



# 2011 Annual Meeting of Shareholders

June 9, 2011

# Opening Remarks



**Larry Rossy**

Chair of the Board of Directors and  
Chief Executive Officer

# Opening Remarks



**Neil Rossy**

Chief Merchandising Officer

**Stéphane Gonthier**

Chief Operating Officer

**Michael Ross**

Chief Financial Officer and Secretary

# Appointment of Chairman and Secretary

# Board of Directors

# Board of Directors



**Nicholas Nomicos**, Operating Partner, Bain Capital Partners

**Joshua Bekenstein**, Managing Director, Bain Capital Partners

**Gregory David**, Chief Executive Officer of GRI Capital

**Stephen Gunn**, Chair of the Board of Directors and Chief Executive Officer of Sleep Country Canada Inc.

**Matthew Levin**, Managing Director, Bain Capital Partners

**Neil Rossy**, Chief Merchandising Officer, Dollarama Inc.

**John J. Swidler**, Senior Advisor at RSM Richter Chamberland

**Huw Thomas**, Corporate Director

# Proceedings of the Meeting

# Appointment of Scrutineers



## **Computershare Investor Services Inc.**

Pina Pacifico

Margaret Barden

# Notice of Meeting

# Notice of Meeting



## Quorum

# Voting Procedures



# Financial Statements

For the fiscal year ended January 30, 2011

# Election of Directors

# Election of Directors



**Larry Rossy**

**Joshua Bekenstein**

**Gregory David**

**Stephen Gunn**

**Matthew Levin**

**Nicholas Nomicos**

**Neil Rossy**

**John J. Swidler**

**Huw Thomas**

# Appointment of Auditors

# Appointment of Auditors



## PricewaterhouseCoopers LLP Chartered Accountants



# Management Presentation

# Forward-Looking Statements



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 the Annual Information Form dated April 29, 2011 filed with Canadian securities commissions (available at [www.sedar.com](http://www.sedar.com)).

Forward-looking statements represent Dollarama’s expectations as of June 9, 2011, 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.

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.

