

ALLIANCE DISTRIBUTORS HOLDING INC. REPORTS

2009 FIRST QUARTER FINANCIAL RESULTS

For Immediate Release

New York, New York – May 4, 2009 – Alliance Distributors Holding Inc. (OTC: ADTR.PK), a distributor of interactive video games and gaming products, announced its financial results for the first quarter ended March 31, 2009.

Net sales for the quarter decreased 28% to \$16.4 million in the first quarter of 2009 from \$22.8 million in the first quarter of 2008. Net income increased \$124,000, from \$32,000 in the first quarter of 2008 to \$156,000 in the first quarter of 2009.

Jay Gelman, Chairman and Chief Executive Officer, said "This quarter represents our sixth consecutive profitable quarter. While the difficult economic environment had a significant impact on our sales for the quarter, by selling a higher margin mix of products, we increased our gross profit this quarter to 13.8% of sales, as compared to 8.0% of sales in the first quarter of 2008. As a result, despite the decline in sales, on a year over year basis we increased our gross profit by \$447,000 and increased our income before taxes by \$230,000."

Timing of Conference Call with Q&A

Alliance Distributors will conduct an earnings conference call, including a question and answer period, at 3:00 PM ET on May 5, 2009.

The call-in number for the conference call is:

1-877-874-1570 (confirmation code: 3541229)

About Alliance Distributors Holding Inc.

Alliance Distributors Holding Inc. (www.alliancedistributors.com), which does business as Alliance Distributors, is a full-service wholesale videogame distributor, specializing in gaming products and accessories for all key manufacturers and 3rd party publishers. Alliance Distributors offers support on: PS3, PSP, PS2, X-Box 360, Wii, DS and GBA SP, peripherals and software titles.

Safe Harbor

Certain statements contained in this press release contain forward-looking statements including without limitation, statements concerning our operations, economic performance, and financial condition. The words "estimate," "believe," "expect," and "anticipate" and other similar expressions generally identify forward-looking statements, which speak only as of their dates.

Investors are cautioned that all forward-looking statements, which are based largely on our current expectations, involve risks and uncertainty. Actual results, events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors, risks and uncertainties, including without limitation, risks associated with technological change, competitive factors and general economic conditions, changes in marketing and distribution strategies by manufacturers, shortages of new platform systems, difficulty in integrating and deriving synergies from acquisitions, potential undiscovered liabilities of companies that we acquire, changes in our business or growth strategy, the emergence of new or growing competitors, and various other competitive and technological factors. There can be no assurance that the results referred to in the forward-looking statements contained in this release will occur. The Company has no duty and undertakes no obligation to update any forward-looking information, whether as a result of new information, future developments or otherwise.

ALLIANCE DISTRIBUTORS HOLDING INC.
INCOME STATEMENTS
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(Unaudited; in thousands)

	<u>2009</u>	<u>2008</u>
NET SALES	\$16,418	\$22,817
COST OF GOODS SOLD	<u>14,148</u>	<u>20,994</u>
GROSS PROFIT	2,270	1,823
OPERATING COSTS AND EXPENSES	<u>1,882</u>	<u>1,603</u>
INCOME FROM OPERATIONS	388	220
Interest expense	<u>126</u>	<u>188</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	262	32
Provision for income taxes	<u>106</u>	<u>-</u>
NET INCOME	<u>\$ 156</u>	<u>\$ 32</u>
Net income per share:		
Basic and diluted	<u>\$ -</u>	<u>\$ -</u>
Weighted average common shares outstanding:		
Basic	<u>52,883</u>	<u>53,410</u>
Diluted	<u>53,098</u>	<u>53,790</u>

ALLIANCE DISTRIBUTORS HOLDING INC.
CONDENSED BALANCE SHEETS
(in thousands)

	March 31, <u>2009</u> Unaudited	December 31, <u>2008</u> Derived from audited financial statements
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 81	\$ 924
Accounts receivable-net	6,545	5,334
Inventory	6,280	7,262
Due from vendors	177	342
Prepaid expenses and other current assets	192	215
Deferred income taxes	<u>389</u>	<u>263</u>
Total current assets	13,664	14,340
PROPERTY AND EQUIPMENT – NET	470	501
DEFERRED INCOME TAXES	191	178
OTHER ASSETS	<u>83</u>	<u>88</u>
TOTAL	<u>\$14,408</u>	<u>\$15,107</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable – bank	\$ 7,300	\$ 6,806
Accounts payable	3,180	4,630
Accrued expenses and other current liabilities	<u>504</u>	<u>425</u>
Total current liabilities	10,984	11,861
DEFERRED LEASE OBLIGATIONS	49	50
STOCKHOLDERS' EQUITY	<u>3,375</u>	<u>3,196</u>
TOTAL	<u>\$14,408</u>	<u>\$15,107</u>
COMMON SHARES OUTSTANDING	<u>52,883</u>	<u>52,883</u>

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