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AMCON DISTRIBUTING CO  
Form 8-K  
December 24, 2003

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) December 23, 2003  
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AMCON DISTRIBUTING COMPANY  
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(Exact name of registrant as specified in its charter)

DELAWARE	0-24708	47-0702918
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(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  
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(Registrant's telephone number, including area code)

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

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

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EXHIBIT NO.	DESCRIPTION
99.1	Press release, dated December 23, 2003, issued by AMCON Distributing Company

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On December 23, 2003, AMCON issued a press release announcing its earnings for the fourth quarter ended September 26, 2003. The press release is furnished herewith as an exhibit and incorporated herein by reference.

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

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: December 24, 2003	By :	Michael D. James -----
	Name:	Michael D. James
	Title:	Treasurer & Chief Financial Officer

EXHIBIT INDEX  
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Exhibit 99.1

NEWS RELEASE

AMCON RELEASES 4TH QUARTER RESULTS

Omaha, NE, December 23, 2003 AMCON Distributing Company (AMEX:DIT), an

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Omaha, NE based consumer products company, announced today net income of \$0.3 million or \$0.10 per diluted share for the fourth quarter ended September 2003 compared with \$0.6 million or \$0.20 per diluted share for the fourth quarter of the prior year. Sales for the fourth quarter were \$207.5 million compared to \$224.1 million for the same period in the prior year.

For the fiscal year ended September 2003, AMCON reported net income of \$1.0 million or \$0.32 per diluted share compared to \$2.0 million or \$0.63 per diluted share for the prior year. Sales for fiscal year ended September 2003 were \$772.1 million compared to \$847.1 million for the same period of the prior year.

William F. Wright, Chairman of AMCON, stated that, "Early last year we decided to establish The Beverage Group ("TBG") to assist in the marketing and distribution of our Hawaiian Springs brand, along with several other specialty beverages. We chose that avenue rather than endeavoring to buy an existing beverage company since we believed that prices for existing beverage companies were unreasonable. By establishing TBG, the costs of such establishment are deducted as expenses when incurred, rather than capitalized as would have been the case in an acquisition. Approximately \$0.57 per diluted share of our earnings for this year went towards establishing TBG. We believe that the wisdom of our decision will be validated in the future.

Sales in our wholesale distribution segment for the fourth quarter of fiscal 2003 were below the prior year as the deflationary trend in cigarette prices continued through the fourth quarter and carton volume was 2.5% below the fourth quarter of the prior year. These negative sales factors were partially offset by an increase in sales of other products of \$2.0 million in our wholesale segment. Despite the reduction in sales, gross profit in the wholesale segment was \$0.5 million higher than the fourth quarter of fiscal 2002. In addition, operating expenses and interest expense were \$0.8 million lower than the prior year which resulted in the wholesale distribution business generating pre-tax income of \$1.2 million greater than the fourth quarter of the prior year.

Sales in the retail health food business for the fourth quarter were \$0.4 million greater than the prior year as our stores in the Midwest continued to show improvement over the prior year. Pre-tax income in this segment was also \$0.1 million greater than the fourth quarter of the prior year.

Sales in our beverage segment increased only slightly over the prior year as it still represents a business in the start-up phase. The formation of TBG earlier in the year to market and distribute our Hawaiian Springs brand of bottled natural spring water and other specialty beverages resulted in significant expenses being incurred to develop markets for the brands. As a result, the beverage business incurred a pre-tax loss of \$2.3 million during the fourth quarter of fiscal 2003."

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Wright added "For the year, our pre-tax profit and cash flow numbers in our wholesale segment improved dramatically. In that segment, net income before taxes of \$7.6 million was up over 36% despite a 10% drop in sales. The change in pre-tax earnings was adversely impacted by the absence of a cigarette price increase, reduced earnings from our private label products, and reduced manufacturer incentive allowances in our wholesale segment which, combined, were \$5.0 million less than the prior year. These items were more than offset by a favorable LIFO inventory adjustment of \$1.8 million, increases in profits from sales of non-cigarette products of \$1.4 million, reduction of operating expenses and interest expense of \$3.6 million, and an increase in other income of \$0.2 million.

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That performance enabled us to show an increase in cash flow from overall operations of over \$5 million with a resultant reduction in debt levels. In addition, with our operating line usage at less than 70% of availability and variable interest costs at slightly below 4%, we locked in interest costs for approximately one-half of our credit line usage for the next several years to keep those costs fixed below 5%.

Our numbers for our retail health segment continued to improve with sales increasing by \$1.4 million over the prior year. New management and a new, fully integrated system implementation were the catalyst for improvement in our Midwest stores in fiscal 2003. Based on this improvement, we plan to open at least one new store in the Midwest in fiscal 2004 and will continue to focus efforts on improving the performance of the Florida market.

In our beverage segment, Hawaiian Natural Water began to show greater sales as its new production facility was completed and as construction of its packaging and warehouse facility progressed towards final completion earlier this month. Pre-tax results for the beverage segment for fiscal 2003 were \$3.8 million lower than the prior year. We anticipated this for the current fiscal year and, as noted earlier, believe that the beverage segment will produce profits and significantly increase overall margins for our Company and its shareholders as our company continues to reduce its reliance upon our wholesale segment."

