

# Investor Presentation

September 2010



# Forward-Looking Statements



1.

This presentation contains forward-looking statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments. Several assumptions were made by Dollarama in preparing these forward-looking statements and there are risks that actual results will differ materially from those contemplated by the forward-looking statements. As a result, we cannot guarantee that any forward-looking statement will materialize and you are cautioned not to place undue reliance on these forward-looking statements. For additional information on such assumptions and risks, please consult the “Risk Factors” section of Dollarama’s annual information form dated April 28, 2010 filed with the Canadian securities commissions (available at [www.sedar.com](http://www.sedar.com)).

Forward-looking statements represent Dollarama’s expectations as of September 14, 2010, and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

We have obtained the market and industry data contained in this presentation from a combination of internal company surveys and third party information, and the estimates of our management. While we are not aware of any misstatements regarding such data, it involves risks and uncertainties and is subject to change based on various factors, including those factors discussed above regarding forward-looking statements, as well as under the “Risk Factors” section of Dollarama's annual information form dated April 28, 2010.

The projected financial information contained herein are estimates prepared expressly and exclusively for use herein. The projected financial information is based on certain assumptions and management’s analysis of information available at the time that this presentation was prepared, and are subject to important risks and may change after the date of this presentation. Dollarama disclaims any intention or obligation to update or revise any projected financial information. There is no representation, warranty or other assurance that any of the projected financial information will be realized. Only those representations and warranties contained in any definitive agreements shall have any legal effect.

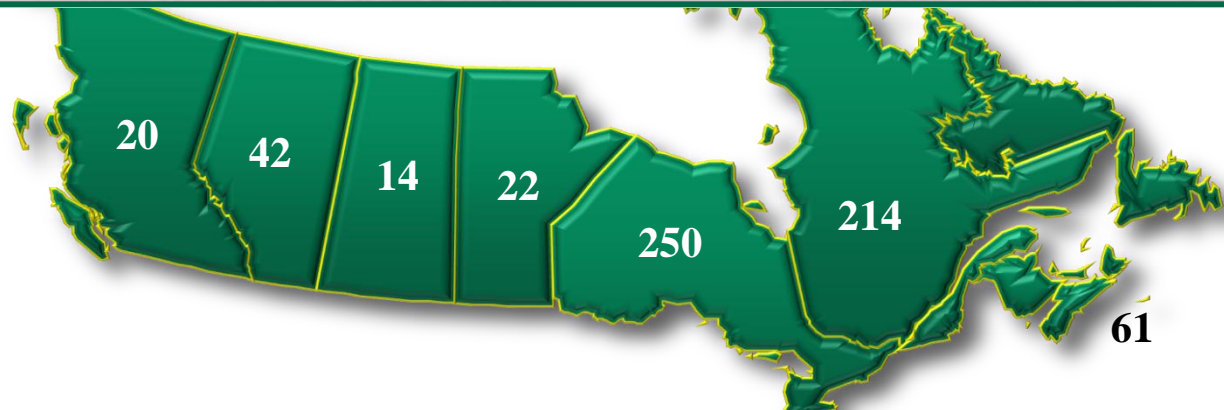


# Dollarama Overview



- Largest operator of dollar stores in Canada with 623 stores
  - All stores Company owned and operated
  - Over 13,000 employees
  - Average store square footage space is 9,800 sq. ft.
  - Average store annual sales are \$2.2 million
  
- Strong value proposition at select fixed price points of \$2 or less
  - Broad assortment of everyday goods
  - Over 50% of our merchandise is direct-sourced
  
- Robust financial performance
  - LTM<sup>(1)</sup> Sales: \$1.3 billion
  - LTM<sup>(1)</sup> Normalized EBITDA: \$214 million

**Store Network**  
**623 Stores**



(1) For the twelve month period ended August 1, 2010. Normalized to exclude non-recurring and IPO-related charges.

