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DOLLARAMA REPORTS CONTINUED STRONG SALES AND OPERATING INCOME GROWTH FOR ITS SECOND QUARTER OF FISCAL 2011

MONTREAL, Quebec, September 14, 2010 – Dollarama Inc. (“Dollarama” or the “Corporation”) (TSX: DOL) reported significant increases in sales and operating income today for the second quarter ended August 1, 2010 (the “Second Quarter”).

Financial and Operating Highlights for the Second Quarter

(All comparative figures below and in the “Financial Results” section that follows, are for the 13-week and 26-week periods ended August 1, 2010 compared to the 13-week and 26-week periods ended August 2, 2009. Throughout this news release, the term “Normalized” has been used to refer to financial results that have been adjusted to exclude certain non-recurring items. For a full explanation of the Corporation’s use of the Non-GAAP measures, please refer to Note 1 of the Selected Consolidated Financial Information section of this news release.)

- Sales increased 13.2%
- Comparable store sales grew 7.8%
- Opened 13 new stores and closed one
- Gross margin increased to 35.3% from 33.2%
- Normalized EBITDA⁽¹⁾ up 27.5% ending at \$54.1 million
- Normalized EBIT⁽¹⁾ up 30.3% ending at \$47.1 million
- Diluted Normalized net earnings⁽¹⁾ per share for the quarter of \$0.37
- Received proceeds of a new syndicated senior secured credit facility, consisting of a \$75 million revolving credit facility and a \$525 million term loan A facility maturing in June 2014

“We are pleased with our second quarter results” said Larry Rossy, Chief Executive Officer of Dollarama. “We sustained healthy growth through the opening of new stores and increased comparable store sales. We continue to provide our customers quality products, great value, as well as a convenient shopping experience. We also remain committed to tightly managing our operating and office expenses and generating value for our shareholders.”

Financial Results

For the Second Quarter, we recorded sales of \$343.5 million, a 13.2% increase over the same period last year. For the first half (26 weeks) of the fiscal year ending January 30, 2011 (the “First Half”), sales grew 13.6% to \$655.5 million from \$576.8 million in the corresponding period last year. Sales growth during the Second Quarter was driven mainly by the net addition

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of 38 stores since August 2, 2009 and by comparable store sales growth of 7.8%, resulting from a 1.4% increase in number of transactions and a 6.2% increase in average transaction size.

Our gross margin increased to 35.3% of sales for the Second Quarter as compared to 33.2% of sales for the corresponding period last year, driven mainly by improved product margin resulting from further refinements brought to our multi-price point strategy compared to the roll-out period last year, improved logistics cost efficiencies and modest scaling effect on certain fixed costs such as occupancy costs included in cost of sales. For the First Half, gross margin increased to 34.8% of sales as compared to 33.3% of sales for the same period last year, driven mainly by reduced transportation costs, improved logistics cost efficiencies, reduced shrink provision and modest scaling effect on certain fixed costs such as occupancy costs included in cost of sales.

General, administrative and store operating expenses ("SG&A") for the Second Quarter increased by \$7.7 million, or 12.9%, from \$59.4 million to \$67.1 million, due mainly to the net addition of 38 new stores since August 2, 2009 and increases in general and administrative salaries and expenses. As a percentage of sales, SG&A declined to 19.5% of sales for the Second Quarter as compared to 19.6% of sales for the comparative period last year. For the First Half, SG&A increased \$12.7 million, or 10.9% to \$128.9 million. Non-recurring charges of \$1.0 million and \$1.7 million, relating to management fees and severance costs, were included in the second quarter and the first half ended August 2, 2009, respectively.

On June 10, 2010, the Corporation entered into an agreement providing for a new all-Canadian \$600 million syndicated senior secured credit facility (the "New Credit Facility"). The Corporation used the proceeds of the New Credit Facility to repay its senior secured credit facility (the "Credit Facility"), to redeem and discharge the senior floating rate deferred interest notes issued by its affiliate, Dollarama Group Holdings L.P. (the "Deferred Interest Notes"), to repay the debt-related hedging obligations, to pay related fees and expenses and the balance for working capital and other general corporate purposes. The New Credit Facility consists of (i) a \$75 million revolving credit facility, and (ii) a \$525 million term loan A facility maturing in June 2014. At the Corporation's current leverage level, the New Credit Facility accrues interest at BA + 250 bps. The Deferred Interest Notes were redeemed on July 15, 2010.

