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DOLLARAMA REPORTS STRONG SALES AND NET EARNINGS INCREASES TO CLOSE FISCAL YEAR 2011

MONTREAL, Quebec, April 7, 2011 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") reported significant increases in sales and net earnings today for the quarter and fiscal year periods ended January 30, 2011.

Financial and Operating Highlights

(All comparative figures below and in the "Financial Results" section that follows, are for the fourth quarter and the fiscal year ended January 30, 2011 compared to the fourth quarter and the fiscal year ended January 31, 2010. 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 footnote 1 of the Selected Consolidated Financial Information section of this news release.)

- Sales increased 12.3% in the fourth quarter and 13.3% in the fiscal year.
- Comparable store sales grew 5.3% in the fourth quarter and 7.3% in the fiscal year.
- For the fiscal year, gross margins improved to 36.1% of sales from 35.3% of sales.
- Normalized EBITDA(1) for the fourth quarter grew 11.4% to $75.2 million, or 18.4% of sales. For the fiscal year, Normalized EBITDA(1) grew 22.0% to $234.0 million, or 16.5% of sales compared to 15.3% of sales in the same period last fiscal year.
- Normalized EBIT(1) for the fourth quarter grew 11.2% to $67.8 million, or 16.6% of sales. Normalized EBIT(1) grew 23.1% in the fiscal year to $205.5 million, or 14.5% of sales compared to 13.3% of sales in the same period last fiscal year.
- Diluted Normalized net earnings(1) per share for the fourth quarter increased to $0.56 from $0.45 in the same period last fiscal year.
- Diluted Normalized net earnings(1) per share for the fiscal year closed at $1.64.
- Net debt declined to $313.7 million as of January 30, 2011.

"We are pleased with our fourth quarter and year-end financial and operating results. Providing consumers with a compelling value proposition by offering an assortment of merchandise at multiple price points proved to be a very efficient strategy in generating strong cash flows," said Larry Rossy, Chief Executive Officer of Dollarama. "We opened 49 net new stores during fiscal 2011, above our original expectations. Given our current pipeline, we believe we can open approximately 50 new stores during fiscal 2012. In addition, our productivity initiatives are on track."

"As announced on March 24, 2011, we are also pleased to welcome Huw Thomas as an independent director of the Corporation and a member of the Audit Committee of the Corporation. Mr. Thomas brings more than 35 years of international financial experience to the

Corporation, including many years in the merchandising industry in Canada. He is a valuable addition to our Board."

Financial Results

Sales for the fourth quarter ended January 30, 2011, increased 12.3% to $408.7 million from $364.1 million in the fourth quarter ended January 31, 2010. The increase was driven by the opening of 49 net new stores during the fiscal year ended January 30, 2011 ("Fiscal 2011") and comparable store sales growth of 5.3% in the fourth quarter over and above strong comparable store sales growth of 9.3% recorded in the fourth quarter of the fiscal year ended January 31, 2010 ("Fiscal 2010"). Comparable store sales growth consisted of a 6.1% increase in transaction size, offset in part by a 0.7% decrease in the number of transactions. Despite a strong Christmas holiday season, unfavourable weather conditions in January compared to last fiscal year negatively impacted the number of transactions in the fourth quarter of Fiscal 2011.

For Fiscal 2011, sales grew 13.3% to $1,419.9 million from $1,253.7 million in Fiscal 2010. Sales growth in Fiscal 2011 was driven by new store openings as well as a 7.3% increase in comparable store sales in the current fiscal year. Comparable store sales growth consisted of a 1.0% increase in the number of transactions and a 6.2% increase in the average transaction size.

Gross margin decreased to 38.2% of sales in the fourth quarter of Fiscal 2011 compared to 39.1% of sales in Fiscal 2010 due to a favourable shrink provision adjustment recorded in the fourth quarter of Fiscal 2010. For Fiscal 2011, gross margin increased to 36.1% of sales as compared to 35.3% of sales for Fiscal 2010.

Normalized SG&A(1) in the fourth quarter of Fiscal 2011 declined to 19.8% of sales compared to 20.6% in the same period of Fiscal 2010, due primarily to the scaling effect on certain fixed costs. Normalized SG&A(1) expense was $80.9 million for the fourth quarter of Fiscal 2011, an 8.0% increase over $74.9 million for the same period of Fiscal 2010. The increase is due primarily to the opening of 49 net new stores during Fiscal 2011. For the Fiscal 2011, Normalized SG&A(1) increased $27.8 million, or 11%, from $251.2 million for Fiscal 2010, to $279.0 million for Fiscal 2011, due primarily to the opening of 49 net new stores.

