DOLLARAMA

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DOLLARAMA ANNOUNCES SOLID FIRST QUARTER RESULTS AND RENEWS NORMAL COURSE ISSUER BID

MONTREAL, Quebec, June 12, 2013 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported an increase in sales and an improvement in net earnings for the first quarter ended May 5, 2013. The quarter was characterized by strong sales growth and solid comparable store sales growth despite difficult weather conditions.

Financial and Operating Highlights

(All comparative figures below and in the "Financial Results" section that follows, are for the first quarter ended May 5, 2013 compared to the first quarter ended April 29, 2012. 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 2013" are to the Corporation's fiscal year ended February 3, 2013 and to "Fiscal 2014" are to the Corporation's fiscal year ending February 2, 2014.

Compared to the first quarter of Fiscal 2013

- Sales increased by 12.6%;
- Comparable store sales grew 3.7%;
- EBITDA[1] grew 7.5% to $76.3 million, or 17.0% of sales;
- Operating income grew 5.0% to $65.0 million, or 14.5% of sales;
- Diluted net earnings per share increased by 10.7%, from $0.56 to $0.62; and

In addition, 85 net new stores were opened over the past 12 months, including 21 net new stores opened during the first quarter of Fiscal 2014.

The acceleration of net new store openings over the past 12 months to 85 compared to 54 net new stores during the prior comparable period had a temporary cost impact in the first quarter of approximately 0.40% on gross margin and of 0.20% on general, administrative and store operating expenses ("SG&A") due to costs associated with new store openings. This cost impact is expected to continue over the next three quarters after which the Corporation expects to realize the positive effects of an increase in the number of net new stores.

"We are pleased with our first quarter financial and operating results. Our business continues to deliver improved sales and earnings as we remain focused on providing great value to our customers from our growing number of conveniently located stores. For Fiscal 2014, we are committed to opening a minimum of 80 net new stores thereby maintaining the increased pace of new store openings established in Fiscal 2013," stated Larry Rossy, Chairman and Chief Executive Officer of Dollarama.

Financial Results

Sales for the first quarter of Fiscal 2014 increased by 12.6% to $448.1 million from $398.0 million in the corresponding period of the prior fiscal year. The increase was driven by the growth in the number of stores over the past twelve months from 721 stores on April 29, 2012 to 806 stores on May 5, 2013, and continued organic sales growth driven by comparable store sales growth of 3.7% in the first quarter of Fiscal 2014, over and above comparable store sales growth of 8.1% in the first quarter of Fiscal 2013. Comparable store sales growth for the first quarter of Fiscal 2014 consisted of a 4.6% increase in average transaction size partially offset by a 0.9% decrease in the number of transactions. The increase in comparable store sales is particularly satisfying given the difficult weather conditions in February and March of 2013 compared to the very favourable conditions in the prior year. Weather conditions had an adverse impact on the number of transactions compared to the prior year while transaction sizes improved as a result of the increased sales on higher price point items. In this quarter, 58% of our sales originated from products priced higher than $1.00 compared to 51% in the corresponding quarter last year. Debit card penetration also increased, as 40% of sales were paid with debit cards compared to 39% in the corresponding period of the previous fiscal year.

The gross margin was 35.9% of sales in the first quarter of Fiscal 2014, compared to 36.3% of sales in the first quarter of Fiscal 2013, mainly due to stable product margins offset by additional occupancy and logistics costs associated with the increased pace of new store openings in the first quarter of Fiscal 2014. The cost effects associated to the acceleration of net new store openings is expected to have a greater impact during the first half of Fiscal 2014. This impact will be offset by the positive contributions of these stores as they mature.

SG&A expenses for the first quarter of Fiscal 2014 increased to 18.8% of sales, compared to 18.5% of sales in the corresponding period of Fiscal 2013. During the quarter we realized the benefit of several productivity initiatives implemented to date, however, these were offset by (i) training and labour costs associated with the incremental impact of a greater number of new store openings that are not contributing sales and earnings to the extent of more mature stores, and (ii) the timing of other operating expenses incurred including the costs of rolling out various productivity initiatives. SG&A expenses in the first quarter of Fiscal 2014 stood at $84.4 million, a 14.9% increase over $73.5 million in the corresponding period of Fiscal 2013. The increase is due primarily to the opening of 85 net new stores over the past twelve months. The Corporation’s ongoing productivity initiatives are expected to result in a slight improvement in our SG&A as a percentage of sales for Fiscal 2014 when compared to Fiscal 2013.

