



FOR IMMEDIATE RELEASE

DUCKWALL-ALCO STORES REPORTS JULY SALES RESULTS

Abilene, Kan. (August 6, 2009) - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal four week period ending August 2, 2009, decreased 3.2% to \$33.0 million compared to \$34.1 million in the prior-year month. Same-store sales were down 4.3%.

Sales for the second quarter decreased 1.6% to \$123.5 million compared to \$125.5 million in the prior year quarter, and same-store sales decreased 3.0%.

Year-to-date sales increased 4.1% to \$237.6 million compared to the prior-year \$228.3 million, and same-store sales increased 1.2%.

Larry Zigerelli, President and Chief Executive Officer, commented: "Same-store sales performance shows strength year-to-date, despite recent softness due to a weakened economy and less than ideal summer weather. Summer categories have sold through well, due to timely clearance markdowns. We are now in the best quality inventory position that we have been in for a long time. All elements of the strategic transformation plan we began last fall remain on track, and we anticipate continued performance improvement near term."

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 108 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