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DOLLARAMA REPORTS THIRD QUARTER RESULTS

MONTREAL, Québec, December 8, 2010 – Dollarama Inc. ("Dollarama" or the "Corporation") (TSX: DOL) reported significant increases in sales and operating income today for the third quarter ended October 31, 2010.

Financial and Operating Highlights for the Third Quarter

(All comparative figures below and in the "Financial Results" sections that follows, are for the 13-week and 39-week periods ended October 31, 2010 compared to the 13-week and 39-week periods ended November 1, 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 13.7%
- Comparable store sales grew 8.0%
- Opened 17 stores in the quarter, and closed 1
- Gross margin increased to 36.2% from 34.7%
- Normalized EBITDA increased 27.2% to $59.4 million
- Normalized EBIT grew 27.9% to $52.1 million, or 14.6% of sales compared to 13.0% of sales in the same quarter last year
- Net earnings increased $30.2 million to $31.3 million
- $90.0 million of the new syndicated senior secured credit facility (the "New Credit Facility") was prepaid during the quarter, in addition to the scheduled quarterly instalment of $6.6 million
- Early completion of chain-wide roll-out of point-of-sale scanners

"The Dollarama brand and our successful multi-price point merchandising strategy are increasingly recognized by consumers in all regions of Canada" said Larry Rossy, Chief Executive Officer of Dollarama. *"We are very pleased with our financial and operating results. We continue to meet our new store opening targets and we recorded a healthy increase in comparable store sales."*

"During the quarter, we successfully deployed our point-of-sale scanners in 639 stores which will greatly improve the quality and accuracy of the collected data at the check-out" explained Mr. Rossy. *"This initiative was well received by both customers and employees and will enable future enhancements of our store replenishment system."*

Financial Results

For the third quarter ended October 31, 2010, we recorded sales of $355.7 million, a 13.7% increase over the same period last year. Sales growth was driven mainly by the net addition of 45 stores since November 1, 2009 and by comparable store sale growth of 8.0%. Comparable stores sales growth was the result of a 1.6% increase in the number of transactions and a 6.3% increase in the average transaction size. For the nine months (39 weeks) ended October 31, 2010, sales grew 13.7% to $1,011 million.

Our gross margin increased to 36.2% in the third quarter compared to 34.7% for the corresponding quarter last year. The increase in gross margin was primarily driven by improved product margin resulting from further refinements in executing our multi-price point strategy compared to the roll-out period last year, lower shrink provision and the scaling effect on certain fixed costs such as occupancy costs included in cost of sales. For the nine months ended October 31, 2010, gross margin increased to 35.3% compared to 33.8% last year.

General, administrative and store opening expenses ("SG&A") decreased 6.2% or $4.5 million to $69.2 million compared to the third quarter ended November 1, 2009. SG&A expenses incurred in the third quarter last year included $11.8 million of non-recurring expenses related to our initial public offering ("IPO") completed in October 2009. Excluding these non-recurring expenses, SG&A expenses increased $7.3 million, due mainly to the net addition of 45 stores since November 1, 2009. As a percentage of sales and excluding non-recurring expenses, SG&A expenses declined to 19.4% compared to 19.8% in the same period last year.

Interest expense decreased $24.7 million to $7.3 million for the third quarter ended October 31, 2010, due primarily to the lower debt level following the Corporation's IPO. Interest expense for the third quarter ended November 1, 2009 included a $3.8 million non-recurring write-off of debt issue costs and $10.0 million in non-recurring debt repayment premium and expenses, both associated with the debt repaid concurrent with our IPO. In addition, in October 2010, we used cash generated from operating activities to make a $90.0 million principal prepayment on the Corporation's New Credit Facility and a scheduled $6.6 million quarterly installment.

Since all our U.S. dollar denominated debt was repaid and all the associated foreign currency and interest rate swap agreements were settled in the second quarter this year, there was no foreign exchange gain on derivative financial instruments and long-term debt for the third quarter ended October 31, 2010 compared to a $7.8 million gain in the third quarter ended November 1, 2009.