Interest expense on long-term debt and on amounts due to shareholders decreased by \$5.4 million for the Second Quarter, from \$20.6 million to \$15.2 million, due primarily to the repayment of the term loan A outstanding under the Credit Facility, the redemption of the 8.875% senior subordinated notes due in 2012, the partial conversion of the amounts due to shareholders into common shares of the Corporation (the "Common Shares") and the repayment of the remaining balance of the amounts due to shareholders concurrent with our initial public offering completed on October 16, 2009. This reduction in interest expense was offset by the non-recurring write-off of debt issue costs of \$5.7 million and debt repayment premium and expenses of \$2.2 million, both associated with the repayment of the Credit Facility and the repayment of the Deferred Interest Notes by the Corporation on June 14, 2010. For the same reasons, interest expense on long-term debt and on amounts due to shareholders for the First Half decreased \$21.3 million to \$21.6 million.

Foreign exchange gain on derivative financial instruments and long-term debt was \$0.5 million for the Second Quarter, compared to a \$21.3 million gain for the same period last year. The large gain in the second quarter last year was due primarily to the impact of the strengthening of the Canadian dollar relative to the U.S. dollar on our Deferred Interest Notes which were not hedged during that period, whereas in the Second Quarter, all of our U.S. dollar-

denominated debt was hedged through the date of repayment by the Corporation on June 14, 2010. Thus, there was limited foreign exchange impact in the Second Quarter. For similar reasons, we recorded a \$0.3 million foreign exchange gain on derivative financial instruments and long-term debt during the First Half, compared to a \$28.8 million gain for the comparative period last year. During the First Half, all of our U.S. dollar-denominated debt was hedged and the resulting foreign exchange impacts on derivative financial instruments and long-term debt was therefore less significant.

Normalized net earnings⁽¹⁾ has increased by \$0.4 million in the Second Quarter to \$27.7 million from \$27.3 million. Normalized net earnings⁽¹⁾ last year included a \$21.3 million exchange gain on derivative financial instruments and long-term debt compared to \$0.5 million this year.

About Dollarama

In 1992, the Dollarama business was founded by our Chief Executive Officer, Larry Rossy, a third generation retailer. We are the leading dollar store operator in Canada with 623 locations across the country. Our stores provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. All stores are corporate-owned and provide customers with a consistent shopping experience. Each store offers a broad assortment of everyday consumer products, general merchandise and seasonal items. Products are sold in individual or multiple units at select fixed price points between \$1.00 and \$2.00, with the exception of select candy offered at \$0.69.

Forward Looking Statements

Certain statements in this news release may contain forward-looking statements. Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business and its corporate structure. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors set forth in the Corporation's annual management's discussion and analysis for the fiscal year ended January 31, 2010: future increases in operating and merchandise costs, inability to refresh our merchandise as often as in the past, increase in the cost or a disruption in the flow of imported goods, disruption of distribution infrastructure, current economic conditions, high level of indebtedness, inability to generate sufficient cash to service all the Corporation's indebtedness, ability of the Corporation to incur additional indebtedness, significant operating restrictions imposed by our New Credit Facility, interest rate risk associated with variable rate indebtedness, no guarantee that our strategy to introduce products between \$1.00 and \$2.00 will be successfully sustained, market acceptance of our private brands, inability to increase our warehouse and distribution center capacity in a timely manner, weather conditions or seasonal fluctuations, competition in the retail industry, dependence on ability to obtain competitive pricing and other terms from our suppliers, inability to renew store, warehouse and distribution center leases or find other locations on favourable terms, disruption in information technology systems, unsuccessful execution of our growth strategy, inability to achieve the anticipated

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growth in sales and operating income, inventory shrinkage, compliance with environmental regulations, failure to attract and retain qualified employees, departure of senior executives, fluctuation in the value of the Canadian dollar in relation to the U.S. dollar, litigation, product liability claims and product recalls, unexpected costs associated with our current insurance program, protection of trademarks and other proprietary rights, natural disasters, risks associated with the protection of customers' credit card data, holding company structure, influence by existing shareholders, volatile market price for the Common Shares, no current plans to pay cash dividends and future sales of Common Shares by our existing shareholders. The forward-looking statements contained in this discussion represent the Corporation's expectations as of September 14, 2010, and are subject to change after such date. However, the Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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Selected Consolidated Financial Information

(dollars in thousands, except per share amounts and number of shares)

