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DOLLARAMA REPORTS STRONG RESULTS FOR FISCAL 2014 AND INCREASES DIVIDEND BY 14%

MONTREAL, Quebec, April 9, 2014 – Dollarama Inc. (TSX: DOL) (“Dollarama” or the “Corporation”) today reported an increase in sales, net earnings and earnings per share for the fourth quarter and fiscal year ended February 2, 2014. The fourth quarter was characterized by continued sales and earnings growth despite difficult weather conditions during the peak holiday season.

Financial and Operating Highlights

All comparative figures below and in the "Financial Results" sections that follow are for the fourth quarter and fiscal year ended February 2, 2014 compared to the fourth quarter and fiscal year ended February 3, 2013. All financial information presented in this press release has been prepared in accordance with generally accepted accounting principles in Canada (“GAAP”) as set out in the CPA Canada Handbook – Accounting under Part 1 which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Throughout this press release, EBITDA, total debt and net debt, which are referred to as “non-GAAP measures”, are used to provide a better understanding of the Corporation’s financial results. For a full explanation of the Corporation’s use of non-GAAP measures, please refer to footnote 1 of the “Selected Consolidated Financial Information” section of this press release.

Throughout this press 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 ended February 2, 2014.

The Corporation’s fiscal year ends on the Sunday closest to January 31 of each year and usually has 52 weeks. However, as is traditional with the retail calendar, every five to six years, a week is added to the fiscal year. Fiscal 2013 was comprised of 53 weeks (the fourth quarter including a 14th week) whereas Fiscal 2014 was comprised of 52 weeks. For purposes of calculating comparable store sales, we excluded (i) the 14th week of the fourth quarter of Fiscal 2013, thereby comparing the sales of the 13 weeks of the fourth quarter of Fiscal 2014 to the comparable sales of the fourth quarter of Fiscal 2013, and (ii) the 53rd week of Fiscal 2013, thereby comparing the sales of the 52 weeks of Fiscal 2014 to the comparable sales of Fiscal 2013.

Comparable Store Sales

- Comparable store sales(2) (on a comparable 13-week basis) grew 1.1% in the fourth quarter of Fiscal 2014;
- Comparable store sales (on a comparable 52-week basis) grew 3.8% in Fiscal 2014.

Compared to the Fourth Quarter of Fiscal 2013 (13 weeks compared to 14 weeks)

- Sales increased by 3.6% to 582.3 million (or 9.9% on a comparable 13-week basis);
- Gross margin(3) was 38.4% of sales compared to 38.7% of sales;
- EBITDA(1) grew 9.7% to $130.7 million, or 22.4% of sales;
- Operating income grew 8.6% to $117.6 million, or 20.2% of sales; and
- Diluted net earnings per share increased by 12.5%, from $1.04 to $1.17.

In addition, during the fourth quarter of Fiscal 2014, the Corporation opened 27 net new stores for a total of 89 net new stores opened since February 3, 2013.

Compared to Fiscal 2013 (52 weeks compared to 53 weeks)

- Sales increased by 11.1% to $2,064.7 million (or 13.0% on a comparable 52-week basis);
- Gross margin [3] was 37.1% of sales compared to 37.4% of sales;
- EBITDA [1] grew 13.3% to $402.4 million, or 19.5% of sales;
- Operating income grew 12.2% to $354.5 million, or 17.2% of sales; and
- Diluted net earnings per share increased by 18.0%, from $2.94 to $3.47.

"Fourth quarter and full-year financial results came out strong despite the adverse impact of severe weather conditions on store traffic, particularly in December, during our peak sales period. While not as severe, weather conditions did remain challenging for the remainder of the winter season," stated Larry Rossy, Chairman and Chief Executive Officer of Dollarama.

Fourth Quarter Financial Results

The fourth quarter of Fiscal 2014 had 13 weeks whereas the fourth quarter of Fiscal 2013 had 14 weeks. The additional week of sales in Fiscal 2013 accounted for an incremental $32.1 million of total sales. Despite the impact of an additional week in the prior year's fourth quarter, sales increased by 3.6%, from $561.9 million in the fourth quarter of Fiscal 2013 to $582.3 million in the fourth quarter of Fiscal 2014. On a comparable 13-week basis, sales increased by 9.9%. The increase in sales was driven by (i) an 11.3% growth in the total number of stores, with the addition of 89 net new stores in Fiscal 2014, including 27 net new stores in the fourth quarter and (ii) a 1.1% increase in comparable store sales.

The comparable store sales performance was impacted by a 7.5% decrease for the month of December 2013 due to the adverse weather conditions, especially in the two weeks leading up to Christmas Day.

On a 13-week basis, comparable store sales growth consisted of a 4.4% increase in the average transaction size, partially offset by a 3.1% decrease in the number of transactions. This decrease in the number of transactions was mainly the result of a significant reduction in store traffic and the temporary closure of approximately 80 stores for periods ranging from a few hours to two consecutive days, as a result of adverse weather and power failures in some of the Corporation's core markets, the majority of the impacted days occurring during the two weekends leading up to Christmas Day. Historically, the Corporation's highest sales have occurred during the fourth quarter, more specifically during the winter holiday season, with December representing a higher proportion of sales.