Interest expense decreased $1.5 million to $5.8 million for the fourth quarter of Fiscal 2011 from $7.3 million for the fourth quarter of Fiscal 2010 due primarily to the lower outstanding debt balance and lower interest rates on our variable-rate debt. For Fiscal 2011, interest expense decreased $47.4 million to $34.8 million from $82.2 million for Fiscal 2010.

Since in the second quarter of Fiscal 2011, all our U.S. dollar-denominated debt was repaid and our associated foreign currency and interest rate swap agreements were settled, there was no foreign exchange gain on derivative financial instruments and long-term debt for the fourth quarter of Fiscal 2011. In the same quarter of Fiscal 2010, the Corporation recorded a foreign exchange loss on derivative financial instruments and long term debt of $5.5 million. The large foreign exchange gain on derivative financial instruments and long-term debt of $31.1 million in Fiscal 2010 was due primarily to the impact of the strengthening of the Canadian dollar relative to the U.S. dollar on our senior subordinated deferred interest notes which were not hedged during that period, whereas in Fiscal 2011, almost all of our U.S. dollar-denominated debt, until its full repayment in the second quarter of Fiscal 2011, was hedged and the resulting foreign exchange impacts on derivative financial instruments and long-term debt was less volatile.

For the fourth quarter of Fiscal 2011, Normalized net earnings[1] increased to $42.0 million, or $0.56 per diluted share, compared to $34.0 million, or $0.45 per diluted share, for the fourth quarter of Fiscal 2010. The increase in Normalized net earnings[1] was driven mainly by increases in operating income, reduced interest expense on long-term debt and a decrease in foreign exchange loss on derivative financial instrument and long-term debt, and was partially offset by income taxes. For Fiscal 2011, diluted Normalized net earnings[1] per share was $1.64.

About Dollarama

Dollarama is Canada's leading dollar store operator with 652 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 $2.00.

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 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: 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, fluctuation in the value of the Canadian dollar in relation to the U.S. dollar, 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 press release are made as of April 7, 2011, 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 press release are expressly qualified by this cautionary statement.

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Selected Consolidated Financial Information

(dollars in thousands, except per share amounts and number of shares)	Fourth Quarter Ended		Fiscal Year Ended	
	Jan. 30, 2011	Jan. 31, 2010	Jan. 30, 2011	Jan. 31, 2010
Earnings Data				
Sales	$ 408,712	$ 364,100	$ 1,419,914	$ 1,253,706
Cost of sales	252,578	221,652	906,982	810,624
Gross profit	156,134	142,448	512,932	443,082
Expenses:				
General, administrative and store operating expenses	80,897	74,902	278,952	264,784
Amortization	7,463	6,576	28,508	24,919
Total expenses	88,360	81,478	307,460	289,703
Operating income	67,774	60,970	205,472	153,379
Interest expense on long-term debt	5,824	7,277	34,794	62,343
Interest expense on amounts due to shareholders	—	—	—	19,866
Foreign exchange loss (gain) on derivative financial instruments and long-term debt	—	5,511	(334)	(31,108)
Earnings before income taxes	61,950	48,182	171,012	102,278
Provision for income taxes	19,916	14,172	54,185	29,415
Net earnings	$ 42,034	$ 34,010	$ 116,827	$ 72,863
Basic net earnings per common share	$ 0.57	$ 0.47	$ 1.60	$ 1.41
Diluted net earnings per common share	$ 0.56	$ 0.45	$ 1.55	$ 1.37
Weighted average number of common shares outstanding during the period:				
Basic (in thousands)	73,395	72,692	73,153	51,511
Diluted (in thousands)	75,465	75,191	75,377	53,049
Other Data				
Year-over-year sales growth	12.3%	15.4%	13.3%	15.1%
Comparable store sales growth[2]	5.3%	9.3%	7.3%	7.9%
Gross margin[3]	38.2%	39.1%	36.1%	35.3%
Normalized SG&A as a % of sales[1][4]	19.8%	20.6%	19.6%	20.0%
Normalized EBITDA[1]	$ 75,237	$ 67,546	$ 233,980	$ 191,883
Normalized EBIT[1]	$ 67,774	$ 60,970	$ 205,472	$ 166,964
Normalized EBIT margin[1][4]	16.6%	16.7%	14.5%	13.3%
Normalized net earnings[1]	$ 42,034	$ 34,010	$ 123,494	$ 95,903
Capital expenditures	$ 13,131	$ 9,844	$ 42,981	$ 33,772
Number of stores[5]	652	603	652	603
Average store size (gross square feet)[5]	9,874	9,806	9,874	9,806

