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DOLLARAMA REPORTS STRONG THIRD QUARTER RESULTS

MONTREAL, Quebec, December 4, 2014 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported a strong increase in sales and net earnings for the third quarter ended November 2, 2014. Net earnings per share rose 27.9% to $0.55 on a diluted basis, which reflects the mid-November two-for-one share split.

Financial and Operating Highlights

All comparative figures below and in the "Financial Results" section that follows are for the third quarter ended November 2, 2014 compared to the third quarter ended November 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 I which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information on numbers of common shares and net earnings per share presented in this press release has been retrospectively restated to reflect the Share Split (defined hereinafter). Refer to Note 16 of the Corporation's unaudited condensed interim consolidated financial statements for the period ended November 2, 2014 for additional information. 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 Quarterly Consolidated Financial Information" section of this press release.

Throughout this press release, all references to "Fiscal 2014" are to the Corporation's fiscal year ended February 2, 2014 and to "Fiscal 2015" are to the Corporation's fiscal year ending February 1, 2015.

Compared to the Third Quarter of Fiscal 2014

- Sales increased by 12.4% to $588.0 million;
- Comparable store sales(2) grew 5.9%, over and above 4.8% the previous year;
- Gross margin(3) was 36.8% of sales compared to 37.1% of sales;
- EBITDA(1) grew 15.1% to $114.8 million, or 19.5% of sales, compared to 19.1% of sales;
- Operating income grew 20.0% to $105.0 million, or 17.9% of sales, compared to 16.7% of sales; and
- Diluted net earnings per common share increased by 27.9%, from $0.43 to $0.55 (4).

In addition, 11 net new stores were opened during the third quarter of Fiscal 2015 compared to 19 net new stores opened during the corresponding period of the previous fiscal year.

"We are very pleased with the 5.9% increase in comparable store sales this quarter. The Halloween sales were very strong this year and consumers continue to rely on Dollarama's broad assortment of everyday merchandise at compelling prices. We opened 11 net new stores in this quarter, and we are still on track to open between 70 and 80 net new stores in Fiscal 2015", stated Larry Rossy, Chief Executive Officer and Chairman of Dollarama.

Financial Results

Sales for the third quarter ended November 2, 2014 increased by 12.4% to $588.0 million, compared to $522.9 million in the corresponding period of the prior fiscal year. The increase in sales was driven by: (i) the growth in the number of stores over the past twelve months, from 847 stores on November 3, 2013 to 928 stores on November 2, 2014; (ii) strong Halloween sales; and (iii) continued organic sales growth driven by comparable store sales growth of 5.9%, over and above comparable store sales growth of 4.8% in the third quarter of Fiscal 2014.

Comparable store sales growth for the third quarter ended November 2, 2014 consisted of a 4.8% increase in the average transaction size and a 1.1% increase in the number of transactions.

In this quarter, 69.0% of our sales originated from products priced higher than $1.00 compared to 62.0% in the corresponding quarter last year. Debit card penetration also increased, as 43.8% of sales were paid with debit cards compared to 40.5% in the corresponding period of the previous fiscal year.

The gross margin was 36.8% of sales in the third quarter ended November 2, 2014, compared to 37.1% of sales in the third quarter ended November 3, 2013. This decrease is mainly attributable to slightly lower product margins, as the Corporation absorbs some of the product cost increases in order to continue to provide merchandise at compelling value to its customers. 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. The Corporation continually reinvests in the value proposition offered to its customers and is targeting a margin in the range of 36% to 37% for Fiscal 2015 in order to stimulate continued sales growth.

Selling, general and administration expenses ("SG&A") for the third quarter ended November 2, 2014 was $101.3 million, a 7.2% increase over $94.5 million for the third quarter ended November 3, 2013. This increase is primarily related to the continued growth in the total number of stores.

SG&A for the third quarter ended November 2, 2014 represented 17.2% of sales, an improvement of 0.9% compared to 18.1% of sales for the third quarter ended November 3, 2013. The reduction in SG&A as a percentage of sales is mainly the result of store labour productivity improvements implemented over the past year.

The depreciation and amortization expense decreased by $2.5 million, from $12.3 million for the third quarter ended November 3, 2013 to $9.8 million for the third quarter ended November 2, 2014, as a result of a change in the estimated useful life of leasehold improvements and store and warehouse equipment.