Average transaction size improved as the sale of products priced higher than $1.00 increased from 56.0% in the fourth quarter of Fiscal 2013 to 61.0% in the fourth quarter of Fiscal 2014. Debit card penetration also increased, as 43.2% of sales were paid with debit cards compared to 40.9% in the corresponding period of the previous fiscal year.

The gross margin was 38.4% of sales in the fourth quarter of Fiscal 2014, lower when compared to 38.7% of sales in the fourth quarter of Fiscal 2013. This decrease was primarily the result of a 7.5% decrease in comparable store sales for the month of December 2013, which typically represents a higher proportion of sales, due to the adverse weather conditions in the two weeks leading up to Christmas Day.

SG&A in the fourth quarter of Fiscal 2014 was $92.7 million, a 5.6% decrease over $98.2 million in the corresponding period of Fiscal 2013.

SG&A for the fourth quarter of Fiscal 2014 was 15.9% of sales, an improvement of 1.6% compared to 17.5% of sales in the corresponding period of Fiscal 2013. The reduction in SG&A as a percentage of sales is the result of several store labour productivity improvements made in Fiscal 2014 as well as the timing of other operating expenses incurred.

Net financing costs increased by $1.3 million, from $2.7 million for the fourth quarter of Fiscal 2013 to $4.0 million for the fourth quarter of Fiscal 2014 mainly as a result of increased borrowings on long-term debt.

For the fourth quarter of Fiscal 2014, net earnings increased to $83.0 million, or $1.17 per diluted share, compared to $77.1 million, or $1.04 per diluted share, for the corresponding period of Fiscal 2013.

Fiscal 2014 Financial Results

Sales in Fiscal 2014 increased by 11.1%, from $1,858.8 million to $2,064.7 million compared to Fiscal 2013. The total sales for Fiscal 2013 included an additional week, associated with the 53-week retail calendar that accounted for $32.1 million. Therefore, sales on a comparable 52-week basis increased year-over-year by 13.0%.

The main drivers of our sales growth in Fiscal 2014 were an 11.3% growth in the number of stores over the past fiscal year as we added 89 net new stores, going from 785 stores on February 3, 2013 to 874 stores on February 2, 2014, and comparable store sales growth of 3.8%.

On a 52-week basis, comparable store sales increased by 3.8% for Fiscal 2014, while they increased by 6.5% in Fiscal 2013. Comparable store sales performance for Fiscal 2014 consisted of a 4.0% increase in the average transaction size partially offset by a 0.2% decrease in the number of transactions.

During Fiscal 2014, 60.5% of our sales originated from products priced higher than $1.00 compared to 55.0% for Fiscal 2013.

The gross margin decreased to 37.1% of sales for Fiscal 2014 compared to 37.4% of sales for Fiscal 2013. This decrease was driven mainly by additional occupancy and logistics costs associated with the increased pace of new store openings in Fiscal 2014. Over the past three fiscal years, the gross margin has steadily decreased from 37.5% in Fiscal 2012 to 37.1% in Fiscal 2014. In spite of the depreciation of the Canadian dollar against the U.S. dollar, management is committed to maintaining both a compelling product offering and a gross margin in the range of 36% to 37%.

SG&A for Fiscal 2014 was $363.2 million, a 6.9% increase over $339.7 million for Fiscal 2013. This increase is primarily related to the continued growth in the total number of stores on a year-over-year basis.

SG&A for Fiscal 2014 was 17.6% of sales, an improvement of 0.7%, compared to 18.3% of sales for Fiscal 2013. The reduction in SG&A, as a percentage of sales, is mainly a result of the Corporation's ongoing productivity initiatives, such as store labor productivity initiatives.

For Fiscal 2014, net earnings increased to $250.1 million, or $3.47 per diluted share, compared to $221.0 million, or $2.94 per diluted share, for Fiscal 2013.

Dividend Increase

On April 9, 2014, the Corporation announced that its board of directors (the "Board of Directors") had approved a 14% increase of the quarterly dividend for holders of its common shares, from $0.14 per common share to $0.16 per common share. This increased quarterly dividend will be paid on May 7, 2014 to shareholders of record at the close of business on April 29, 2014 and is designated as an "eligible dividend" for Canadian tax purposes.

The Board of Directors has determined that this new level of quarterly dividend is appropriate based on Dollarama's current cash flow, earnings, financial position and on other relevant factors.

Normal Course Issuer Bid

On January 22, 2014, the Corporation announced that it received approval from the Toronto Stock Exchange ("TSX") to amend the normal course issuer bid launched in June 2013 (the "2013-2014 NCIB") in order to increase the maximum number of common shares that may be repurchased thereunder from 3,364,523 to up to 6,729,046 common shares (representing 10% of the Corporation's public float as at May 31, 2013) over the 12-month period from June 17, 2013 to June 16, 2014. The other terms of the 2013-2014 NCIB remained unchanged.