(dollars in thousands)	As of	
	Jan. 30, 2011	Jan. 31, 2010
Balance Sheet Data		
Cash and cash equivalents	$ 53,129	$ 93,057
Merchandise inventories	258,905	234,684
Property and equipment	152,081	138,214
Total assets	1,311,131	1,322,237
Total debt[6]	366,875	517,399
Net debt[7]	313,746	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.

	Fourth Quarter Ended		**Fiscal Year Ended**	
(dollars in thousands)	**Jan. 30, 2011**	**Jan. 31, 2010**	**Jan. 30, 2011**	**Jan. 31, 2010**
A reconciliation of operating income to Normalized EBIT is included below:				
Operating income	$ 67,774	$ 60,970	$ 205,472	$ 153,379
Add: non-recurring charges:				
Management fees[(a)(b)]	—	—	—	2,250
Fee paid in connection with the termination of the management agreement[(b)]	—	—	—	5,000
IPO related stock compensation expense[(c)]	—	—	—	4,852
Severance[(d)]	—	—	—	1,483
Non-recurring charges	—	—	—	13,585
Normalized EBIT	**$ 67,774**	**$ 60,970**	**$ 205,472**	**$ 166,964**
Normalized EBIT margin	*16.6%*	*16.7%*	*14.5%*	*13.3%*
A reconciliation of Normalized EBIT to Normalized EBITDA is included below:				
Normalized EBIT	$ 67,774	$ 60,970	$ 205,472	$ 166,964
Add: Amortization	7,463	6,576	28,508	24,919
Normalized EBITDA	**$ 75,237**	**$ 67,546**	**$ 233,980**	**$ 191,883**
Normalized EBITDA margin	*18.4%*	*18.6%*	*16.5%*	*15.3%*

(dollars in thousands, except per share amounts)	Fourth Quarter Ended Jan. 30, 2011	Fourth Quarter Ended Jan. 31, 2010	Fiscal Year Ended Jan. 30, 2011	Fiscal Year Ended Jan. 31, 2010
A reconciliation of SG&A to Normalized SG&A is included below:				
SG&A	$ 80,897	$ 74,902	$ 278,952	$ 264,784
Deduct: non-recurring charges[(a)(b)(c)(d)]	—	—	—	(13,585)
Normalized SG&A	**$ 80,897**	**$ 74,902**	**$ 278,952**	**$ 251,199**
Normalized SG&A as a % of sales	*19.8%*	*20.6%*	*19.6%*	*20.0%*
A reconciliation of net earnings to Normalized net earnings is included below:				
Net earnings	$ 42,034	$ 34,010	$ 116,827	$ 72,863
Diluted net earnings per common share	$ 0.56	$ 0.45	$ 1.55	$ 1.37
Add/(deduct) pre-tax:				
Management fees[(a)(b)]	—	—	—	2,250
Fee paid in connection with the termination of the management agreement[(b)]	—	—	—	5,000
Stock-comp expense triggered by the IPO[(c)]	—	—	—	4,852
Severance[(d)]	—	—	—	1,483
Debt repayment premium and expenses[(e)]	—	—	2,193	10,006
Write-off of debt issue costs[(f)]	—	—	5,681	3,814
Tax impact	—	—	(1,207)	(4,365)
Normalized net earnings	**$ 42,034**	**$ 34,010**	**$ 123,494**	**$ 95,903**
Diluted Normalized net earnings per common share	**$ 0.56**	**$ 0.45**	**$ 1.64**	**$ 1.81**

(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 initial public offering ("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 subordinated deferred interest notes in the second quarter and with the redemption of our 8.875% senior subordinated 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 senior subordinated deferred interest notes during the second quarter and with the repayment of debt and the redemption of the 8.875% senior subordinated 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.