

OMAHA, Neb.--([BUSINESS WIRE](#))--AMCON Distributing Company ("AMCON") (NYSE MKT:DIT), an Omaha, Nebraska based consumer products company is pleased to announce fully diluted earnings per share of \$1.73 on net income available to common shareholders of \$1.2 million for the fiscal quarter ended December 31, 2013.

"We are pleased with the start to fiscal 2014. Our relentless focus on customer service and reliability has positioned AMCON as a leader in the convenience distribution industry. We are committed to our customers' profitability and growth which strengthens our partnership," said Christopher H. Atayan, AMCON's Chairman and Chief Executive Officer. He further noted, "We actively manage our balance sheet to generate attractive risk adjusted rates of return on the assets we have deployed. We are actively seeking acquisitions that can benefit from our extensive platform of services."

"One of our goals is to develop our business in higher margin non-traditional products. In particular, foodservice continues to be an area of high focus as our sales in this category grow. Additionally, we are enhancing our selection of electronic cigarettes as customer acceptance of these products has accelerated significantly," said Kathleen M. Evans, President of AMCON's Wholesale Distribution Segment.

"Industry growth in the retail health food sector has led to greater competition from new market entrants in the Midwestern markets. The number of new market entrants has placed pressure on sales as a result," said Eric Hinkefent, President of AMCON's Retail Health Food Segment.

"We were able to use our balance sheet strength to achieve several corporate objectives during the quarter. We negotiated the repurchase of 25,057 shares of common stock in a private transaction while at the same time taking advantage of attractive product related opportunities. At December 31, 2013 our shareholders' equity was \$53.0 million and consolidated debt was \$33.5 million," said Andrew Plummer, AMCON's Chief Financial Officer. "The expansion of our foodservice facilities at our Rapid City, South Dakota branch continues to progress according to plan. This expansion will provide significant additional capacity to continue meeting our customers changing needs in the Dakotas that has resulted from considerable growth in that market. In addition, we continue to invest in information technology for internal and external purposes," added Mr. Plummer.

AMCON is a leading wholesale distributor of consumer products, including beverages, candy, tobacco, groceries, foodservice, frozen and chilled foods, and health and beauty care products with locations in Illinois, Missouri, Nebraska, North Dakota, South Dakota and Tennessee. AMCON also operates sixteen (16) health and natural product retail stores in the Midwest and Florida. The retail stores operate under the names Chamberlin's Market & Cafe www.chamberlins.com and Akin's Natural Foods Market www.akins.com.

This news release contains forward-looking statements that are subject to risks and uncertainties and which reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and financial results. A number of factors could affect the future results of the Company and could cause those results to differ materially from those expressed in the Company's forward-looking statements including, without limitation, availability of sufficient cash resources to conduct its business and meet its capital expenditures needs and the other factors described under Item 1.A. of the Company's Annual Report on Form 10-K. Moreover, past financial performance should not be considered a reliable indicator of future performance. Accordingly, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements.

Visit AMCON Distributing Company's web site at: www.amcon.com

AMCON Distributing Company and Subsidiaries

Condensed Consolidated Balance Sheets

December 31, 2013 and September 30, 2013

**December
2013
(Unaudited)**

**September
2013**

ASSETS

Current assets:

Cash	\$	326,390
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Accounts receivable, less allowance for doubtful accounts of \$1.2 million and \$1.2 million	52,092,660	28,880,2
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Inventories, net	50,987,078	46,125,1
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Deferred income taxes	1,437,481	1,831,93
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Prepaid and other current assets		7,032,830
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Total current assets	91,875,839	81,617,3
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Property and equipment, net	13,527,259	13,088,8
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Goodwill	6,349,827	6,349,82
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Other intangible assets, net	4,729,728	4,820,97
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Other assets		433,084
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\$	116,915,737	
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	15,847,759
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Accrued expenses	5,438,389	6,714,44
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Accrued wages, salaries and bonuses	2,272,813	2,754,13
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Income taxes payable	253,329	1,922,35
Current maturities of long-term debt	781,123	
Total current liabilities	24,593,413	28,249,3
Credit facility	28,749,737	14,841,7
Deferred income taxes	3,417,396	3,327,01
Long-term debt, less current maturities	3,992,481	4,076,89
Other long-term liabilities	237,385	239,396
Series A cumulative, Convertible Preferred Stock, \$.01 par value	100,000 shares autho	
2,500,000	2,500,000	
Series B cumulative, Convertible Preferred Stock, \$.01 par value	80,000 shares authori	
400,000	400,000	
Shareholders' equity:		
Preferred stock, \$.01 par value, 1,000,000 shares authorized,	116,000 shares outstan	
—	—	
Common stock, \$.01 par value, 3,000,000 shares authorized, 611,432	shares outstandi	