	13-Week Period Ended		26-Week Period Ended	
	Aug. 1, 2010	Aug. 2, 2009	Aug. 1, 2010	Aug. 2, 2009
Earnings Data				
Sales.....	\$ 343,530	\$ 303,400	\$ 655,460	\$ 576,809
Cost of sales.....	<u>222,360</u>	<u>202,556</u>	<u>427,274</u>	<u>384,783</u>
Gross profit.....	121,170	100,844	228,186	192,026
Expenses:				
General, administrative and store operating expenses.....	67,091	59,400	128,883	116,168
Amortization.....	<u>6,980</u>	<u>6,294</u>	<u>13,694</u>	<u>12,335</u>
Total expenses.....	<u>74,071</u>	<u>65,694</u>	<u>142,577</u>	<u>128,503</u>
Operating income.....	47,099	35,150	85,609	63,523
Interest expense on long-term debt.....	15,212	13,472	21,634	28,896
Interest expense on amounts due to shareholders.....	—	7,131	—	14,040
Foreign exchange gain on derivative financial instruments and long-term debt.....	<u>(461)</u>	<u>(21,329)</u>	<u>(334)</u>	<u>(28,834)</u>
Earnings before income taxes.....	32,348	35,876	64,309	49,421
Provision for income taxes.....	<u>11,371</u>	<u>9,293</u>	<u>20,860</u>	<u>11,708</u>
Net earnings.....	<u>\$ 20,977</u>	<u>\$ 26,583</u>	<u>\$ 43,449</u>	<u>\$ 37,713</u>
Basic net earnings per common share.....	\$ 0.29	\$ 0.62	\$ 0.59	\$ 0.89
Diluted net earnings per common share.....	\$ 0.28	\$ 0.61	\$ 0.58	\$ 0.87
Weighted average number of common shares outstanding during the period:				
Basic (in thousands).....	73,113	42,576	73,025	42,576
Diluted (in thousands).....	75,364	43,280	75,317	43,246
Other Data				
Year-over-year sales growth.....	13.2%	14.8%	13.6%	15.1%
Comparable store sales growth ⁽²⁾	7.8%	7.0%	8.2%	7.2%
Gross margin ⁽³⁾	35.3%	33.2%	34.8%	33.3%
Normalized SG&A as a % of sales ⁽¹⁾⁽⁴⁾	19.5%	19.3%	19.7%	19.8%
Normalized EBITDA ⁽¹⁾	\$ 54,079	\$ 42,430	\$ 99,303	\$ 77,594
Normalized EBIT ⁽¹⁾	\$ 47,099	\$ 36,136	\$ 85,609	\$ 65,259
Normalized EBIT margin ⁽¹⁾⁽⁴⁾	13.7%	11.9%	13.1%	11.3%
Normalized net earnings ⁽¹⁾	\$ 27,644	\$ 27,259	\$ 50,116	\$ 38,897
Capital expenditures.....	\$ 10,968	\$ 8,692	\$ 17,373	\$ 16,800
Number of stores ⁽⁵⁾	623	585	623	585
Average store size (gross square feet) ⁽⁵⁾	9,838	9,785	9,838	9,785

(dollars in thousands)

	As of	
	Aug. 1, 2010	Jan. 31, 2010
Balance Sheet Data		
Cash and cash equivalents.....	\$ 118,910	\$ 93,057
Merchandise inventories.....	233,220	234,684
Property and equipment.....	141,632	138,214
Total assets.....	1,343,951	1,322,237
Total debt ⁽⁶⁾	518,438	517,399
Net debt ⁽⁷⁾	399,528	424,342

(1) In this news release, Normalized EBIT, Normalized EBITDA, Normalized SG&A and Normalized net earnings are collectively referred to as the “Non-GAAP measures”. Normalized EBIT represents operating income, in accordance with Canadian GAAP, adjusted for non-recurring charges. Normalized EBITDA represents Normalized EBIT plus amortization. Normalized SG&A represents SG&A, in accordance with Canadian GAAP, adjusted for non-recurring charges. Normalized net earnings represents net earnings, in accordance with Canadian GAAP, adjusted for non-recurring charges, net of tax impacts.

We have included Non-GAAP measures to provide investors with supplemental measures of our operating and financial performance. We believe Non-GAAP measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on Canadian GAAP measures. We also believe that securities analysts, investors and other interested parties frequently use Non-GAAP measures in the evaluation of issuers, many of which present Non-GAAP measures when reporting their results. Our management also uses Non-GAAP measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess our ability to meet our future debt service, capital expenditure and working capital requirements. Non-GAAP measures are not presentations made in accordance with Canadian GAAP. For example, certain or all of the Non-GAAP measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. Although we consider the items excluded in the calculation of Non-GAAP measures to be non-recurring and less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us.