# A Dollarama Moment!



# Agenda

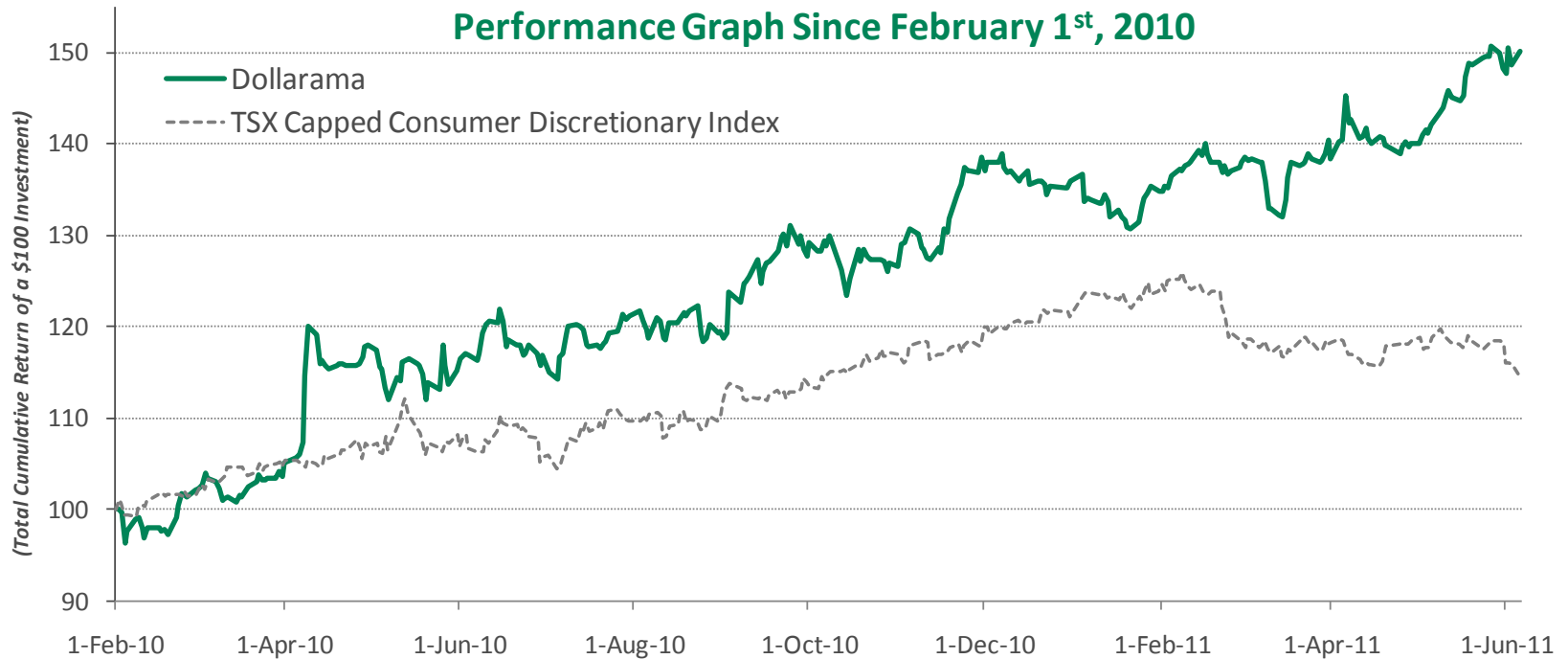


1. A Successful Year
2. Dollarama's Competitive Advantages
3. Financial Performance
4. Questions

# A Successful Year



## Performance Graph Since February 1<sup>st</sup>, 2010



## Year ended Jan. 30, 2011

- 49 net new stores
- Sales up 13.3%
- Normalized EBITDA up 21.9%<sup>1</sup>
- Normalized Net Earnings up 28.8%<sup>1</sup>

## First Quarter Ended May 1, 2011

- 15 net new stores
- Sales up 11.0%
- EBITDA up 22.7%
- Net earnings up 35.4%

<sup>1</sup> EBITDA and net earnings have been normalized for non-recurring and IPO-related charges

# First Quarterly Dividend



- Board today declared first quarterly dividend!
- Dollarama generates strong cash flows, sufficient to:
  - Meet growth objectives
  - Continue to pay down debt
- Initial quarterly dividend of \$0.09 per common share
- Payable August 3, 2011 to shareholders of record on June 29, 2011

# Competitive Advantages



- ✓ Simple, growth-oriented business model
  - Direct sourcing
  - Compelling merchandise
  - Leading market position
  - Strong brand reputation
  
- ✓ Superior financial returns

# Simple, Growth-Oriented Business Model



We build on  
low-cost  
design and  
sourcing, and  
our growing  
store network



We focus on  
delivering  
compelling  
value to the  
customer



We build our  
reputation  
and deliver  
superior  
financial  
results

**We operate a simple, growth-oriented business model, focused on the customer, that builds the Dollarama brand and contributes to strong, profitable growth!**

