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DOLLARAMA REPORTS STRONG RESULTS FOR THE FOURTH QUARTER & FULL YEAR OF FISCAL 2016

- Diluted net earnings per share increased by 31.6% for the quarter
- Quarterly cash dividend increased by 11.1% to $0.10 per common share
- Guidance enhanced for Fiscal 2017
- Neil Rossy to become Dollarama's next President and Chief Executive Officer

MONTREAL, Quebec, March 30, 2016 – 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 January 31, 2016. For the quarter, diluted net earnings per share rose 31.6% to $1.00.

Dollarama also announced today that its Board of Directors has appointed Neil Rossy as the Corporation's next President and Chief Executive Officer, effective May 1, 2016. (See separate press release for more details.)

Financial and Operating Highlights

All comparative figures that follow are for the fourth quarter and fiscal year ended January 31, 2016 compared to the fourth quarter and fiscal year ended February 1, 2015. 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 ended January 31, 2016, and to "Fiscal 2017" are to the Corporation's fiscal year ending January 29, 2017.

Compared to the Fourth Quarter of Fiscal 2015

- Sales increased by 14.6% to $766.5 million;
- Comparable store sales(2) grew 7.9%, over and above an 8.5% growth the previous year;
- Gross margin(3) was 40.8% of sales compared to 38.8% of sales;
- EBITDA(1) grew 25.5% to $189.9 million, or 24.8% of sales, compared to 22.6% of sales;
- Operating income grew 25.6% to $176.9 million, or 23.1% of sales, compared to 21.1% of sales; and
- Diluted net earnings per common share increased by 31.6%, from $0.76 to $1.00.

The Corporation opened 25 net new stores during the fourth quarter of Fiscal 2016 compared to 27 net new stores during the corresponding period of the previous fiscal year.

Compared to Fiscal 2015

- Sales increased by 13.7% to $2,650.3 million;
- Comparable store sales[(2)] grew 7.3%, over and above a 5.7% growth the previous year;
- Gross margin[(3)] was 39.0% of sales compared to 36.9% of sales;
- EBITDA[(1)] grew 29.6% to $597.5 million, or 22.5% of sales, compared to 19.8% of sales;
- Operating income grew 30.0% to $549.4 million, or 20.7% of sales, compared to 18.1% of sales; and
- Diluted net earnings per common share increased by 35.7%, from $2.21 to $3.00.

The Corporation opened 75 net new stores during Fiscal 2016 compared to 81 net new stores during Fiscal 2015.

"These excellent results highlight Dollarama's enduring strengths—the compelling value and breadth of our product offering, our highly capable leadership team, great execution throughout the supply chain and store network, as well as cost discipline and attention to detail," said Larry Rossy, Chairman and Chief Executive Officer of Dollarama. "We are proud of the shopping experience Dollarama offers Canadians today, and we remain focused on meeting and exceeding our customers' expectations every time they shop our stores."

"Looking at the fourth quarter in particular, we enjoyed a good holiday period with ideal weather conditions and a strong customer response to our seasonal assortment. In addition, we made select changes to our product mix and prices, and we expect these initiatives to help us manage currency headwinds and drive our performance in Fiscal 2017. We are also seeing more pricing flexibility from suppliers in China due to a softer demand environment, and this should also help in offsetting the weakness of the Canadian dollar this year," added Neil Rossy, Chief Merchandising Officer.

Fourth Quarter Financial Results

Sales for the fourth quarter of Fiscal 2016 increased by 14.6% to $766.5 million, compared to $669.1 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 7.9%, over and above comparable store sales growth of 8.5% in the fourth quarter of Fiscal 2015, including strong seasonal sales, and (ii) the growth in the total number of stores since the end of the fourth quarter of Fiscal 2015.

Comparable store sales growth for the fourth quarter of Fiscal 2016 consisted of a 3.5% increase in the average transaction size and a 4.2% increase in the number of transactions.

In the fourth quarter of Fiscal 2016, 59.4% of our sales originated from products priced higher than $1.25 compared to 54.9% in the corresponding quarter last year. Debit card penetration continues to increase, as 49.2% of sales were paid with debit cards this quarter compared to 46.4% in the corresponding period last year.

The gross margin was 40.8% of sales in the fourth quarter of Fiscal 2016, compared to 38.8% of sales in the fourth quarter of Fiscal 2015. This increase is mainly attributable to higher product margins and lower logistics and transportation costs as a percentage of sales, combined with the positive scaling impact of strong comparable store sales. Higher product margins resulted from changes made to the mix of products and prices in anticipation of an increase in our average foreign exchange forward contract rate.