We believe that the presentation of the Non-GAAP measures described above is appropriate. However, these Non-GAAP measures have important limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under Canadian GAAP. Because of these limitations, we primarily rely on our results as reported in accordance with Canadian GAAP and use the Non-GAAP measures only as a supplement. In addition, because other companies may calculate Non-GAAP measures differently than we do, they may not be comparable to similarly-titled measures reported by other companies.

	13-Week Period Ended		26-Week Period Ended	
	Aug. 1, 2010	Aug. 2, 2009	Aug. 1, 2010	Aug. 2, 2009
<i>(dollars in thousands)</i>				
A reconciliation of operating income to Normalized EBIT is included below:				
Operating income.....	\$ 47,099	\$ 35,150	\$ 85,609	\$ 63,523
Add: non-recurring charges:				
Management fees ^{(a)(b)}	—	750	—	1,500
Severance ^(c)	—	236	—	236
Non-recurring charges.....	—	986	—	1,736
Normalized EBIT.....	<u>\$ 47,099</u>	<u>\$ 36,136</u>	<u>\$ 85,609</u>	<u>\$ 65,259</u>
<i>Normalized EBIT margin.....</i>	<i>13.7%</i>	<i>11.9%</i>	<i>13.1%</i>	<i>11.3%</i>
A reconciliation of Normalized EBIT to Normalized EBITDA is included below:				
Normalized EBIT.....	\$ 47,099	\$ 36,136	\$ 85,609	\$ 65,259
Add: Amortization.....	6,980	6,294	13,694	12,335
Normalized EBITDA.....	<u>\$ 54,079</u>	<u>\$ 42,430</u>	<u>\$ 99,303</u>	<u>\$ 77,594</u>
<i>Normalized EBITDA margin.....</i>	<i>15.7%</i>	<i>14.0%</i>	<i>15.2%</i>	<i>13.5%</i>

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(dollars in thousands, except per share amounts)	13-Week Period Ended		26-Week Period Ended	
	Aug. 1, 2010	Aug. 2, 2009	Aug. 1, 2010	Aug. 2, 2009
A reconciliation of SG&A to Normalized SG&A is included below:				
SG&A.....	\$ 67,091	\$ 59,400	\$ 128,883	\$ 116,168
Deduct: non-recurring charges ^{(a)(b)(c)}	—	(986)	—	(1,736)
Normalized SG&A.....	\$ 67,091	\$ 58,414	\$ 128,883	\$ 114,432
Normalized SG&A as a % of sales.....	19.5%	19.3%	19.7%	19.8%
A reconciliation of net earnings to Normalized net earnings is included below:				
Net earnings.....	\$ 20,977	\$ 26,583	\$ 43,449	\$ 37,713
Diluted net earnings per common share.....	\$ 0.28	\$ 0.61	\$ 0.58	\$ 0.87
Add/(deduct) pre-tax:				
Management fees ^{(a)(b)}	—	750	—	1,500
Severance ^(c)	—	236	—	236
Write-off of debt issue costs ^(d)	5,681	—	5,681	—
Debt repayment premium and expenses ^(e)	2,193	—	2,193	—
Tax impact.....	(1,207)	(311)	(1,207)	(552)
Normalized net earnings.....	\$ 27,644	\$ 27,259	\$ 50,116	\$ 38,897
Diluted Normalized net earnings per common share.....	\$ 0.37	\$ 0.63	\$ 0.67	\$ 0.90

(a) Reflects the management fees incurred and paid to Bain Capital, excluding out-of-pocket expenses.

(b) The management agreement was terminated in conjunction with the consummation of the Corporation's IPO.

(c) Represents the elimination of severance.

(d) Write-off of debt issue costs associated with the debt repaid by the Corporation on June 14, 2010.

(e) Call premium associated with the redemption of our Deferred Interest Notes.

(2) Comparable store means a store open for at least 13 complete months relative to the same period in the prior year, including relocated stores and expanded stores.

(3) Gross margin represents gross profit as a % of sales.

(4) Normalized EBIT margin represents Normalized EBIT (see note 1) divided by sales. Normalized SG&A as a % of sales represents Normalized SG&A (see note 1) divided by sales.

(5) At the end of the period.

(6) Total debt is comprised of current portion of long-term debt, long-term debt before debt issue costs and discounts, and derivative financial instruments related to long-term debt.

(7) Net debt is defined as total debt (see note 6) minus cash and cash equivalents.