



**FOR IMMEDIATE RELEASE**

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

**Abilene, Kan. (January 7, 2010)** - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations for the most recent fiscal five week period ending January 3, 2010, decreased 2.3% to \$65.1 million compared to \$66.6 million in the prior-year month. Same-store sales were down 2.3%.

Year-to-date sales increased 0.9% to \$452.4 million compared to the prior-year \$448.1 million, and same-store sales decreased 0.6%.

Larry Zigerelli, President and Chief Executive Officer, commented: "Same-store sales for the holiday season, including Thanksgiving, dipped 1.0% after being down 3.8% in November. Customer traffic was up 0.4%, in-line with expectation but cautious spending resulted in a 1.4% decline in the average market basket. A portion of sales loss was due to reduced purchases of Seasonal merchandise by approximately 25%. Clearance inventory coming out of the season was significantly lower than last year as our inventory plan has been achieved."

Zigerelli continued, "Additionally, sales growth is being held back by job loss in key markets. Holiday same-store sales in stable markets out-performed job loss markets by 2.5%. We have not seen a further deterioration of job loss in the last couple of months. Encouragingly, our market shares continued to improve, positioning us well when the economy rebounds. Lower cost progress also continued."

### **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 258 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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