# Highly Attractive Everyday Product Value

- Broad assortment of more than 4,000 SKUs
- Majority of all products are Private Label
- Fixed price points of \$0.69, \$1.00, \$1.25, \$1.50 and \$2.00
- Merchandise mix:

## General Merchandise: 51%



## Consumables: 36%



## Seasonal: 13%

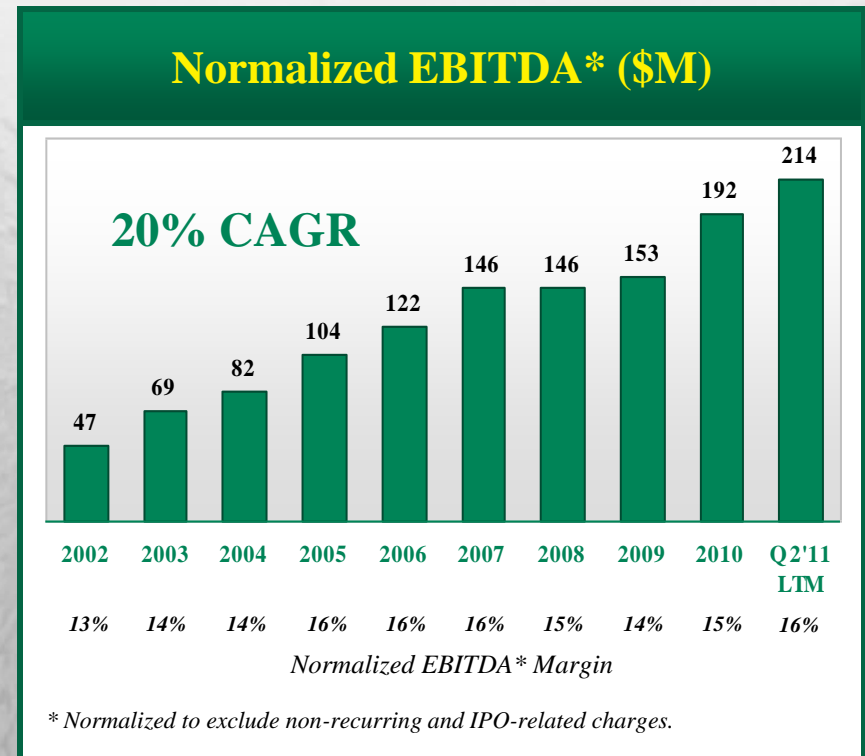
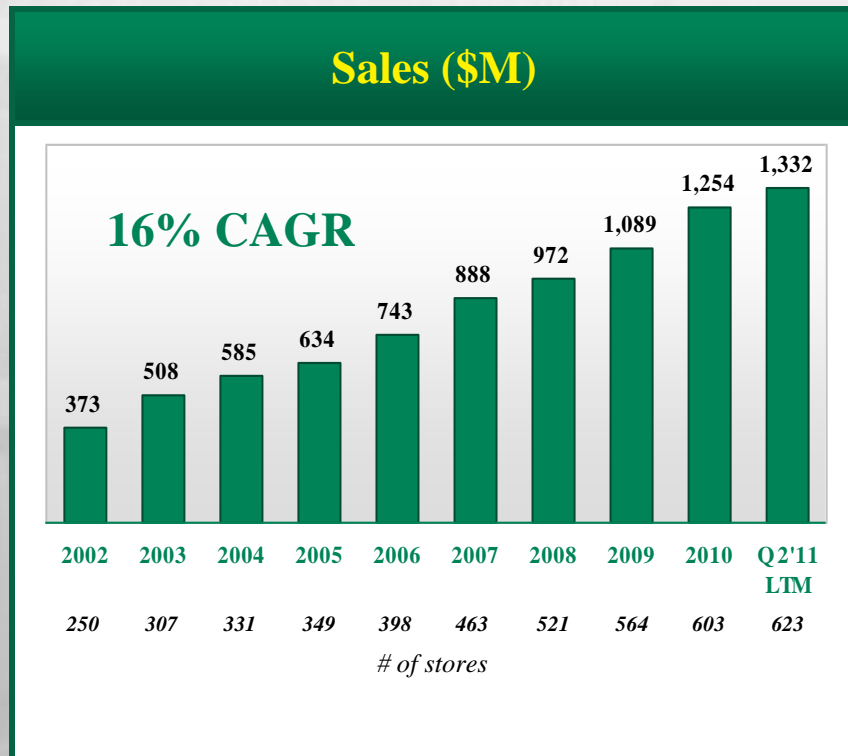