# Direct Sourcing

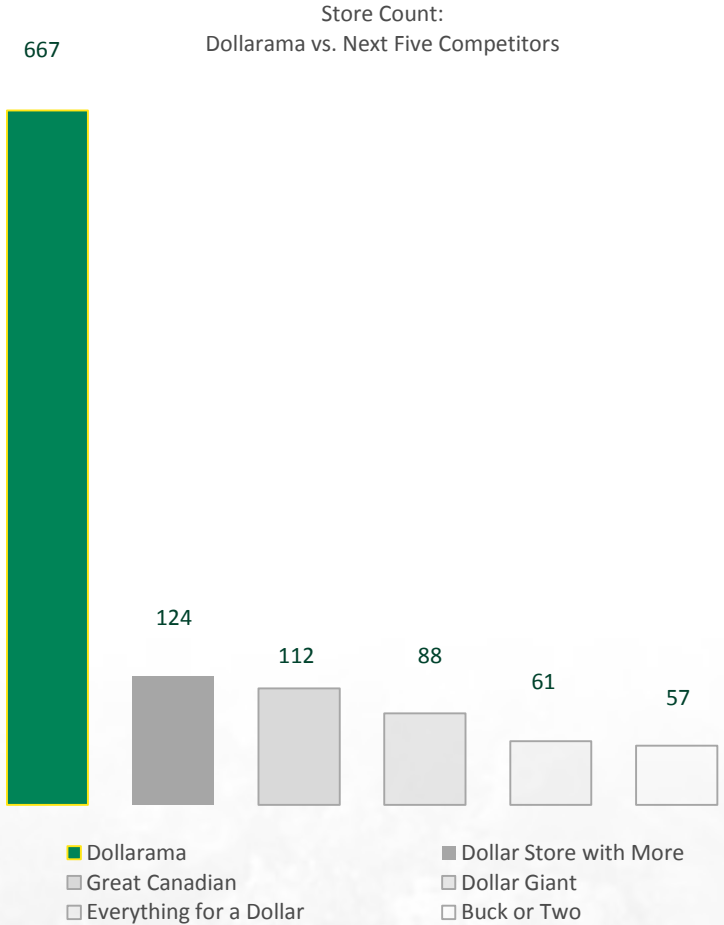


- Long-standing direct relationships with low-cost supplier network:
  - Overseas direct sourcing program initiated in 1992
  - Well-diversified base of established suppliers
  - 54% of purchases from established foreign suppliers
- Benefits of direct sourcing:
  - Creates different, more compelling products
  - Reduces costs associated with importers
  - Increases bargaining power with suppliers
  - Provides cost flexibility to help control inflation & currency fluctuations

# Leading Market Position in Canada



- Almost 50% more stores than 5 largest competitors combined
- More than 5x larger than next competitor
- Only dollar store chain with a significant presence in all ten provinces



Source: Companies' reports and websites

# Compelling Merchandising Strategy



- More than 4,000 SKUs
- Private label and national brands



General Merchandise: 50%



Consumables: 37%



Seasonal : 13%



# A Compelling Destination!



- Destination store
- Wide demographic in all regions of Canada
- Customers recognize compelling values
- High traffic to purchase conversion of ~ 85%
- High brand awareness and growing reputation



# Maintaining Our Margins



- Strong margins are essential
- Multi-price point strategy is a highly flexible tool to battle inflation without diminishing our compelling value to consumers
- Other productivity initiatives help us to maintain margins:
  - Point-of-scale scanners
  - Distribution centre automation
  - Constant improvement