SG&A for the fourth quarter of Fiscal 2016 was $123.1 million, a 13.9% increase over $108.1 million for the fourth quarter of Fiscal 2015. The increase is primarily related to the continued growth in the total number of stores.

SG&A for the fourth quarter of Fiscal 2016 represented 16.1% of sales, the same percentage as for the fourth quarter of Fiscal 2015. Store labour productivity improvements achieved during the fourth quarter of Fiscal 2016 were offset by the timing of other expenses incurred.

Financing costs increased by $0.9 million, from $5.1 million for the fourth quarter of Fiscal 2015 to $6.0 million for the fourth quarter of Fiscal 2016, mainly due to higher debt levels, partially offset by lower interest rates on variable rate indebtedness.

Net earnings increased to $124.8 million, or $1.00 per diluted common share, in the fourth quarter of Fiscal 2016, compared to $100.3 million, or $0.76 per diluted common share, in the fourth quarter of Fiscal 2015.

Fiscal 2016 Financial Results

Sales in Fiscal 2016 increased by 13.7%, to $2,650.3 million, compared to $2,330.8 million in Fiscal 2015. The increase in sales was driven by (i) continued organic sales growth fuelled by comparable store sales growth of 7.3%, over and above comparable store sales growth of 5.7% in Fiscal 2015, including strong seasonal sales, and (ii) the growth in the total number of stores over the past twelve months, from 955 stores on February 1, 2015 to 1,030 stores on January 31, 2016.

Comparable store sales growth for Fiscal 2016 consisted of a 5.2% increase in the average transaction size and a 1.9% increase in the number of transactions.

During Fiscal 2016, 58.7% of our sales originated from products priced higher than $1.25 compared to 53.1% for Fiscal 2015.

The gross margin was 39.0% of sales for Fiscal 2016, compared to 36.9% of sales for Fiscal 2015. This increase is mainly attributable to higher product margins and lower logistics and transportation costs as a percentage of sales, combined with the positive scaling impact of strong comparable store sales.

The gross margin for Fiscal 2016 is consistent with the guidance provided by management in December 2015, although at the higher end of the range. Higher product margins resulted from changes made to the mix of products and prices in anticipation of an increase in our average foreign exchange forward contract rate, and from the positive scaling impact of strong comparable store sales for Fiscal 2016.

SG&A for Fiscal 2016 was $435.8 million, a 9.3% increase over $398.7 million for Fiscal 2015. The increase is primarily related to the continued growth in the total number of stores.

SG&A for Fiscal 2016 represented 16.4% of sales, an improvement of 0.7%, compared to 17.1% of sales for 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.

Financing costs increased by $1.4 million, from $20.0 million for Fiscal 2015 to $21.4 million for Fiscal 2016. The increase is mainly due to higher debt levels, partially offset by lower interest rates on variable rate indebtedness.

Net earnings increased to $385.1 million, or $3.00 per diluted common share, for Fiscal 2016, compared to $295.4 million, or $2.21 per diluted common share, for Fiscal 2015.

Dividend Increase

On March 30, 2016, the Corporation announced that its board of directors had approved an 11.1% increase of the quarterly cash dividend for holders of common shares, from $0.09 per common share to $0.10 per common share. This increased quarterly dividend will be paid on May 4, 2016 to shareholders of record as at the close of business on April 22, 2016 and is designated as an "eligible dividend" for Canadian tax purposes.

Normal Course Issuer Bid

On June 10, 2015, the Corporation renewed its normal course issuer bid to repurchase for cancellation up to 4,500,765 common shares (representing 3.5% of the common shares issued and outstanding as at the close of markets on June 9, 2015) during the 12-month period from June 17, 2015 to June 16, 2016 (the "2015-2016 NCIB"). On December 9, 2015, the Corporation received approval from the Toronto Stock Exchange ("TSX") to amend the 2015-2016 NCIB in order to increase the maximum number of common shares that may be repurchased thereunder from 4,500,765 to 6,429,665 common shares (representing 5.0% of the common shares issued and outstanding as at the close of markets on June 9, 2015).

The total number of common shares repurchased for cancellation under the 2015-2016 NCIB and the previous normal course issuer bid in effect during the fiscal year ended January 31, 2016 amounted to 7,729,391 common shares for a total cash consideration of $625.4 million.

On March 30, 2016, the Corporation received approval from the TSX to amend the 2015-2016 NCIB for a second time in order to increase the maximum number of common shares that may be repurchased thereunder from 6,429,665 to 11,797,176 common shares (representing 10.0% of the Corporation's public float as at June 9, 2015). The other terms of the 2015-2016 NCIB remain unchanged.