As at February 2, 2014, the Corporation had repurchased for cancellation under the 2013-2014 NCIB (as amended) a total of 3,720,418 common shares, at a weighted average price of $78.80 per common share, for a total consideration of $293.2 million.

About Dollarama

Dollarama is Canada's leading dollar store operator with 874 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. Our quality merchandise is sold in individual or multiple units at select fixed price points up to $3.00.

Forward-Looking Statements

Certain statements in this press 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 regarding, among other things, general economic conditions and the competitive environment within the retail industry in Canada, 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, but not limited to, the following factors, which are discussed in greater detail in the “Risks and Uncertainties” section of the Corporation’s management’s discussion and analysis for Fiscal 2014 (available on SEDAR at www.sedar.com): future increases in operating and merchandise costs, inability to sustain assortment and replenishment of 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 warehouse and distribution center capacity in a timely manner, seasonality, failure to maintain brand image and reputation, market acceptance of 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 debt, changes in creditworthiness and credit rating and the potential increase in the cost of capital, 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, inability to protect systems against cyber attacks, unsuccessful execution of the growth strategy, holding company structure, adverse weather, natural disasters and geo-political events, unexpected costs associated with current insurance programs, litigation, product liability claims and product recalls, and regulatory and environmental 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 at April 9, 2014 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 and shares in thousands, except per share amounts)	Period Ended		Year Ended	
	13-Weeks	14-Weeks	52-Weeks	53-Weeks
	February 2, 2014 $	February 3, 2013 $	February 2, 2014 $	February 3, 2013 $
Earnings Data				
Sales	582,285	561,879	2,064,676	1,858,818
Cost of sales	358,896	344,535	1,299,092	1,163,979
Gross profit	223,389	217,344	765,584	694,839
SG&A	92,706	98,233	363,182	339,662
Depreciation and amortization	13,108	10,806	47,898	39,284
Operating income	117,575	108,305	354,504	315,893
Net financing costs	3,989	2,694	11,673	10,839
Earnings before income taxes	113,586	105,611	342,831	305,054
Provision for income taxes	30,601	28,481	92,737	84,069
Net earnings	82,985	77,130	250,094	220,985
Basic net earnings per common share	$1.18	$1.05	$3.48	$3.00
Diluted net earnings per common share	$1.17	$1.04	$3.47	$2.94
Weighted average number of common shares outstanding during the period:				
Basic	70,483	73,402	71,838	73,660
Diluted	70,744	73,809	72,046	75,190
Other Data				
Year-over-year sales growth	3.6%	19.9%	11.1%	16.0%
Comparable store sales growth (2)	1.1%	4.6%	3.8%	6.5%
Gross margin (3)	38.4%	38.7%	37.1%	37.4%
SG&A as a % of sales (3)	15.9%	17.5%	17.6%	18.3%
EBITDA(1)	130,683	119,111	402,402	355,177
Operating margin (3)	20.2%	19.3%	17.2%	17.0%
Capital expenditures	21,747	17,094	96,303	69,577
Number of stores (4)	874	785	874	785
Average store size (gross square feet) (4)	9,918	9,942	9,918	9,942
Declared dividends per common share	$0.14	$0.11	$0.56	$0.42

	As at	
	February 2, 2014 $	February 3, 2013 $
Statement of Financial Position Data		
Cash and cash equivalents	71,470	52,566
Merchandise inventories	364,680	338,385
Property and equipment	250,612	197,494
Total assets	1,566,780	1,453,692
Total debt (1)	403,017	264,420
Net debt (1)	331,547	211,854

(1) In this press release, EBITDA, EBITDA margin, total debt and net debt are referred to as "non-GAAP measures". Non-GAAP measures are not generally accepted measures under GAAP and do not have a standardized meaning under GAAP. EBITDA, EBITDA margin, total debt and net debt are reconciled below. The non-GAAP measures, 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 non-GAAP measures 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 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.

	Period Ended		**Year Ended**	
(dollars in thousands)	**13-weeks February 2, 2014 $**	**14-weeks February 3, 2013 $**	**52-weeks February 2, 2014 $**	**53-weeks February 3, 2013 $**
A reconciliation of operating income to EBITDA is included below:				
Operating income	117,575	108,305	354,504	315,893
Add: Depreciation and amortization	13,108	10,806	47,898	39,284
EBITDA	**130,683**	**119,111**	**402,402**	**355,177**
EBITDA margin (3)	*22.4%*	*21.2%*	*19.5%*	*19.1%*

	As at	
(dollars in thousands)	**February 2, 2014 $**	**February 3, 2013 $**
A reconciliation of long-term debt to total debt is included below:		
Long-term debt	398,463	262,071
Debt issue costs	4,554	2,349
Total debt	**403,017**	**264,420**
A reconciliation of total debt to net debt is included below:		
Total debt	403,017	264,420
Cash and cash equivalents	(71,470)	(52,566)
Net debt	**331,547**	**211,854**

(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. For purposes of calculating comparable store sales, the Corporation excluded the 53rd week of Fiscal 2013.

(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.