We reported net earnings of $31.3 million for the third quarter ended October 31, 2010 compared to net earnings of $1.1 million for the third quarter ended November 1, 2009. The increase in net earnings was mainly due to operating income growth and a reduction in interest expense, partially offset by lower foreign exchange gain on derivative financial instruments and long-term debt and increase in income taxes. Net earnings for the nine months ended October 31, 2010 were $74.8 million, a 92.3% increase compared to net earnings of $38.9 million for the same period last year. Diluted net earnings per share were $0.42 for the third quarter compared to $0.02 per share for the same period last year. Diluted net earnings per share for the nine months ended October 31, 2010 were $0.99 compared to $0.85 for the nine months ended November 1, 2009.

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 639 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 managements' 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 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 of the Corporation (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 December 8, 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.

Dollarama Inc.

For further information: Investors: Michael Ross, Chief Financial Officer and Secretary, (514) 737-1006 x1237, michael.ross@dollarama.com; Media: Paul de la Plante, NATIONAL Public Relations, (514) 843-2332; www.dollarama.com

Selected Consolidated Financial Information

(dollars in thousands, except per share amounts and number of shares)	13-Week Period Ended		39-Week Period Ended	
	Oct. 31, 2010	**Nov. 1, 2009**	**Oct. 31, 2010**	**Nov. 1, 2009**
Earnings Data				
Sales	$ 355,742	$ 312,797	$ 1,011,202	$ 889,606
Cost of sales	227,130	204,189	654,404	588,972
Gross profit	128,612	108,608	356,798	300,634
Expenses:				
General, administrative and store operating expenses	69,172	73,714	198,055	189,882
Amortization	7,351	6,008	21,045	18,343
Total expenses	76,523	79,722	219,100	208,225
Operating income	52,089	28,886	137,698	92,409
Interest expense on long-term debt	7,336	26,170	28,970	55,066
Interest expense on amounts due to shareholders	—	5,826	—	19,866
Foreign exchange gain on derivative financial instruments and long-term debt	—	(7,785)	(334)	(36,619)
Earnings before income taxes	44,753	4,675	109,062	54,096
Provision for income taxes	13,409	3,535	34,269	15,243
Net earnings	$ 31,344	$ 1,140	$ 74,793	$ 38,853
Basic net earnings per common share	$ 0.43	$ 0.02	$ 1.02	$ 0.87
Diluted net earnings per common share	$ 0.42	$ 0.02	$ 0.99	$ 0.85
Weighted average number of common shares outstanding during the period:				
Basic (in thousands)	73,169	48,202	73,073	44,451
Diluted (in thousands)	75,429	50,345	75,349	45,659
Other Data				
Year-over-year sales growth	13.7%	14.8%	13.7%	15.0%
Comparable store sales growth[2]	8.0%	7.3%	8.1%	7.3%
Gross margin[3]	36.2%	34.7%	35.3%	33.8%
Normalized SG&A as a % of sales[1][4]	19.4%	19.8%	19.6%	19.8%
Normalized EBITDA[1]	$ 59,440	$ 46,743	$ 158,743	$ 124,337
Normalized EBIT[1]	$ 52,089	$ 40,735	$ 137,698	$ 105,994
Normalized EBIT margin[1][4]	14.6%	13.0%	13.6%	11.9%
Normalized net earnings[1]	$ 31,344	$ 22,996	$ 81,460	$ 61,893
Capital expenditures	$ 12,410	$ 7,119	$ 29,850	$ 23,928
Number of stores[5]	639	594	639	594
Average store size (gross square feet)[5]	9,843	9,795	9,843	9,795

