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DOLLARAMA ANNOUNCES STRONG SECOND QUARTER RESULTS

MONTREAL, Quebec, September 12, 2012 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported a continued increase in sales and net earnings for the second quarter ended July 29, 2012.

Financial and Operating Highlights

(All comparative figures below and in the "Financial Results" section that follows, are for the second quarter ended July 29, 2012 compared to the second quarter ended July 31, 2011. All financial information presented in this news release has been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants – Part 1 which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Throughout this news release, EBITDA, which is referred to as the "Non-GAAP Measure", is used to provide a better understanding of the Corporation's financial results. For a full explanation of the Corporation's use of the Non-GAAP Measure, please refer to footnote 1 of the "Selected Consolidated Financial Information" section of this news release.)

Throughout this news release, all references to "Fiscal 2012" are to the Corporation's fiscal year ended January 29, 2012 and to "Fiscal 2013" are to the Corporation's fiscal year ending February 3, 2013.

Compared to the second quarter of Fiscal 2012:

- Sales increased by 13.8%;
- Comparable store sales grew 7.3%;
- EBITDA(1) grew 20.9% to $81.6 million, or 18.5% of sales;
- Operating income grew 21.3% to $72.1 million, or 16.3% of sales;
- Diluted net earnings per share increased by 32.0%, from $0.50 to $0.66.

In addition, during the second quarter ended July 29, 2012:

- 14 net new stores were opened.

"We are very pleased with our second quarter financial and operating results. Our strong comparable store sales are a good indicator that our customers appreciate our great merchandise value and our diverse product offerings", stated Larry Rossy, Chairman and Chief Executive Officer of Dollarama.

Financial Results

Sales for the second quarter of Fiscal 2013 increased by 13.8% to $441.0 million from $387.5 million in the corresponding period of the prior fiscal year. The increase is due to continued organic sales growth driven by comparable store sales growth of 7.3% in the second quarter of Fiscal 2013, over and above comparable store sales growth of 4.7% in the second quarter of Fiscal 2012. The increase in sales was also attributed to the 8.1% growth in the number of stores over the past twelve months from 680 stores on July 31, 2011 to 735 stores on July 29, 2012. Comparable store sales growth for the second quarter of Fiscal 2013 consisted of a 4.5% increase in average transaction size combined with a 2.7% increase in the number of transactions. In this quarter, 56% of our sales originated from products priced higher than $1.00 compared to 48% in the corresponding quarter last year. Debit card penetration also increased, as 39% of sales were paid with debit cards compared to 36% in the corresponding period of the previous fiscal year.

The gross margin increased to 36.9% of sales in the second quarter of Fiscal 2013, compared to 36.7% of sales in the second quarter of Fiscal 2012, mainly due to (i) continuing improvement of product margins, and (ii) lower inventory shrink levels as a result of improved loss prevention procedures partially offset by higher transportation costs.

General, administrative and store operating expenses (“SG&A”) for the second quarter of Fiscal 2013 decreased to 18.3% of sales, compared to 19.3% of sales in the corresponding period of Fiscal 2012, due primarily to store labour productivity improvements and to the scaling effects of certain fixed costs over the higher sales volume in the second quarter ended July 29, 2012. SG&A expenses in the second quarter of Fiscal 2013 stood at $80.9 million, an 8.4% increase over $74.6 million in the corresponding period of Fiscal 2012. The increase is due primarily to the opening of 55 net new stores over the past twelve months.

Net financing costs decreased by $3.1 million, from $5.7 million for the second quarter of Fiscal 2012 to $2.6 million for the second quarter of Fiscal 2013. This decrease is attributable to a lower debt level and a lower interest rate on the long-term debt compared to the corresponding period of Fiscal 2012.

For the second quarter of Fiscal 2013, net earnings increased to $49.8 million, or $0.66 per diluted share, compared to $37.7 million, or $0.50 per diluted share, for the corresponding period of Fiscal 2012.

Dividend

The Corporation’s Board of Directors approved a quarterly dividend for holders of its common shares of $0.11 per common share. The Corporation’s quarterly dividend will be paid on October 30, 2012 to shareholders of record at the close of business on October 4, 2012 and is designated as an “eligible dividend” for Canadian tax purposes.

About Dollarama

Dollarama is Canada’s leading dollar store operator with 735 locations across the country. Our stores provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Dollarama aims to provide customers with a consistent shopping experience, offering 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 up to $3.00.

Forward-Looking Statements

Certain statements in this news release about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on information currently available to us and on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. 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, which are discussed in greater detail in the “Risks and Uncertainties” section of the Corporation’s management’s discussion and analysis (MD&A) for Fiscal 2012 and in its continuous disclosure filings (available on SEDAR at www.sedar.com): future increases in operating and merchandise costs, inability to sustain assortment and replenishment of our merchandise, increase in the cost or a disruption in the flow of imported goods, disruption of distribution infrastructure, inventory shrinkage, inability to renew store, warehouse, distribution center and head office leases on favourable terms, inability to increase our warehouse and distribution center capacity in a timely manner, seasonality, market acceptance of our private brands, failure to protect trademarks and other proprietary rights, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, level of indebtedness and inability to generate sufficient cash to service our debt, interest rate risk associated with variable rate indebtedness, competition in the retail industry, current economic conditions, failure to attract and retain qualified employees, departure of senior executives, disruption in information technology systems, unsuccessful execution of our growth strategy, holding company structure, adverse weather, natural disasters and geo-political events, unexpected costs associated with our current insurance program, litigation, product liability claims and product recalls, and environmental and regulatory compliance.