Net financing costs decreased by $0.4 million, from $2.7 million for the first quarter of Fiscal 2013 to $2.3 million for the first quarter of Fiscal 2014. This decrease is attributable to a lower interest rate on the long-term debt compared to the corresponding period of Fiscal 2013.

For the first quarter of Fiscal 2014, net earnings increased to $45.6 million, or $0.62 per diluted share, compared to $42.6 million, or $0.56 per diluted share, for the corresponding period of Fiscal 2013.

Dividend

On June 12, 2013, the Corporation's Board of Directors announced that it had approved a quarterly dividend for holders of its common shares of $0.14 per common share. The Corporation's quarterly dividend will be paid on August 7, 2013 to shareholders of record at the close of business on July 5, 2013 and is designated as an "eligible dividend" for Canadian tax purposes.

Renewal of Normal Course Issuer Bid

On June 12, 2013, the Corporation also announced that its Board of Directors had approved the renewal of the normal course issuer bid and that Dollarama had received approval from the Toronto Stock Exchange to purchase, for cancellation, up to 3,364,523 common shares, or 5% of the public float of 67,290,467 common shares as of May 31, 2013. Purchases may commence on June 17, 2013 and will terminate no later than June 16, 2014. Dollarama also announced that it had entered into an automatic purchase plan agreement with a broker to allow for the purchase of its common shares under the NCIB at times when Dollarama ordinarily would not be active in the market due to self-imposed trading blackout periods. Outside of these pre-determined blackout periods, common shares will be purchased in accordance with management's discretion. The Board of Directors believes that the purchase by Dollarama of its common shares represents an appropriate and desirable use of its available cash to increase shareholder value.

About Dollarama

Dollarama is Canada's leading dollar store operator with 806 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 currently 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 2013 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 June 12, 2013, 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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Dollarama Inc.

Selected Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Period Ended May 5, 2013 $	13-Week Period Ended April 29, 2012 $
Earnings Data		
Sales	448,120	397,967
Cost of sales	287,446	253,548
Gross profit	160,674	144,419
SG&A	84,406	73,489
Depreciation and amortization	11,229	9,005
Operating income	65,039	61,925
Net financing costs	2,313	2,730
Earnings before income taxes	62,726	59,195
Provision for income taxes	17,081	16,612
Net earnings	45,645	42,583
Basic net earnings per common share	$0.62	$0.58
Diluted net earnings per common share	$0.62	$0.56
Weighted average number of common shares outstanding during the period:		
Basic	73,102	73,808
Diluted	73,274	75,701
Other Data		
Year-over-year sales growth	12.6%	14.9%
Comparable store sales growth (2)	3.7%	8.1%
Gross margin (3)	35.9%	36.3%
SG&A as a % of sales (3)	18.8%	18.5%
EBITDA (1)	76,268	70,930
Operating margin (3)	14.5%	15.6%
Capital expenditures	20,050	14,124
Number of stores (4)	806	721
Average store size (gross square feet) (4)	9,939	9,916
Declared dividends per common share (5)	$0.14	$0.11

	As at May 5, 2013 $	As at February 3, 2013 $
Statement of Financial Position Data		
Cash and cash equivalents	39,975	52,566
Merchandise inventories	332,119	338,385
Property and equipment	216,426	207,697
Total assets	1,458,285	1,453,692
Total debt (6)	266,478	264,420
Net debt (7)	226,503	211,854

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

We have included the Non-GAAP measure to provide investors with supplemental measures of our operating and financial performance. We believe that 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 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	
(dollars in thousands)	**May 5, 2013** **$**	**April 29, 2012** **$**
A reconciliation of operating income to EBITDA is included below:		
Operating income	65,039	61,925
Add: Depreciation and amortization	11,229	9,005
EBITDA	76,268	70,930
EBITDA margin (3)	*17.0%*	*17.8%*

(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. EBITDA margin represents EBITDA divided by sales.

(4) At the end of the period.

(5) On April 11, 2013, the Corporation's Board of Directors approved a 27% increase of the quarterly dividend, from $0.11 to $0.14 per common share. Dividends are usually paid at the beginning of the quarter following the declaration date.

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

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