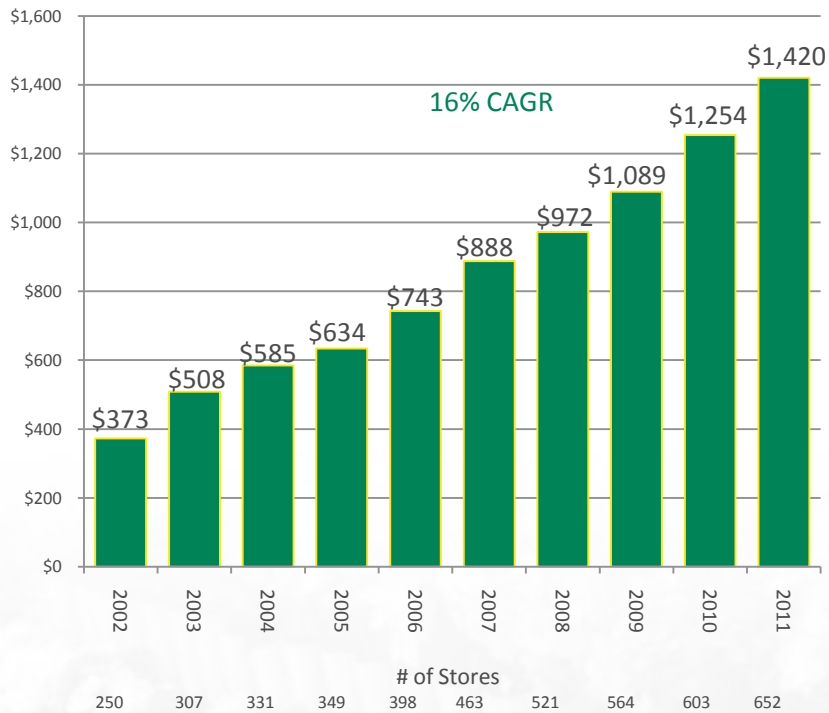


# Financial Performance

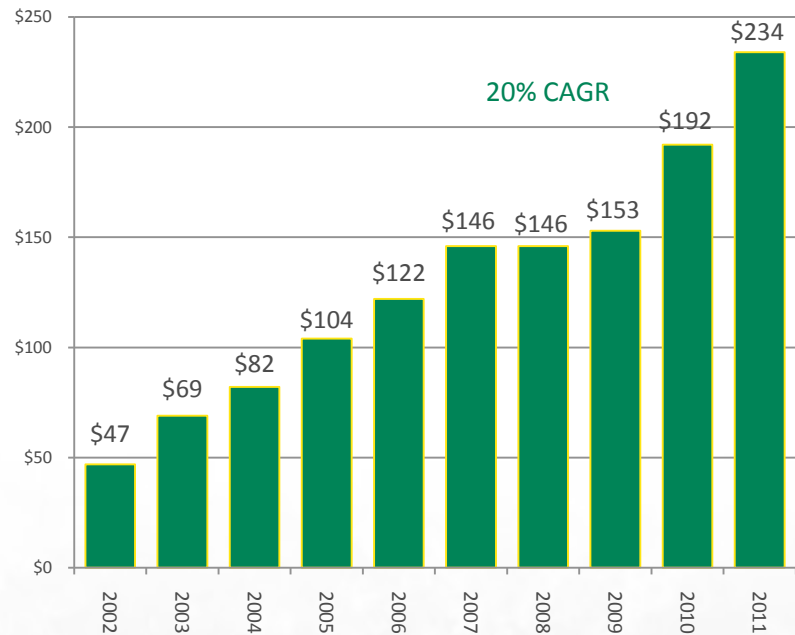
# Consistent Growth



## Revenue (\$ millions)



## EBITDA (\$millions)



# Superior Financial Results



	Fiscal Year Ended		Y-o-Y Growth
	Jan. 30, 2011	Jan. 31, 2010	
Sales	\$ 1,420 <i>% of Sales</i>	\$ 1,254 <i>% of Sales</i>	13.3%
Gross Margin	\$ 513 36.1%	\$ 443 35.3%	15.8%
Normalized EBITDA <sup>(1)</sup>	\$ 234 16.5%	\$ 192 15.3%	21.9%
Normalized EBIT <sup>(1)</sup>	\$ 205 14.5%	\$ 167 13.3%	23.1%
Normalized Net Earnings <sup>(1)</sup>	\$ 123 8.7%	\$ 96 7.6%	28.8%
Net Debt <sup>(2)</sup>	\$ 314	\$ 424	
Net Debt / Norm. EBITDA <sup>(1)(2)</sup>	1.3x	2.2x	