# Financial Performance



- Proven track record of profitable growth



## FY10 Results (in C\$ Millions)

	Fiscal Year Ended				Y-o-Y Growth
	Jan. 31, 2010		Feb. 1, 2009		
<b>Sales</b>	\$ 1,254	<u>%Sales</u>	\$ 1,089	<u>%Sales</u>	15.1%
<b>Gross Margin</b>	\$ 443	35.3%	\$ 365	33.5%	21.4%
<b>Normalized EBITDA<sup>(1)</sup></b>	\$ 192	15.3%	\$ 153	14.1%	25.2%
<b>Normalized EBIT<sup>(1)</sup></b>	\$ 167	13.3%	\$ 131	12.1%	27.0%
<b>Net Debt<sup>(2)</sup></b>	\$ 424		\$ 739		
<b>Net Debt / Norm. EBITDA<sup>(1)(2)</sup></b>	2.2x		4.8x		

(1) Normalized to exclude non-recurring and IPO-related expenses.

(2) Total debt, gross of unamortized debt issue costs and including debt related derivative liability, less cash .

## Second Quarter and 26 Weeks Results (in C\$ Millions)

	Second Quarter Ended			26 Weeks Ended				
	Aug. 1, 2010	<i>Growth</i>		Aug. 1, 2010	Aug. 2, 2009	<i>Growth</i>		
<b>Sales</b>	\$ 344	<u>%Sales</u>	13.2%	\$ 655	<u>%Sales</u>	\$ 577	<u>%Sales</u>	13.6%
<b>Gross Margin</b>	\$ 121	35.3%	20.2%	\$ 228	34.8%	\$ 192	33.3%	18.8%
<b>Normalized EBITDA<sup>(1)</sup></b>	\$ 54	15.7%	27.5%	\$ 99	15.2%	\$ 78	13.5%	28.0%
<b>Normalized EBIT<sup>(1)</sup></b>	\$ 47	13.7%	30.3%	\$ 86	13.1%	\$ 65	11.3%	31.2%
<b>Net Debt<sup>(2)</sup></b>				\$ 400		\$ 673		
<b>Net Debt / Norm. EBITDA<sup>(1)(2)(3)</sup></b>				1.9x		4.2x		

(1) Normalized to exclude non-recurring expenses.

(2) Total debt, gross of unamortized debt issue costs and including debt related derivative liability, less cash.

(3) Based on LTM Normalized EBITDA.



# Growth Strategy



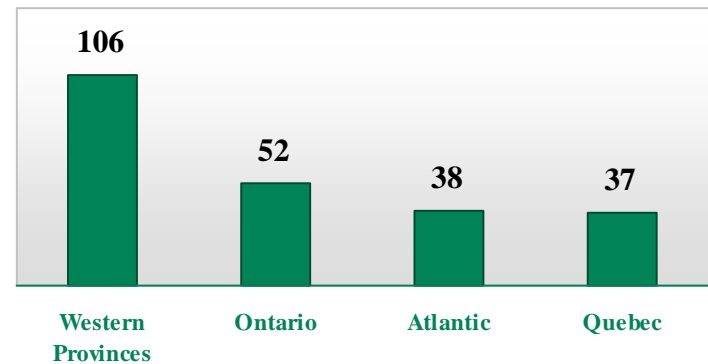
# Significant Store Growth Potential



10.