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, South Dakota and Wyoming. Chamberlin's Natural Foods, Inc. and Health Food Associates, Inc., both wholly-owned subsidiaries of The Healthy Edge, Inc. (formerly Food For Health Co., Inc.), operate health and natural product retail stores in central Florida (7), Kansas, Missouri, Nebraska and Oklahoma (3). The retail stores operate under the names Chamberlin's Market & Cafe and Akin's Natural Foods Market. Hawaiian Natural Water Company, Inc., which was acquired in December of 2001, produces and sells natural spring water under the Hawaiian Springs label. The water is bottled at the source on the Big Island of Hawaii. The Beverage Group, Inc. markets and distributes Hawaiian Springs and other premium beverage products, including HYPE Energy Drink, Kona Coffee, Bottle Green and Bahia drinks, and Xterra, a line of sports beverages and energy bars, in the United States, Canada and Mexico.

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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. 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)

AMCON Distributing Company and Subsidiaries  
 Consolidated Balance Sheet  
 September 2003 and 2002

	2003	2002
ASSETS		
Current assets:		
Cash	\$ 668,073	\$ 130,091
Accounts receivable, less allowance for doubtful accounts of \$0.8 million and \$0.6 million in 2003 and 2002, respectively	28,170,129	31,216,783
Inventories	32,489,051	35,744,074
Income tax receivable	-	981,054
Deferred income taxes	1,568,476	324,369
Other	581,950	393,365
Total current assets	63,477,679	68,789,736

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Fixed assets, net	16,951,615	16,096,124
Available-for-sale investments	512,694	562,000
Goodwill	6,091,397	6,091,397
Other intangible assets	11,420,542	11,804,289
Other assets	1,045,503	1,242,923
	-----	-----
	\$ 99,499,430	\$ 104,586,469
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 15,092,091	\$ 19,873,851
Accrued expenses	3,715,370	3,969,164
Accrued wages, salaries, bonuses	1,462,678	1,371,310
Income tax payable	540,414	-
Current liabilities of discontinued operations	117,612	93,558
Current portion of long-term debt	15,348,167	14,783,967
Current portion of subordinated debt	7,762,666	1,708,986
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Total current liabilities	44,038,998	41,800,836

Deferred income taxes	1,367,367	788,316
Noncurrent liabilities of discontinued operations	161,025	197,024
Long-term debt, less current portion	35,654,423	36,362,099
Subordinated debt, less current portion	976,220	8,738,886

Commitments and contingencies

Shareholders' equity:

Preferred stock, \$.01 par value, 1,000,000 shares authorized, none outstanding	-	-
Common stock, \$.01 par value, 15,000,000 shares authorized, 3,168,954 and 3,156,962 issued in 2003 and 2002, respectively	31,690	31,570
Additional paid-in capital	5,997,977	5,977,643
Accumulated other comprehensive income, net of tax of \$0.1 million and \$0.2 million in 2003 and 2002, respectively	220,732	294,771
Retained earnings	11,050,998	10,395,324
	-----	-----
	17,301,397	16,699,308
	-----	-----
	\$ 99,499,430	\$ 104,586,469
	=====	=====

AMCON Distributing Company and Subsidiaries  
Consolidated Statement of Operations  
For the Three and Twelve Months Ended  
September 2003 and 2002

	Three Months ended September		Twelve Months Ended S
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	2003	2002	2003
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Sales	\$ 207,456,442	\$ 224,071,490	\$ 772,135,351	\$ 847,135,351
Cost of sales	190,994,785	207,542,702	711,974,154	785,135,351
Gross profit	16,461,657	16,528,788	60,161,197	61,999,999
Selling, general and administrative expenses	14,246,496	13,623,569	53,049,723	51,135,351
Depreciation and amortization	577,764	966,019	2,284,608	3,135,351
Income from operations	1,637,397	1,939,200	4,826,866	7,733,351
Other expense (income):				
Interest expense	833,007	1,146,451	3,269,777	4,135,351
Other income, net	268,910	(272,430)	(98,384)	
Equity in loss of unconsolidated affiliate	-	-	-	
Income before income taxes	535,480	1,065,179	1,655,473	3,597,966
Income tax expense (benefit)	201,000	416,783	629,000	1,135,351
Net income (loss)	\$ 334,480	\$ 648,396	\$ 1,026,473	\$ 1,462,615
Earnings per share:				
Basic	\$ 0.10	\$ 0.21	\$ 0.32	\$ 0.32
Diluted	\$ 0.10	\$ 0.20	\$ 0.32	\$ 0.32
Weighted average shares outstanding:				
Basic	3,166,191	3,112,962	3,166,191	3,166,191
Diluted	3,222,253	3,197,326	3,222,253	3,222,253

FOR FURTHER INFORMATION CONTACT:

Michael D. James  
 Chief Financial Officer  
 AMCON Distributing Company  
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 Fax 402-331-4834

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