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DOLLARAMA REPORTS CONTINUED GROWTH FOR ITS THIRD QUARTER RESULTS AND AMENDS NORMAL COURSE ISSUER BID

MONTREAL, Quebec, December 9, 2015 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported a significant increase in sales, net earnings and earnings per share for the third quarter ended November 1, 2015. Diluted net earnings per share rose 41.8% to $0.78.

Financial and Operating Highlights

All comparative figures below and in the "Financial Results" section that follows are for the third quarter ended November 1, 2015 compared to the third quarter ended November 2, 2014. 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 I which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Throughout this press release, EBITDA, EBITDA margin, 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 2015" are to the Corporation's fiscal year ended February 1, 2015, to "Fiscal 2016" are to the Corporation's fiscal year ending January 31, 2016, and to "Fiscal 2017" are to the Corporation's fiscal year ending January 29, 2017.

Compared to the Third Quarter of Fiscal 2015

- Sales increased by 13.0% to $664.5 million;
- Comparable store sales(2) grew 6.4%, over and above 5.9% the previous year;
- Gross margin(3) was 40.0% of sales compared to 36.8% of sales;
- EBITDA(1) grew 34.8% to $154.8 million, or 23.3% of sales, compared to 19.5% of sales;
- Operating income grew 35.8% to $142.6 million, or 21.5% of sales, compared to 17.9% of sales; and
- Diluted net earnings per common share increased by 41.8%, from $0.55 to $0.78.

In addition, 16 net new stores were opened during the third quarter of Fiscal 2016 compared to 11 net new stores opened during the corresponding period of the previous fiscal year.

"We have done very well so far this year with managing the significant deterioration of the Canadian dollar through the use of foreign exchange contracts in order to hedge the cost of merchandise paid for in U.S. dollars. Certainly our pricing strategy has contributed to some of the uplift seen in the gross margin so far in Fiscal 2016. We expect our performance across key indicators, such as EBITDA margin and gross margin, to normalize and return to historical levels in Fiscal 2017, as we look to continually reinvest in the value proposition offered to our customers. Looking at store network development, we surpassed the 1000-store mark this quarter as anticipated. With 50 net new stores opened over the last three quarters, we remain on track to open a total of 70 to 80 net new stores by fiscal year end," stated Larry Rossy, Chairman and Chief Executive Officer of Dollarama.

Financial Results

Sales for the third quarter of Fiscal 2016 increased by 13.0% to $664.5 million, compared to $588.0 million in the corresponding period of the prior fiscal year. The increase in sales was driven by (i) continued organic sales growth fuelled by comparable store sales growth of 6.4%, over and above comparable store sales growth of 5.9% in the third quarter of Fiscal 2015, (ii) strong seasonal sales, and (iii) the growth in the total number of stores over the past twelve months, from 928 stores on November 2, 2014 to 1,005 stores on November 1, 2015.

Comparable store sales growth for the third quarter of Fiscal 2016 consisted of a 5.4% increase in the average transaction size and a 0.9% increase in the number of transactions.

In the third quarter of Fiscal 2016, 59.7% of our sales originated from products priced higher than $1.25 compared to 54.1% in the corresponding quarter last year. Effective this quarter, the Corporation is reporting this metric using the $1.25 price point as the reference instead of the $1.00 price point. We believe this will provide a better appreciation for the fact that there are still many items offered in our stores at or below $1.25. In fact, the majority of units sold in the third quarter of Fiscal 2016 were priced at $1.25 or less. Debit card penetration continues to increase, as 46.6% of sales were paid with debit cards this quarter compared to 43.8% in the corresponding period of the previous fiscal year.

The gross margin was 40.0% of sales in the third quarter of Fiscal 2016, compared to 36.8% of sales in the third quarter of Fiscal 2015. This increase is mainly attributable to higher product margins and lower transportation costs as a percentage of sales, combined with the positive scaling impact of strong comparable store sales.

Overall, gross margin remains in line with management's expectations as the Corporation continues to strive to maintain a compelling product offering for its customers. However, due to higher product margins resulting from changes made to the mix of products and prices in anticipation of an increase in our average foreign exchange forward contract rate, as well as the positive scaling impact of same store sales being stronger than anticipated for the first nine months of Fiscal 2016, the Corporation now anticipates a gross margin in the range of 38% to 39% for Fiscal 2016, up from the range of 37% to 38% previously disclosed in September 2015. We continually reinvest in the value proposition offered to our customers and we intend to continue to target a margin in the range of 36% to 37% beyond Fiscal 2016 in order to stimulate continued sales growth.