These factors are not intended to represent a complete list of the factors that could affect us; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding the Corporation’s financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this news release are made as of September 12, 2012, and 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, except as required by law. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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Selected Consolidated Financial Information

Dollarama Inc.

Selected Consolidated Financial Information

(dollars in thousands, except per share amounts)	13-Week Period Ended July 29, 2012	13-Week Period Ended July 31, 2011	26-Week Period Ended July 29, 2012	26-Week Period Ended July 31, 2011
Earnings Data				
Sales	$ 440,979	$ 387,474	$ 838,946	$ 733,774
Cost of sales	278,468	245,330	532,016	467,910
Gross profit	162,511	142,144	306,930	265,864
SG&A	80,919	74,634	154,408	142,836
Depreciation and amortization	9,512	8,084	18,517	15,948
Operating income	72,080	59,426	134,005	107,080
Net financing costs	2,621	5,662	5,351	10,059
Earnings before income taxes	69,459	53,764	128,654	97,021
Provision for income taxes	19,668	16,112	36,280	28,946
Net earnings	$ 49,791	$ 37,652	$ 92,374	$ 68,075
Basic net earnings per common share	$ 0.67	$ 0.51	$ 1.25	$ 0.92
Diluted net earnings per common share	$ 0.66	$ 0.50	$ 1.22	$ 0.90
Weighted average number of common shares outstanding during the period:				
Basic (in thousands)	73,814	73,675	73,811	73,641
Diluted (in thousands)	75,831	75,555	75,782	75,515
Other Data				
Year-over-year sales growth	13.8%	12.8%	14.3%	11.9%
Comparable store sales growth(2)	7.3%	4.7%	7.7%	4.1%
Gross margin(3)	36.9%	36.7%	36.6%	36.2%
SG&A as a % of sales(3)	18.3%	19.3%	18.4%	19.5%
EBITDA(1)	$ 81,592	$ 67,510	$ 152,522	$ 123,028
Operating margin(3)	16.3%	15.3%	16.0%	14.6%
Capital expenditures	$ 18,305	$ 12,856	$ 32,429	$ 23,433
Number of stores(4)	735	680	735	680
Average store size (gross square feet)(4)	9,940	9,887	9,940	9,887
Declared dividends per common share(5)	$ 0.11	$ 0.09	$ 0.22	$ 0.09

(dollars in thousands)	As of July 29, 2012	As of Jan. 29, 2012
Statement of Financial Position Data		
Cash and cash equivalents	$ 94,430	$ 70,271
Merchandise inventories	347,575	315,873
Property and equipment	186,391	173,053
Total assets	1,477,001	1,407,741
Total debt(6)	267,945	274,997
Net debt(7)	173,515	204,726

(1) In this news release, we make reference to EBITDA (which represents operating income plus depreciation and amortization), referred to as the "Non-GAAP Measure". The Non-GAAP Measure is not a generally accepted measure under GAAP and does not have a standardized meaning under GAAP. The Non-GAAP Measure, as calculated by the Corporation, may not be comparable to that of other issuers and should be considered as a supplement to, not a substitute for, or superior to, the comparable measure calculated in accordance with GAAP.

We have included the Non-GAAP Measure to provide investors with a supplemental measure of our operating and financial performance. We believe the Non-GAAP Measure is an important supplemental metric of operating and financial performance because it eliminates items that have less bearing on our operating and financial performance and thus highlights trends in our core business that may not otherwise be apparent when relying solely on 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 the Non-GAAP Measure 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.

	13-Week Period Ended		26-Week Period Ended	
(dollars in thousands)	**July 29, 2012**	**July 31, 2011**	**July 29, 2012**	**July 31, 2011**
A reconciliation of operating income to EBITDA is included below:				
Operating income	$ 72,080	$ 59,426	$ 134,005	$ 107,080
Add: Depreciation and amortization	9,512	8,084	18,517	15,948
EBITDA	**$ 81,592**	**$ 67,510**	**$ 152,522**	**$ 123,028**
EBITDA margin	*18.5%*	*17.4%*	*18.2%*	*16.8%*

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

(3) Gross margin represents gross profit divided by sales. SG&A as a % of sales represents SG&A divided by sales. Operating margin represents operating income divided by sales.

(4) At the end of the period.

(5) The Corporation's first quarterly dividend, in the amount of $0.09 per common share, was declared by the Board of Directors on June 8, 2011. On April 11, 2012, the Corporation announced that its Board of Directors had approved a 22% increase of the quarterly dividend, from $0.09 to $0.11 per common share.

(6) Total debt is comprised of the current portion of long-term debt, and long-term debt before debt issue costs and discounts.

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