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AMCON DISTRIBUTING CO  
Form 8-K  
April 18, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported) April 18, 2008  
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AMCON DISTRIBUTING COMPANY  
-----

(Exact name of registrant as specified in its charter)

|  |                          |                                   |
|--|--------------------------|-----------------------------------|
| DELAWARE                                       | 1-15589                  | 47-0702918                        |
| -----  | -----                    | -----                             |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

7405 Irvington Road, Omaha, NE 68122  
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(Address of principal executive offices) (Zip Code)

(402) 331-3727  
-----

(Registrant's telephone number, including area code)

Not Applicable  
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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
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Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
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Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
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Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))  
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Item 2.02 Results of Operations and Financial Condition.

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On April 18, 2008, AMCON Distributing Company ("AMCON or "Company") issued a press release announcing its financial results for the second fiscal quarter ended March 31, 2008. A copy of the press release is attached to this report as an exhibit and is incorporated herein by reference.

The information in this report (including the exhibit) shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information set forth in this report (including the exhibit) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

| EXHIBIT NO. | DESCRIPTION   |
|-------------|---|
| 99.1        | Press release, dated April 18, 2008, issued by AMCON Distributing Company announcing financial results for the second fiscal quarter ended March 31, 2008 |

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMCON DISTRIBUTING COMPANY  
(Registrant)

Date: April 18, 2008

By: Andrew C. Plummer  
-----  
Name: Andrew C. Plummer  
Title: Vice President &  
Chief Financial Officer

Exhibit 99.1

AMCON DISTRIBUTING COMPANY REPORTS FULLY DILUTED EARNINGS PER SHARE OF \$1.37 FOR THE QUARTER ENDED MARCH 31, 2008

NEWS RELEASE

Chicago, IL, April 18, 2008 - AMCON Distributing Company ("AMCON") (AMEX:DIT), an Omaha, Nebraska based consumer products company is pleased to announce that it has reported fully diluted earnings per share of \$1.37 for its second fiscal quarter ended March 31, 2008.

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"We are very pleased with the performance of all our business segments" said Christopher Atayan, AMCON's Chairman and Chief Executive Officer. "We are continuing to take a conservative posture given the weak economic environment and high fuel prices that are prevailing. Our Customer First philosophy is clearly driving our performance. We are focused on the fundamentals every day and believe this directly contributes to value creation for our shareholders."

AMCON reported revenues of approximately \$179.9 million in its Wholesale Distribution business and operating income before depreciation and amortization of approximately \$2.6 million in the second fiscal quarter of 2008. AMCON's Retail Health Food business reported revenues of \$10.5 million and operating income before depreciation and amortization of approximately \$1.5 million.

Kathleen Evans, President of AMCON's Wholesale Distribution business, commented "We continue to aggressively pursue opportunities to add value to our customers in the convenience store industry. Our recent annual trade show was well received. In particular we saw significant customer enthusiasm for food service related products. We continue to be awarded new business from growth-oriented customers that are leaders in the market place."

Eric Hinkefent, President of AMCON's Retail Health Food business, said "Our customer service orientation has served us well in this tough economic environment. It clearly differentiates us from the competition. We will continue to make the investments necessary to be the quality leader in the coming months."

"Income from continuing operations before income taxes for the second fiscal quarter of 2008 was \$2.0 million as compared to \$0.5 million in the same period for the prior year. Product sales mix increased gross profit during the period. The litigation matters that were resolved in the prior fiscal year have reduced our professional and legal costs during the period with higher fuel costs partially offsetting that decrease. Additionally, our interest expense decreased during the period because of lower borrowings and interest rates," said Andrew Plummer AMCON's Chief Financial Officer. Plummer added "We continue to maintain a high degree of liquidity and have been able to channel that effectively into creating opportunities for our customers."

