

ALLIANCE DISTRIBUTORS HOLDING INC. ANNOUNCES
EXPANSION INTO THE MIDWEST

For Immediate Release

New York, New York – May 1, 2008 – Alliance Distributors Holding Inc. (ADTR.PK), a distributor of interactive video games and gaming products, today announced that it has signed an agreement with Ditan Distribution LLC for warehouse space in Ditan’s Louisville, Kentucky facility. Ditan will also provide shipping, receiving, inventory warehousing and other operational support. Ditan is the leading third-party provider of inventory management and distribution services in the video game industry.

Alliance also announced that it plans to open a sales office in the Cincinnati metropolitan area to complement its operational expansion.

“Our agreement with Ditan gives us access to a state of the art operation to efficiently service our customer base in the Ohio Valley, Midwest, and Southern regions of the U.S.,” said Jay Gelman, Alliance’s Chairman and Chief Executive Officer. “The addition of this key location to our existing Miami and New York facilities combined with the sales office that we plan to open in the Cincinnati area, should accelerate our growth and expansion.”

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,” “should” 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, continued 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, 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.

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