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AMCON DISTRIBUTING CO  
Form 8-K  
April 19, 2007

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 17, 2007  
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AMCON DISTRIBUTING COMPANY  
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(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  
-----  
(Address of principal executive offices) (Zip Code)

(402) 331-3727  
-----  
(Registrant's telephone number, including area code)

Not Applicable  
-----  
(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.

On April 19, 2007, AMCON Distributing Company ("AMCON or "Company") issued a press release announcing its financial results for the second fiscal quarter ended March 31, 2007. 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As reflected in the press release referred to in Item 2.02 of this report, all items on the agenda that were brought before our shareholders at our annual meeting held on April 17, 2007, were approved.

Among the items approved by shareholders at our annual meeting was the grant to our Chief Executive Officer, Christopher Atayan, of a non-qualified stock option to purchase 25,000 shares of our common stock. The option vests and is exercisable in three equal installments beginning December 12, 2007, and has an exercise price of \$18.00 per share. The terms of this option are more fully described in the definitive proxy statement for the annual meeting of shareholders filed with the Commission pursuant to Regulation 14A on March 9, 2007.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

EXHIBIT NO.	DESCRIPTION
99.1	Press release, dated April 19, 2007, issued by AMCON Distributing Company announcing financial results for the second fiscal quarter ended March 31, 2007

#### 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 19, 2007

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

#### EXHIBIT INDEX

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Exhibit Description

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99.1 Press release, dated April 19, 2007, issued by AMCON Distributing Company announcing financial results for the second fiscal quarter ended March 31, 2007

Exhibit 99.1

### AMCON DISTRIBUTING COMPANY ANNOUNCES SECOND QUARTER RESULTS

#### NEWS RELEASE

Chicago, IL, April 19, 2007 - AMCON Distributing Company ("AMCON") (AMEX:DIT), an Omaha, Nebraska based consumer products company has announced results for the second fiscal quarter and first half ended March 31, 2007. "Our two core businesses are performing in line with our expectations" said Christopher Atayan, AMCON's Chief Executive Officer. "However, we continue to devote considerable resources towards residual litigation in connection with our discontinued operations."

For the first half of fiscal 2007, AMCON reported revenues of \$391.7 million in its Wholesale Distribution segment and operating income before depreciation and amortization of \$4.7 million. AMCON's retail health food business reported revenues of \$18.9 million and operating income before depreciation and amortization of \$1.7 million for the first half of fiscal 2007.

"AMCON accounts for its inventory using the LIFO cost flow assumption" said Andrew Plummer AMCON's Chief Financial Officer. "Our LIFO inventory valuation is driven by changes in the producer price index as published by the Bureau of Labor Statistics. During the second quarter of fiscal 2007, the increases in the applicable producer price index resulted in a \$736,000 charge to earnings in our wholesale segment versus \$49,000 in the prior year's quarter and in the retail health food segment, the charge was \$145,000 versus a benefit of \$34,000 in the same period for the prior year. Additionally, our litigation related expenses are accounted for in continuing operations. During the second quarter of fiscal 2007 we incurred approximately \$1.0 million of legal and professional costs. When all these charges were taken into effect, as well as the results of the discontinued operations, the Company reported a net loss of \$0.97 per diluted share," said Plummer.

In March 2007 the Wholesale division held its annual trade show in Kansas City, Missouri. Kathleen Evans, President of the AMCON's Wholesale division commented, "We were especially pleased with the results from our recent trade show. Our customers and vendors were very receptive to our new E-Click technology which we have designed to benefit our customers through both ease of use and efficiency. Market conditions remain competitive and we continue to emphasize our strong customer service as a competitive differentiation." "We are selectively investing in certain store equipment to allow for a broader selection of natural cold and frozen items" said Eric Hinkefent President of AMCON's Retail Health Food subsidiary, "Our business model, which emphasizes high levels of customer service, has been well received in the market. As such we are actively searching for opportunities to add new stores as we believe the outlook for the natural foods category continues to be favorable.

Additionally, AMCON conducted its annual meeting of shareholders on April 17th in St. Louis. All items on the agenda that were brought to the shareholders were approved.