General, administrative and store operating expenses ("SG&A") for the third quarter of Fiscal 2016 were $111.1 million, a 9.7% increase over $101.3 million for the third quarter of Fiscal 2015. The increase is primarily related to the continued growth in the total number of stores.

SG&A for the third quarter of Fiscal 2016 represented 16.7% of sales, an improvement of 0.5% compared to 17.2% of sales for the third quarter of Fiscal 2015. The decrease in SG&A as a percentage of sales is mainly the result of store labour productivity improvements and the positive scaling impact of strong comparable store sales. Management expects the SG&A margin for Fiscal 2016 to be in the range of 16.5% to 17% of sales.

Net financing costs increased by $0.2 million, from $5.2 million for the third quarter of Fiscal 2015 to $5.4 million for the third quarter of Fiscal 2016.

Net earnings increased to $100.1 million, or $0.78 per diluted common share, in the third quarter of Fiscal 2016, compared to $73.0 million, or $0.55 per diluted common share, in the third quarter of Fiscal 2015. The increase in net earnings is mainly the result of a 13.0% increase in sales, an improvement of the gross margin and lower SG&A as a percentage of sales.

Dividend

On December 9, 2015, the Corporation announced that its Board of Directors had approved a quarterly cash dividend for holders of the Corporation's common shares of $0.09 per common share. The Corporation's quarterly cash dividend will be paid on February 2, 2016 to shareholders of record at the close of business on January 7, 2016 and is designated as an "eligible dividend" for Canadian tax purposes.

Normal Course Issuer Bid

On December 9, 2015, the Corporation received approval from the Toronto Stock Exchange to amend the normal course issuer bid launched in June 2015 (the "2015-2016 NCIB") in order to increase the number of common shares that may be repurchased thereunder over the 12-month period between June 17, 2015 and June 16, 2016 from 4,500,765 to 6,429,665 common shares (representing 5.0% of the common shares issued and outstanding as at June 9, 2015). The other terms of the 2015-2016 NCIB remain unchanged.

During the third quarter of Fiscal 2016, a total of 2,118,173 common shares were repurchased for cancellation under the 2015-2016 NCIB, at a weighted average price of $88.83 per common share, for a total cash consideration of $188.2 million.

During the first nine months of Fiscal 2016, a total of 4,186,549 common shares were repurchased for cancellation under the 2015-2016 NCIB and the NCIB in effect before that, at a weighted average price of $80.06 per common share, for a total cash consideration of $335.2 million.

Outlook

The table below provides an update to the Corporation's guidance on select financial metrics for Fiscal 2016 as well as initial guidance for Fiscal 2017.

(as a percentage of sales except capital expenditures in millions of dollars)	**Fiscal 2016**	**Fiscal 2017**
Net new stores openings	70 to 80	60 to 70
Gross margin	38.0% to 39.0%	36.0% to 37.0%
SG&A margin	16.5% to 17.0%	16.0% to 16.5%
EBITDA margin(1)	21.0% to 22.5%	19.5% to 21.0%
Capital expenditures(2)	$95 to $100	$100 to $110

(1) EBITDA margin is a non-GAAP measure. Refer to the section of this press release entitled "Selected Consolidated Financial Information" for a reconciliation of the non-GAAP measures used and presented by the Corporation to the most comparable GAAP measures.

(2) Includes additions to property plant and equipment and software.

These guidance ranges are based on a number of assumptions, including the following:

- the number of signed offers to lease and the store pipeline for the next 18 months;
- comparable store sales growth for Fiscal 2017 in the range of 4% to 5%;
- positive customer response to our product offering, value proposition and in-store merchandising;
- the active management of our product margins, including by refreshing between 25% to 30% of our offering on an annual basis;
- the absence of significant increases in occupancy costs, wages and transportation costs;
- the scheduled rollout of foreign exchange forward contracts entered into at favorable rates and the ability to continue to successfully hedge our exposure to foreign exchange rate fluctuations;
- the continued execution of in-store productivity initiatives, including without limitation the efficient use of the advanced scheduling functionalities of the Kronos system, and the realization of cost savings and benefits aimed at improving operating expenses;
- ongoing cost monitoring;
- the capital budget for Fiscal 2017 for new store openings, maintenance capital expenditures and transformational capital expenditures (the latter being mainly related to information technology projects);
- the successful execution of our business strategy; and
- the absence of significant shift in economic conditions or material changes in the retail competitive environment.