Outlook

(as a percentage of sales except capital expenditures in millions of dollars)

	Original guidance	Actual results	Original guidance	Enhanced guidance
	Fiscal 2016		**Fiscal 2017**	
Net new stores	70 to 80	75	60 to 70	No change
Gross margin	38.0% to 39.0%	39.0%	36.0% to 37.0%	37.0% to 38.0%(iii)
SG&A margin	16.5% to 17.0%	16.4%	16.0% to 16.5%	No change
EBITDA margin(i)	21.0% to 22.5%	22.5%	19.5% to 21.0%	20.5% to 22.0%
Capital expenditures(ii)	$95 to $100	$94.4	$100 to $110	$160 to $170(iv)

(i) 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.
(ii) Includes additions to property plant and equipment and software.
(iii) Margins have been revised upwards due to better visibility on open orders for Fiscal 2017 and better pricing on merchandise purchased from suppliers in China as a result of soft economic conditions in the country of origin.
(iv) As mentioned in the Corporation's press release dated February 2, 2016, the Board of Directors approved an investment of approximately $60 million in the construction of a new warehouse in Montreal, Quebec. The investment is focused on accommodating capacity requirements as the Corporation continues to expand its store network.

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 12 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; a new warehouse in Montreal, Quebec; 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 1,030 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 2016 (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 March 30, 2016 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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Dollarama Inc.

Selected Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13 week periods ended January 31, 2016 $	13 week periods ended February 1, 2015 $	52 week periods ended January 31, 2016 $	52 week periods ended February 1, 2015 $
Earnings Data				
Sales	766,476	669,093	2,650,327	2,330,805
Cost of sales	453,526	409,767	1,617,051	1,471,257
Gross profit	312,950	259,326	1,033,276	859,548
SG&A	123,075	108,057	435,816	398,678
Depreciation and amortization	12,945	10,397	48,085	38,309
Operating income	176,930	140,872	549,375	422,561
Financing costs	6,043	5,129	21,395	19,956
Earnings before income taxes	170,887	135,743	527,980	402,605
Income taxes	46,067	35,473	142,834	107,195
Net earnings	124,820	100,270	385,146	295,410
Basic net earnings per common share	$1.01	$0.77	$3.03	$2.22
Diluted net earnings per common share	$1.00	$0.76	$3.00	$2.21
Weighted average number of common shares outstanding during the period:				
Basic	123,875	131,056	127,271	133,338
Diluted	125,081	131,894	128,420	133,956
Other Data				
Year-over-year sales growth	14.6%	14.9%	13.7%	12.9%
Comparable store sales growth (2)	7.9%	8.5%	7.3%	5.7%
Gross margin (3)	40.8%	38.8%	39.0%	36.9%
SG&A as a % of sales (3)	16.1%	16.1%	16.4%	17.1%
EBITDA(1)	189,875	151,269	597,460	460,870
Operating margin (3)	23.1%	21.1%	20.7%	18.1%
Capital expenditures	31,334	29,745	94,430	84,939
Number of stores (4)	1,030	955	1,030	955
Average store size (gross square feet) (4)	9,942	9,913	9,942	9,913
Declared dividends per common share	$0.09	$0.08	$0.36	$0.32

(dollars in thousands)	As at January 31, 2016 $	As at February 1, 2015 $
Statement of Financial Position Data		
Cash and cash equivalents	59,178	40,203
Merchandise inventories	470,195	408,919
Property and equipment	332,225	290,632
Total assets	1,813,874	1,700,838
Total non-current liabilities	1,119,996	744,866
Total debt (1)	928,376	568,846
Net debt (1)	869,198	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		**52 week periods ended**	
(dollars in thousands)	**January 31, 2016 $**	**February 1, 2015 $**	**January 31, 2016 $**	**February 1, 2015 $**
A reconciliation of operating income to EBITDA is included below:				
Operating income	176,930	140,872	549,375	422,561
Add: Depreciation and amortization	12,945	10,397	48,085	38,309
EBITDA	**189,875**	**151,269**	**597,460**	**460,870**
EBITDA margin (3)	*24.8%*	*22.6%*	*22.5%*	*19.8%*

	As at	
(dollars in thousands)	**January 31, 2016 $**	**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	250,000	15,000
Accrued interest on Floating Rate Notes and Fixed Rate Notes	3,542	3,846
Total debt	**928,376**	**568,846**
A reconciliation of total debt to net debt is included below:		
Total debt	928,376	568,846
Cash and cash equivalents	(59,178)	(40,203)
Net debt	**869,198**	**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.