



FOR IMMEDIATE RELEASE

DUCKWALL-ALCO STORES REPORTS AUGUST SALES RESULTS

Abilene, Kan. (September 3, 2009) - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal four week period ending August 30, 2009, decreased 4.0% to \$33.1 million compared to \$34.5 million in the prior-year month. Same-store sales were down 4.2%.

Year-to-date sales increased 3.0% to \$270.5 million compared to the prior-year \$262.6 million, and same-store sales increased 0.4%.

Larry Zigerelli, President and Chief Executive Officer, commented: "Fiscal year same-store sales results continue to be positive, while August results were adversely affected by a shift in Labor Day sales and first-of-the-month paychecks to September this year from August a year ago. We continue to anticipate further top and bottom line growth in the near term despite the soft economy, as all elements of our strategic transformation plan remain on track."

Investor Conference Call

The Company will host an investor conference call at 10:00 a.m. Central Daylight Time on September 15, 2009, to discuss operating results for the second quarter ended August 2, 2009. The dial-in number for the conference call is 888-819-8018 (international/local participants dial 913-661-9178), and the Confirmation Code is 5278547. 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 September 15 through September 20 by dialing 888-203-1112 or for international/local callers by dialing 719-457-0820. The Replay Passcode is 5278547. 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.

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