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

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

# Superior Financial Results



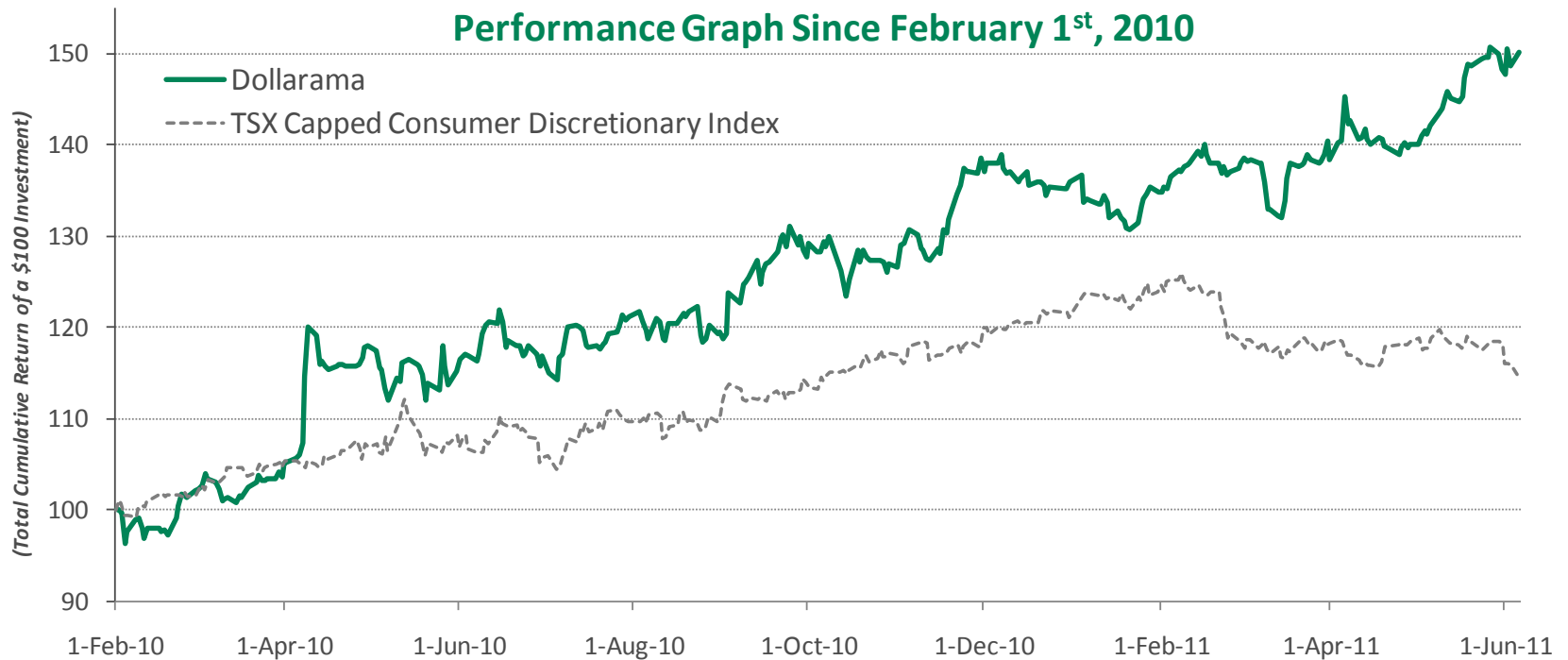
	Fiscal Quarter Ended				Y-o-Y Growth
	May 1, 2011		May 2, 2010		
<b>Sales</b>	\$ 346	<i>% of Sales</i>	\$ 312	<i>% of Sales</i>	11.0%
<b>Gross Margin</b>	\$ 124	35.7%	\$ 107	34.3%	15.6%
<b>EBITDA</b>	\$ 56	16.0%	\$ 45	14.5%	22.7%
<b>Operating Income</b>	\$ 48	13.8%	\$ 39	12.3%	23.7%
<b>Net Earnings</b>	\$ 30	8.8%	\$ 22	7.2%	35.4%
<b>Net Debt<sup>(1)</sup></b>	\$ 294		\$ 397		
<b>Net Debt<sup>(1)</sup> / EBITDA</b>	1.2x		2.0x		

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

# Near-Term Objectives



- Open 50 stores per year
- Sustain attractive comparable sales growth at or above long-term average
- Maintain operating margins
- Repay debt with free cash flow
- Pay quarterly dividends





Questions

# Conclusion of Meeting



**Thank you!**