AMCON is a leading wholesale distributor of consumer products, including beverages, candy, tobacco, groceries, food service, frozen and chilled foods, and health and beauty care products with distribution centers in Illinois, Missouri, Nebraska, North Dakota and South Dakota. Chamberlin's Natural Foods, Inc. and Health Food Associates, Inc., both wholly-owned subsidiaries of The Healthy Edge, Inc., operate health and natural product retail stores in central Florida (6), Kansas, Missouri, Nebraska and Oklahoma (4). The retail stores operate under the names Chamberlin's Market & Cafe and Akins Natural Foods Market.

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. Moreover, past

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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](http://www.amcon.com)

For Further Information Contact:

Christopher H. Atayan

AMCON Distributing Company

Ph 312-327-1770

Fax: 312-527-3964

### AMCON Distributing Company and Subsidiaries Condensed Consolidated Balance Sheets March 31, 2008 and September 30, 2007

|   | March 2008<br>(Unaudited) | Septemb<br>2007 |
|---|---------------------------|-----------------|
|   | -----                     | -----           |
| <b>ASSETS</b>   |                           |                 |
| <b>Current assets:</b>  |                           |                 |
| Cash  | \$ 503,006                | \$ 717,         |
| Accounts receivable, less allowance for doubtful<br>accounts of \$0.5 million and \$0.3 million, respectively | 21,741,714                | 27,848,         |
| Inventories, net  | 33,119,315                | 29,738,         |
| Deferred income taxes   | 1,478,222                 | 1,446,          |
| Current assets of discontinued operations   | 8,639                     | 18,             |
| Prepaid and other current assets  | 4,269,603                 | 5,935,          |
|   | -----                     | -----           |
| Total current assets  | 61,120,499                | 65,705,         |
| Property and equipment, net   | 11,302,945                | 11,190,         |
| Goodwill  | 5,848,808                 | 5,848,          |
| Other intangible assets, net  | 3,380,204                 | 3,400,          |
| Deferred income taxes   | 1,489,579                 | 2,768,          |
| Non-current assets of discontinued operations   | 2,057,033                 | 2,057,          |
| Other assets  | 1,460,690                 | 1,093,          |
|   | -----                     | -----           |
|   | \$ 86,659,758             | \$ 92,063,      |
|   | =====                     | =====           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                           |                 |
| <b>Current liabilities:</b>   |                           |                 |
| Accounts payable  | \$ 13,682,453             | \$ 15,253,      |
| Accrued expenses  | 4,951,361                 | 5,293,          |

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|   |               |            |
|---|---------------|------------|
| Accrued wages, salaries and bonuses   | 1,913,187     | 2,202,     |
| Income taxes payable  | 235,683       | 367,       |
| Current liabilities of discontinued operations  | 4,090,624     | 4,035,     |
| Current maturities of credit facility   | 3,046,000     | 3,046,     |
| Current maturities of long-term debt  | 713,059       | 568,       |
|   | -----         | -----      |
| Total current liabilities   | 28,632,367    | 30,767,    |
| Credit facility, less current maturities  | 30,483,506    | 35,808,    |
| Long-term debt, less current maturities   | 6,981,633     | 7,123,     |
| Noncurrent liabilities of discontinued operations   | 6,542,310     | 6,542,     |
| Series A cumulative, convertible preferred stock, \$.01 par value<br>100,000 shares authorized and issued, liquidation preference<br>\$25.00 per share      | 2,438,355     | 2,438,     |
| Series B cumulative, convertible preferred stock, \$.01 par value<br>80,000 shares authorized and issued, liquidation preference<br>\$25.00 per share       | 1,857,645     | 1,857,     |
| Series C cumulative, convertible preferred stock, \$.01 par value<br>80,000 shares authorized and issued, liquidation preference<br>\$25.00 per share       | 1,982,372     | 1,982,     |
| Commitments and contingencies   |               |            |
| Shareholders' equity:   |               |            |
| Preferred stock, \$.01 par, 1,000,000 shares authorized,<br>260,000 shares outstanding and issued in Series A, B and C<br>referred to above                 | -             | -          |
| Common stock, \$.01 par value, 3,000,000 shares authorized,<br>568,564 shares outstanding at March 2008 and 529,436<br>shares outstanding at September 2007 | 5,686         | 5,         |
| Additional paid-in capital  | 6,684,826     | 6,396,     |
| Retained earnings (deficit)   | 1,051,058     | (857,      |
|   | -----         | -----      |
| Total shareholders' equity  | 7,741,570     | 5,543,     |
|   | -----         | -----      |
|   | \$ 86,659,758 | \$ 92,063, |
|   | =====         | =====      |

AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Statements of Operations  
for the three and six months ended March 31, 2008 and 2007

|  | For the three months<br>ended March |                        | For the six months<br>ended March |         |
|--|-------------------------------------|------------------------|-----------------------------------|---------|
|  | 2008                                | 2007<br>As Restated/1/ | 2008                              | As Re   |
|  | -----                               | -----                  | -----                             | -----   |
| Sales (including excise taxes of \$46.3<br>million and \$48.4 million, and \$97.9<br>million and \$98.0 million, respectively) | \$ 190,411,670                      | \$ 201,176,501         | \$ 401,074,907                    | \$ 410, |
| Cost of sales  | 174,669,957                         | 185,928,473            | 370,137,346                       | 380,    |
|  | -----                               | -----                  | -----                             | -----   |

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|  |              |            |              |      |
|--|--------------|------------|--------------|------|
| Gross profit   | 15,741,713   | 15,248,028 | 30,937,561   | 30   |
| Selling, general and administrative expenses   | 12,696,507   | 13,045,926 | 24,907,082   | 25   |
| Depreciation and amortization  | 339,809      | 456,204    | 702,283      |      |
|  | 13,036,316   | 13,502,130 | 25,609,365   | 26   |
| Operating income   | 2,705,397    | 1,745,898  | 5,328,196    | 3    |
| Other expense (income):  |              |            |              |      |
| Interest expense   | 749,558      | 1,237,976  | 1,719,360    | 2    |
| Other (income), net  | (39,265)     | (32,225)   | (72,476)     |      |
|  | 710,293      | 1,205,751  | 1,646,884    | 2    |
| Income from continuing operations before income tax expense  | 1,995,104    | 540,147    | 3,681,312    | 1    |
| Income tax expense   | 728,000      | 208,000    | 1,369,000    |      |
| Income from continuing operations  | 1,267,104    | 332,147    | 2,312,312    |      |
| Discontinued operations  |              |            |              |      |
| (Loss) gain on disposal of discontinued operations, net of income tax (benefit) expense of (\$0.04) million and \$0.6 million, respectively                  | -            | (66,498)   | -            |      |
| Loss from discontinued operations, net of income tax (benefit) of (\$0.1) million and (\$0.1) million, and (\$0.1) million and (\$0.2) million, respectively | (97,445)     | (124,283)  | (193,440)    |      |
| (Loss) income on discontinued operations   | (97,445)     | (190,781)  | (193,440)    |      |
| Net income   | 1,169,659    | 141,366    | 2,118,872    | 1    |
| Preferred stock dividend requirements  | (104,386)    | (103,239)  | (209,919)    |      |
| Net income available to common shareholders  | \$ 1,065,273 | \$ 38,127  | \$ 1,908,953 | \$ 1 |
| Basic earnings (loss) per share available to common shareholders:  |              |            |              |      |
| Continuing operations  | \$ 2.16      | \$ 0.43    | \$ 3.92      | \$   |
| Discontinued operations  | (0.18)       | (0.36)     | (0.36)       |      |
| Net basic earnings per share available to common shareholders  | \$ 1.98      | \$ 0.07    | \$ 3.56      | \$   |
| Diluted earnings (loss) per share available to common shareholders:  |              |            |              |      |
| Continuing operations  | \$ 1.48      | \$ 0.37    | \$ 2.72      | \$   |
| Discontinued operations  | (0.11)       | (0.27)     | (0.23)       |      |
| Net diluted earnings per share available to common shareholders  | \$ 1.37      | \$ 0.10    | \$ 2.49      | \$   |
| Weighted average shares outstanding:   |              |            |              |      |
| Basic  | 537,064      | 527,062    | 535,473      |      |
| Diluted  | 851,370      | 694,431    | 850,314      |      |