Many factors could cause 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, risks related to: 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, failure to maintain brand image and reputation, disruption of distribution infrastructure, inventory shrinkage, inability to renew store, warehouse, distribution center and head office leases on favourable terms, seasonality, market acceptance of private brands, foreign exchange rate fluctuations, competition in the retail industry, current economic conditions, failure to attract and retain quality employees, disruption in information technology systems, unsuccessful execution of the growth strategy, adverse weather, product liability claims and product recalls, litigation and regulatory compliance.

This guidance, including the various underlying assumptions, is forward-looking and should be read in conjunction with the cautionary statement on forward-looking statements.

About Dollarama

Dollarama is Canada’s leading dollar store operator with 1,005 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 factors discussed in the “Risks and Uncertainties” section of the Corporation’s management’s discussion and analysis for Fiscal 2015 (available on SEDAR at www.sedar.com).

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 December 9, 2015 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)	13-Week Periods Ended November 1, 2015 $	13-Week Periods Ended November 2, 2014 $	39-Week Periods Ended November 1, 2015 $	39-Week Periods Ended November 2, 2014 $
Earnings Data				
Sales	664,491	587,968	1,883,851	1,661,712
Cost of sales	398,537	371,807	1,163,525	1,061,490
Gross profit	265,954	216,161	720,326	600,222
SG&A	111,148	101,342	312,741	290,621
Depreciation and amortization	12,214	9,781	35,140	27,912
Operating income	142,592	105,038	372,445	281,689
Net financing costs	5,361	5,249	15,352	14,827
Earnings before income taxes	137,231	99,789	357,093	266,862
Provision for income taxes	37,155	26,769	96,767	71,722
Net earnings	100,076	73,020	260,326	195,140
Basic net earnings per common share	$0.79	$0.55	$2.03	$1.46
Diluted net earnings per common share	$0.78	$0.55	$2.01	$1.45
Weighted average number of common shares outstanding during the period:				
Basic	127,205	132,134	128,403	134,098
Diluted	128,469	132,732	129,530	134,633
Other Data				
Year-over-year sales growth	13.0%	12.4%	13.4%	12.1%
Comparable store sales growth (2)	6.4%	5.9%	7.1%	4.5%
Gross margin (3)	40.0%	36.8%	38.2%	36.1%
SG&A as a % of sales (3)	16.7%	17.2%	16.6%	17.5%
EBITDA (1)	154,806	114,819	407,585	309,601
Operating margin (3)	21.5%	17.9%	19.8%	17.0%
Capital expenditures	21,357	18,774	63,096	55,194
Number of stores (4)	1,005	928	1,005	928
Average store size (gross square feet) (4)	9,937	9,933	9,937	9,933
Declared dividends per common share	$0.09	$0.08	$0.27	$0.24

(dollars in thousands)	As at November 1, 2015 $	As at February 1, 2015 $
Statement of Financial Position Data		
Cash and cash equivalents	74,506	40,203
Merchandise inventories	486,927	408,919
Property and equipment	316,092	290,632
Total assets	1,794,882	1,700,838
Total non-current liabilities	976,725	744,866
Total debt (1)	801,461	568,846
Net debt (1)	726,955	528,643

[(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.

	13-Week Periods Ended		**39-Week Periods Ended**	
(dollars in thousands)	**November 1, 2015 $**	**November 2, 2014 $**	**November 1, 2015 $**	**November 2, 2014 $**
A reconciliation of operating income to EBITDA is included below:				
Operating income	142,592	105,038	372,445	281,689
Add: Depreciation and amortization	12,214	9,781	35,140	27,912
EBITDA	**154,806**	**114,819**	**407,585**	**309,601**
EBITDA margin [(3)]	*23.3%*	*19.5%*	*21.6%*	*18.6%*

	As at	
(dollars in thousands)	**November 1, 2015 $**	**February 1, 2015 $**
A reconciliation of long-term debt to total debt is included below:		
Senior unsecured notes bearing interest at a variable rate equal to 3-month bankers’ acceptance rate (CDOR) plus 54 basis points payable quarterly, maturing May 16, 2017 (the “Floating Rate Notes”)	274,834	150,000
Senior unsecured notes bearing interest at a fixed annual rate of 3.095% payable in equal semi-annual instalments, maturing November 5, 2018 (the “Fixed Rate Notes”)	400,000	400,000
Unsecured revolving credit facility maturing December 14, 2020	120,000	15,000
Accrued interest on Floating Rate Notes and Fixed Rate Notes	6,627	3,846
Total debt	**801,461**	**568,846**
A reconciliation of total debt to net debt is included below:		
Total debt	801,461	568,846
Cash and cash equivalents	(74,506)	(40,203)
Net debt	**726,955**	**528,643**

[(2)] Comparable store sales growth is a measure of the percentage increase or decrease, as applicable, of the sales of stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal 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.