	As of	
(dollars in thousands)	**Oct. 31, 2010**	**Jan. 31, 2010**
Balance Sheet Data		
Cash and cash equivalents	$ 47,159	$ 93,057
Merchandise inventories	257,209	234,684
Property and equipment	146,532	138,214
Total assets	1,301,646	1,322,237
Total debt[6]	421,875	517,399
Net debt[7]	374,716	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		**39-Week Period Ended**	
(dollars in thousands)	**Oct. 31, 2010**	**Nov. 1, 2009**	**Oct. 31, 2010**	**Nov. 1, 2009**
A reconciliation of operating income to Normalized EBIT is included below:				
Operating income	$ 52,089	$ 28,886	$ 137,698	$ 92,409
Add: non-recurring charges:				
Management fees[(a)(b)]	—	750	—	2,250
Fee paid in connection with the termination of the management agreement[(b)]	—	5,000	—	5,000
IPO related stock compensation expense[(c)]	—	4,852	—	4,852
Severance[(d)]	—	1,247	—	1,483
Non-recurring charges	—	11,849	—	13,585
Normalized EBIT	**$ 52,089**	**$ 40,735**	**$ 137,698**	**$ 105,994**
Normalized EBIT margin	*14.6%*	*13.0%*	*13.6%*	*11.9%*
A reconciliation of Normalized EBIT to Normalized EBITDA is included below:				
Normalized EBIT	$ 52,089	$ 40,735	$ 137,698	$ 105,994
Add: Amortization	7,351	6,008	21,045	18,343
Normalized EBITDA	**$ 59,440**	**$ 46,743**	**$ 158,743**	**$ 124,337**
Normalized EBITDA margin	*16.7%*	*14.9%*	*15.7%*	*14.0%*

(dollars in thousands, except per share amounts)	13-Week Period Ended Oct. 31, 2010	13-Week Period Ended Nov. 1, 2009	39-Week Period Ended Oct. 31, 2010	39-Week Period Ended Nov. 1, 2009
A reconciliation of SG&A to Normalized SG&A is included below:				
SG&A	$ 69,172	$ 73,714	$ 198,055	$ 189,882
Deduct: non-recurring charges[(a)(b)(c)(d)]	—	(11,849)	—	(13,585)
Normalized SG&A	**$ 69,172**	**$ 61,865**	**$ 198,055**	**$ 176,297**
Normalized SG&A as a % of sales	*19.4%*	*19.8%*	*19.6%*	*19.8%*
A reconciliation of net earnings to Normalized net earnings is included below:				
Net earnings	$ 31,344	$ 1,140	$ 74,793	$ 38,853
Diluted net earnings per common share	$ 0.42	$ 0.02	$ 0.99	$ 0.85
Add/(deduct) pre-tax:				
Management fees[(a)(b)]	—	750	—	2,250
Fee paid in connection with the termination of the management agreement[(b)]	—	5,000	—	5,000
Stock-comp expense triggered by the IPO[(c)]	—	4,852	—	4,852
Severance[(d)]	—	1,247	—	1,483
Debt repayment premium and expenses[(e)]	—	10,006	2,193	10,006
Write-off of debt issue costs[(f)]	—	3,814	5,681	3,814
Tax impact	—	(3,813)	(1,207)	(4,365)
Normalized net earnings	**$ 31,344**	**$ 22,996**	**$ 81,460**	**$ 61,893**
Diluted Normalized net earnings per common share	**$ 0.42**	**$ 0.46**	**$ 1.08**	**$ 1.36**

(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) Reflects the stock compensation expense related to performance vesting clauses that were triggered by our IPO.

(d) Represents the elimination of severance.

(e) Call premium, prepayment expenses and other fees associated with the redemption of our senior floating rate deferred interest notes (the "Deferred Interest Notes") in the second quarter and with the redemption of our 8.875% senior subordinated notes (the "Notes") in the third quarter ended November 1, 2009.

(f) Write-off of debt issue costs associated with the repayment of debt and the redemption of the Deferred Interest Notes during the second quarter and with the repayment of debt and the redemption of the Notes concurrent with our IPO completed in October 2009.

(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.