AMCON is a leading wholesale distributor of consumer products, including beverages, candy, tobacco, groceries, food service, frozen and chilled foods,

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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 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, 2007 and September 30, 2006

	March 2007	September 2006
ASSETS		
Current assets:		
Cash	\$ 561,851	\$ 481,851
Accounts receivable, less allowance for doubtful accounts of \$0.9 million and \$0.9 million, respectively	26,579,473	27,815,473
Inventories, net	22,018,639	24,443,639

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Deferred income taxes	1,847,894	1,972,
Current assets of discontinued operations	4,332	1,172,
Prepaid and other current assets	5,365,424	5,369,
	-----	-----
Total current assets	56,377,613	61,254,
Property and equipment, net	11,836,153	12,528,
Goodwill	5,848,808	5,848,
Other intangible assets	3,419,936	3,439,
Deferred income taxes	6,306,489	6,772,
Noncurrent assets from discontinued operations	2,063,393	3,774,
Other assets	1,281,938	1,247,
	-----	-----
	\$ 87,134,330	\$ 94,866,
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities:		
Accounts payable	\$ 11,682,815	\$ 14,633,
Accrued expenses	4,710,970	4,687,
Accrued wages, salaries and bonuses	1,784,919	1,879,
Income taxes payable	149,354	168,
Current liabilities of discontinued operations	7,531,674	7,461,
Current maturities of credit facility	3,646,000	3,896,
Current maturities of long-term debt	477,190	524,
	-----	-----
Total current liabilities	29,982,922	33,251,
	-----	-----
Credit facility, less current maturities	42,319,352	44,927,
Long-term debt, less current maturities	6,827,727	7,069,
Noncurrent liabilities of discontinued operations	2,807,000	5,087,
Series A cumulative, convertible preferred stock, \$.01 par value 100,000 shares authorized and issued, liquidation preference \$25.00 per share	2,438,355	2,438,
Series B cumulative, convertible preferred stock, \$.01 par value 80,000 shares authorized and issued, liquidation preference \$25.00 per share	1,857,645	1,857,
Series C cumulative, convertible preferred stock, \$.01 par value 80,000 shares authorized and issued, liquidation preference \$25.00 per share	1,982,372	1,982,
Commitments and contingencies		
Shareholders' equity (deficiency):		
Preferred stock, \$.01 par, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$.01 par value, 3,000,000 shares authorized, 527,062 shares outstanding	5,271	5,
Additional paid-in capital	6,284,476	6,278,
Accumulated deficit	(7,370,790)	(8,030,
	-----	-----
Total shareholders' deficiency	(1,081,043)	(1,747,
	-----	-----
	\$ 87,134,330	\$ 94,866,
	=====	=====

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AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Statements of Operations  
for the three and six months ended March 31, 2007 and 2006

	For the three months ended March		For the six months ended March	
	2007	2006	2007	2006
Sales (including excise taxes of \$48.4 million and \$46.9 million, and \$98.0 million and \$95.1 million, respectively)	\$ 201,176,501	\$ 195,803,790	\$ 410,542,650	\$ 394,000,000
Cost of sales	186,809,844	181,164,019	381,134,862	365,000,000
Gross profit	14,366,657	14,639,771	29,407,788	28,000,000
Selling, general and administrative expenses	13,045,926	12,581,580	25,451,009	25,000,000
Depreciation and amortization	456,204	482,861	914,047	900,000
	13,502,130	13,064,441	26,365,056	26,000,000
Operating income	864,527	1,575,330	3,042,732	2,000,000
Other expense (income):				
Interest expense	1,237,976	1,109,885	2,506,638	2,000,000
Other (income), net	(32,225)	(28,810)	(63,307)	0
	1,205,751	1,081,075	2,443,331	2,000,000
(Loss) income from continuing operations before income tax (benefit) expense	(341,224)	494,255	599,401	0
Income tax (benefit) expense	(125,000)	205,000	238,000	0
(Loss) income from continuing operations	(216,224)	289,255	361,401	0
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)	-	829,090	0
Loss from discontinued operations, net of income tax (benefit) of (\$0.1) million and (\$0.4) million, and (\$0.2) million and (\$1.0) million, respectively	(124,283)	(789,067)	(321,693)	(1,000,000)
(Loss) income on discontinued operations	(190,781)	(789,067)	507,397	(1,000,000)
Net (loss) income	(407,005)	(499,812)	868,798	(1,000,000)
Preferred stock dividend requirements	(103,239)	(81,239)	(208,772)	0
Net (loss) income available to common shareholders	\$ (510,244)	\$ (581,051)	\$ 660,026	\$ (1,000,000)