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AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Statements of Cash Flows  
for the six months ended March 31, 2008 and 2007

|   | 2008         | 2007<br>As restated |
|---|--------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |              |                     |
| Net income  | \$ 2,118,872 | \$ 1,389,600        |
| Deduct: (Loss) income from discontinued operations, net of tax  | (193,440)    | 446,700             |
| Income from continuing operations   | 2,312,312    | 942,900             |
| Adjustments to reconcile net income from continuing operations to net cash flows from operating activities: |              |                     |
| Depreciation  | 682,417      | 894,100             |
| Amortization  | 19,866       | 19,800              |
| (Gain) on sale of property and equipment  | (17,635)     | (8,100)             |
| Stock based compensation  | 169,449      | 6,000               |
| Deferred income taxes   | 1,246,631    | 907,200             |
| Provision (benefit) for losses on doubtful accounts   | 182,909      | (50,100)            |
| Provision for losses on inventory obsolescence  | 13,993       | 11,600              |
| Changes in assets and liabilities:  |              |                     |
| Accounts receivable   | 5,924,315    | 1,286,400           |
| Inventories   | (3,394,581)  | 1,478,700           |
| Prepaid and other current assets  | 1,665,605    | 3,700               |
| Other assets  | (367,540)    | (34,400)            |
| Accounts payable  | (1,571,109)  | (2,950,300)         |
| Accrued expenses and accrued wages, salaries and bonuses  | (631,969)    | (71,500)            |
| Income tax payable  | (132,090)    | (19,500)            |
| Net cash flows from operating activities - continuing operations  | 6,102,573    | 2,416,500           |
| Net cash flows from operating activities - discontinued operations  | (128,421)    | (1,962,200)         |
| Net cash flows from operating activities  | 5,974,152    | 454,300             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |              |                     |
| Purchases of property and equipment   | (543,156)    | (211,300)           |
| Proceeds from sales of property and equipment   | 43,821       | 17,600              |
| Net cash flows from investing activities - continuing operations  | (499,335)    | (193,600)           |
| Net cash flows from investing activities - discontinued operations  | -            | 3,965,300           |
| Net cash flows from investing activities  | (499,335)    | 3,771,700           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |              |                     |
| Net payments on bank credit agreements  | (5,324,674)  | (2,858,000)         |
| Dividends paid on preferred stock   | (209,919)    | (208,700)           |
| Proceeds from exercise of stock options   | 119,637      | -                   |
| Principal payments on long-term debt  | (274,409)    | (288,500)           |
| Net cash flows from financing activities - continuing operations  | (5,689,365)  | (3,355,400)         |
| Net cash flows from financing activities - discontinued operations  | -            | (789,800)           |
| Net cash flows from financing activities  | (5,689,365)  | (4,145,200)         |
| Net change in cash  | (214,548)    | 80,700              |

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|   |              |            |
|---|--------------|------------|
| Cash, beginning of period   | 717,554      | 481,1      |
|   | -----        | -----      |
| Cash, end of period   | \$ 503,006   | \$ 561,8   |
|   | =====        | =====      |
| Supplemental disclosure of cash flow information:   |              |            |
| Cash paid during the period for interest  | \$ 1,832,447 | \$ 2,530,7 |
| Cash paid during the period for income taxes  | 136,458      | 99,0       |
| Supplemental disclosure of non-cash information:  |              |            |
| Buyer's assumption of HNWC lease in connection with the sale of HNWC's assets - discontinued operations | -            | (225,5     |
| Acquisition of equipment through capital leases   | 277,624      |            |

/1/ As previously disclosed in the Company's Fiscal 2007 Annual Report on Form 10-K, during the first quarter of fiscal 2007, the Company changed its inventory valuation method from the Last-In First-Out (LIFO) method to the First-In First-Out (FIFO) method. As required by U.S. generally accepted accounting principles, the change in accounting principle was reflected in the Company's financial statements through the restatement of prior fiscal periods, including the three fiscal periods ended March 31, 2007.