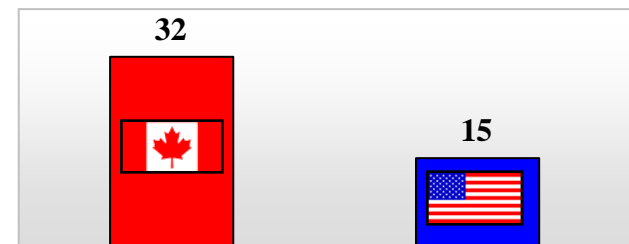
- Average of 51 net new stores per year over the last 4 fiscal years
- Quebec market is not saturated
- Dollarama is underpenetrated in the Ontario and Western Canada
- Canadian market is significantly underpenetrated relative to the U.S. dollar store segment

## Thousands of People per Store



Source: Dollarama stores as of Q2'FY11. Population of 33.7M as of 2009, Statistics Canada.

## Thousands of People per Dollar Store



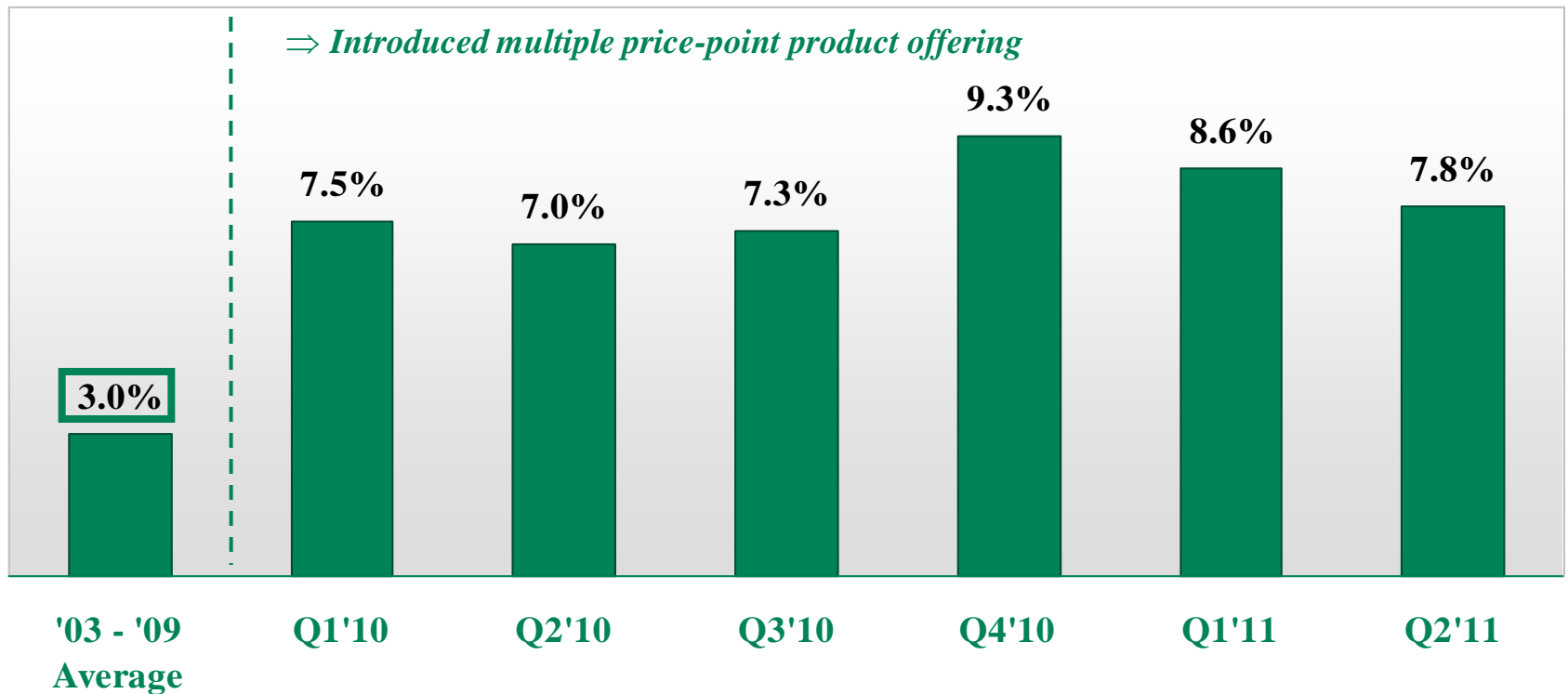
Source: Websites and Census data  
Canada: Dollarama, Dollar Store with More, Great Canadian, Buck or Two, Everything for a Dollar, Dollar Giant  
USA: Dollar General, Dollar Tree, Family Dollar, 99c only, Fred's