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Basic (loss) earnings per share available to common shareholders:				
Continuing operations	\$	(0.61)	\$	0.39
Discontinued operations		(0.36)		(1.49)
				\$
				0.29
				0.96
Net basic (loss) earnings per share available to common shareholders	\$	(0.97)	\$	(1.10)
				\$
				1.25
Diluted (loss) earnings per share available to common shareholders:				
Continuing operations	\$	(0.61)	\$	0.37
Discontinued operations		(0.36)		(1.35)
				\$
				0.28
				0.93
Net diluted (loss) earnings per share available to common shareholders	\$	(0.97)	\$	(0.98)
				\$
				1.21
Weighted average shares outstanding:				
Basic		527,062		527,062
Diluted		527,062		584,517
				527,062
				546,131

AMCON Distributing Company and Subsidiaries  
Condensed Consolidated Unaudited Statements of Cash Flows  
for the six months ended March 31, 2007 and 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 868,798	\$ (1,686,798)
Deduct: income (loss) from discontinued operations, net of tax	507,397	(1,816,798)
Income from continuing operations	361,401	129,900
Adjustments to reconcile net income from continuing operations to net cash flows from operating activities:		
Depreciation	894,180	941,798
Amortization	19,867	19,867
(Gain) loss on sale of property and equipment	(8,129)	5,129
Stock based compensation	6,000	30,000
Deferred income taxes	591,532	(830,200)
Provision for losses on doubtful accounts	(50,195)	319,900
Provision for losses on inventory obsolescence	11,650	136,798
Changes in assets and liabilities:		
Accounts receivable	1,286,473	1,673,800
Inventories	2,412,774	(965,000)
Prepaid and other current assets	3,730	550,900
Other assets	(34,474)	90,800
Accounts payable	(2,950,309)	(1,553,300)
Accrued expenses and accrued wages, salaries and bonuses	(71,599)	(446,000)
Income taxes payable and receivable	(19,582)	(118,798)
Net cash flows from operating activities - continuing operations	2,453,319	(14,300)
Net cash flows from operating activities - discontinued operations	(1,999,042)	(104,798)
Net cash flows from operating activities	454,277	(119,100)

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CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(211,340)	(377,2
Proceeds from sales of property and equipment	17,675	31,8
Purchase of trademark	-	(15,0
	-----	-----
Net cash flows from investing activities - continuing operations	(193,665)	(360,3
Net cash flows from investing activities - discontinued operations	3,965,394	(1,0
	-----	-----
Net cash flows from investing activities	3,771,729	(361,3
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net principal payments on bank credit agreements	(2,858,077)	(1,620,2
Net proceeds from preferred stock issuance	-	1,982,3
Proceeds from borrowings of long-term debt	-	109,8
Dividends paid on preferred stock	(208,772)	(156,1
Principal payments on long-term debt	(288,570)	(334,5
	-----	-----
Net cash flows from financing activities - continuing operations	(3,355,419)	(18,6
Net cash flows from financing activities - discontinued operations	(789,874)	558,6
	-----	-----
Net cash flows from financing activities	(4,145,293)	540,0
	-----	-----
Net change in cash	80,713	59,5
Cash, beginning of period	481,138	546,2
	-----	-----
Cash, end of period	\$ 561,851	\$ 605,8
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 2,530,779	\$ 2,130,5
Cash paid during the period for income taxes	99,050	1,0
Supplemental disclosure of non-cash information:		
Buyer's assumption of HNWC lease in connection with the sale of HNWC's assets - discontinued operations	225,502	

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