistent with last year."

Mr. Wilson added, "We continue to make progress in the areas of store re-sets where we now have approximately 50% of the chain complete. In addition, inventory levels across all merchandise categories have now been corrected and our value proposition in key 'trip driving' categories is more competitive. For example, we are experiencing same-store sales growth in Food, Paper Products, Chemicals, and Beauty Care."

### **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 257 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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