- Efficient capital model
  - \$400K in leasehold improvements & fixtures
  - \$200K in opening inventory
- Quick sales ramp-up
  - Average year-one sales of \$1.8M
- Rapid payback of less than 2 years
- Low maintenance capital expenditure requirements



**Strong profitability, low capital intensity and high ROI**

## Comparable Store Sales Growth

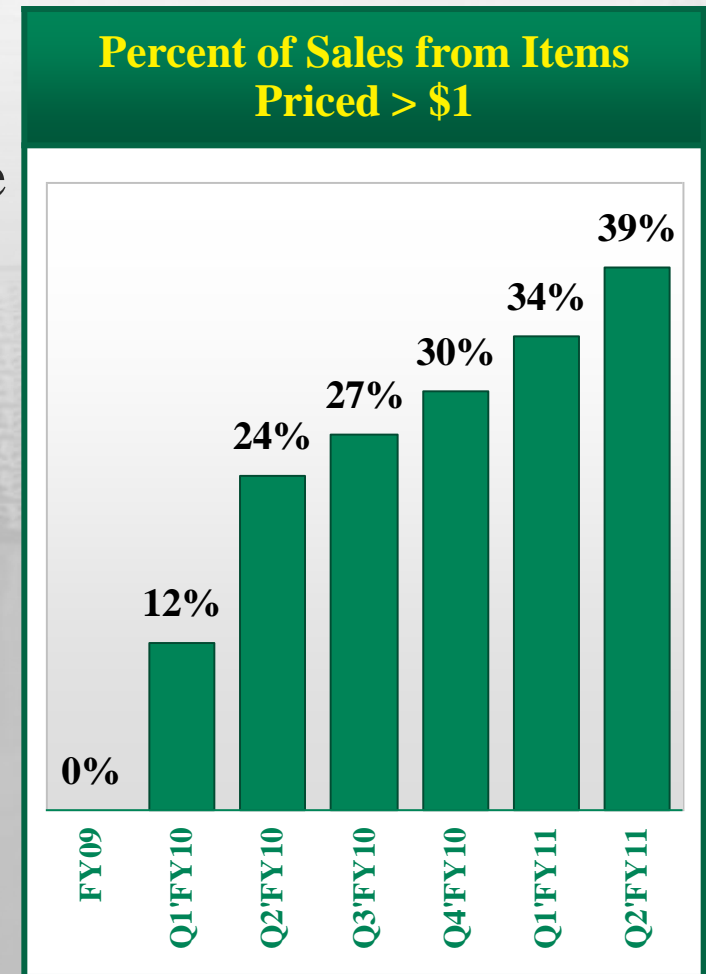


Recent initiatives accelerating CSS growth

## ■ Traffic Count

- Transactions are up ~1.5% FY2011 YTD
- High Brand awareness
  - ~ 98% in Québec
  - ~ 94% in Ontario
- Continue to execute Private Label strategy
- High traffic to purchase conversion rate of 85%
- No advertising

- Expand multiple price-point strategy
  - Launched February 2009
  - Strong consumer enthusiasm to date
- Maintain compelling consumer value
  - Assortment expansion



## ■ Payment Methods

- Introduction in all locations in FY09
- Penetration level
  - 32% of sales in Q2FY11
- Debit transactions are 2.5 times higher than cash transactions

## ■ Scanning

- Scanner devices roll-out to be completed in November of 2011
- Enhance replenishment & store in-stock position
- Shrinkage reduction
- Labor efficiencies

# Near-Term Objectives

- Open 30 – 40 stores per year
- Sustain attractive same store sales
- Maintain operating margins
- Maintain SG & A Cost to Sales Ratio
- Repay debt with free cash flow



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