



FOR IMMEDIATE RELEASE

DUCKWALL-ALCO STORES ANNOUNCES JANUARY SALES RESULTS

Abilene, Kan. (February 2, 2012) - Duckwall-ALCO Stores, Inc. (Nasdaq: DUCK) today announced that sales from continuing operations increased 0.7% to \$28.7 million for the fiscal four-week period ended January 29, 2012, compared to \$28.5 million during the same period of the prior year. On a same-store basis, excluding fuel, sales decreased 1.1% from a year earlier.

For the fourth quarter ended January 29, 2012, sales from continuing operations increased 1.0% to \$137.5 million compared to \$136.2 million during the same period of the prior year. On a same-store basis, excluding fuel, sales for the fourth quarter decreased 0.6% versus a year earlier.

For fiscal year ended January 29, 2012, sales from continuing operations increased 4.4% to \$482.8 million, compared to \$462.6 million during the same period of the prior year. On a same-store basis, excluding fuel, sales for the fiscal year increased 3.0% versus a year earlier.

Rich Wilson, President and Chief Executive Officer, commented, "Unseasonably warm temperatures negatively impacted sales primarily in hardware, auto, apparel and domestics. As we begin the new fiscal year, we expect to see positive results from our new spring product offering, improved customer experience and value proposition, as well as the enhancements we've made to store operations."

About Duckwall-ALCO Stores, Inc.

Duckwall-ALCO Stores, Inc. is a broad-line retailer, primarily located in small underserved communities across 23 states. The Company has 216 ALCO stores that offer both name brand and private label products of exceptional quality at reasonable prices. We are proud to have continually provided friendly, personal service to our customers for the past 111 years. To learn more about the Company, 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"). Forward-looking statements can be identified by the inclusion of "will," "believe," "intend," "expect," "plan," "project" and similar future-looking terms. You should not rely unduly on these forward-looking statements. These forward-looking statements reflect management's current views and projections regarding economic conditions, retail industry environments, and the Company performance. Forward-looking statements inherently involve risks and uncertainties, and, accordingly, actual results may vary materially. 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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