Written by Australian Business

	6,677	6,543	
Additional paid-in capital	13,610,519		12,502,1
Retained earnings	44,651,003		43,532,8
Treasury stock at cost		(5,242,874	)
Total shareholders' equity		53,025,325	
\$	116,915,737		

AMCON Distributing Company and Subsidiaries

Condensed Consolidated Unaudited Statements of Operations

for the three months ended December 31, 2013 and 2012

2013	2012
Sales (including excise taxes of \$97.3 million and \$98.0 million at 305,625,657	Sales (including excise taxes of \$97.3 million and \$98.0 million at 305,625,657
Cost of sales	285,984,494

Gross profit		19,641,063	
Selling, general and administrative expenses	16,492,263		15,848,4
Depreciation and amortization		624,040	
	17,116,303		
Operating income		2,524,760	
Other expense (income):			
Interest expense	301,995		316,052
Other (income), net		(30,231	)
	271,764		
Income from operations before income tax expense	2,252,996		2,532,75
Income tax expense		965,000	
Net income	1,287,996		1,462,75

Preferred stock dividend requirements	(49,177	)
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Net income available to common shareholders	1,238,819
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Basic earnings per share available to common shareholders	1.99
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Diluted earnings per share available to common shareholders	1.73
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Basic weighted average shares outstanding	622,226	622,277
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Diluted weighted average shares outstanding	714,568	767,957
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AMCON Distributing Company and Subsidiaries

Condensed Consolidated Unaudited Statements of Cash Flows

for the three months ended December 31, 2013 and 2012

2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 1,287,996

Adjustments to reconcile net income from operations to net cash		flows from operating a
Depreciation	532,790	502,612
Amortization	91,250	91,250
Gain on sale of property and equipment	(7,704)	
Equity-based compensation	342,160	327,476
Deferred income taxes	484,838	419,627
Provision for losses on doubtful accounts	130,000	105,000
Provision for losses on inventory obsolescence	68,603	71,603
Other	(2,011)	
Changes in assets and liabilities:		
Accounts receivable	(3,838,855)	
Inventories	(4,900,694)	
Prepaid and other current assets	(2,030,838)	
Other assets	64,798	56,705
Accounts payable	995	(2,021,7

Accrued expenses and accrued wages, salaries and bonuses)

Income tax payable (1,669,022)

Net cash flows from operating activities (10,403,801)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment (985,678)

Proceeds from sales of property and equipment 9,320

Net cash flows from investing activities (976,358)

CASH FLOWS FROM FINANCING ACTIVITIES:

Net borrowings on bank credit agreements 16,025,4

Principal payments on long-term debt (302,076)

Repurchase of common stock and Series B, C, and D convertible Preferred Stock (1,941,916)

Dividends paid on convertible preferred stock (40,177)

Dividends on common stock (120,628)

Proceeds from exercise of stock options —		1,180
Withholdings on the exercise of equity-based awards	(62,713	)
Net cash flows from financing activities	11,431,513	
Net change in cash		
51,354		
	(456,585	)
Cash, beginning of period		
	275,036	
Cash, end of period	\$	326,390

2013	2012	
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	274,796	
Cash paid during the period for income taxes	2,219,184	2,219,55
Supplemental disclosure of non-cash information:		
Equipment acquisitions classified as accounts payable	60,332	

Issuance of common stock in connection with offering and exercise of equity-based	1,389,251
Conversion by holder of Series B Convertible Preferred Stock to common stock	100,000
Common stock acquired with other consideration	760,871