Net financing costs increased by $2.1 million, from $3.1 million for the third quarter ended November 3, 2013 to $5.2 million for the third quarter ended November 2, 2014, because of increased borrowings on long-term debt.

For the third quarter ended November 2, 2014, net earnings increased to $73.0 million, or $0.55 per diluted common share, compared to $61.7 million, or $0.43 per diluted common share, for the corresponding period of Fiscal 2014. Per share amounts reflect the retrospective application of the Share Split.

Quarterly Cash Dividend

On December 4, 2014, the board of directors of the Corporation announced that it had approved a quarterly cash dividend for holders of its common shares of $0.08 per common share. The Corporation's quarterly cash dividend will be paid on February 3, 2015 to shareholders of record at the close of business on January 8, 2015 and is designated as an "eligible dividend" for Canadian tax purposes.

Share Split by Way of Share Dividend

On November 17, 2014, the Corporation paid to shareholders of record at the close of business on November 10, 2014 a share dividend of one common share for each issued and outstanding common share of the Corporation, which had the same effect as a two-for-one share split of the Corporation's outstanding common shares (the "Share Split"). The common shares began trading on an ex-dividend basis (on a split basis) on November 18, 2014.

Extension of Credit Facility Maturity Date

On November 3, 2014, the Corporation and the lenders entered into an amending agreement to the second amended and restated credit agreement dated as of October 25, 2013 pursuant to which the term of the credit agreement was extended by one year to December 13, 2019.

Normal Course Issuer Bid

On June 12, 2014, the Corporation renewed its normal course issuer bid (the "2014-2015 NCIB") to repurchase for cancellation up to 2,341,929 common shares (representing 3.5% of the common shares issued and outstanding as at June 11, 2014) or, taking into account the Share Split, the equivalent of 4,683,858 common shares during the 12-month period from June 17, 2014 to June 16, 2015.

Taking into account the Share Split, during the third quarter ended November 2, 2014, a total of 1,233,590 common shares were repurchased for cancellation under the 2014-2015 NCIB, at a weighted average price of $47.32 per common share, for a total cash consideration of $58.4 million.

About Dollarama

Dollarama is Canada's leading dollar store operator with 928 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 quality 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 December 4, 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 Quarterly Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended		39-Week Periods Ended	
	November 2, 2014	November 3, 2013	November 2, 2014	November 3, 2013
	$	$	$	$
Earnings Data				
Sales	587,968	522,949	1,661,712	1,482,391
Cost of sales	371,807	328,714	1,061,490	940,196
Gross profit	216,161	194,235	600,222	542,195
SG&A	101,342	94,459	290,621	270,476
Depreciation and amortization	9,781	12,271	27,912	34,790
Operating income	105,038	87,505	281,689	236,929
Net financing costs	5,249	3,074	14,827	7,684
Earnings before income taxes	99,789	84,431	266,862	229,245
Provision for income taxes	26,769	22,736	71,722	62,136
Net earnings	73,020	61,695	195,140	167,109
Basic net earnings per common share (4)	$0.55	$0.43	$1.46	$1.16
Diluted net earnings per common share (4)	$0.55	$0.43	$1.45	$1.15
Weighted average number of common shares outstanding during the period:				
Basic (4)	132,134	142,096	134,098	144,578
Diluted (4)	132,732	142,418	134,633	144,908
Other Data				
Year-over-year sales growth	12.4%	14.2%	12.1%	14.3%
Comparable store sales growth (2)	5.9%	4.8%	4.5%	5.0%
Gross margin (3)	36.8%	37.1%	36.1%	36.6%
SG&A as a % of sales (3)	17.2%	18.1%	17.5%	18.2%
EBITDA (1)	114,819	99,776	309,601	271,719
Operating margin (3)	17.9%	16.7%	17.0%	16.0%
Capital expenditures	18,774	24,604	55,194	74,556
Number of stores (5)	928	847	928	847
Average store size (gross square feet) (5)	9,933	9,915	9,933	9,915
Declared dividends per common share (4)	$0.08	$0.07	$0.24	$0.21

(dollars in thousands)	As at	
	November 2, 2014	February 2, 2014
	$	$
Statement of Financial Position Data		
Cash and cash equivalents	23,146	71,470
Merchandise inventories	399,313	364,680
Property and equipment	273,659	250,612
Total assets	1,591,360	1,566,780
Total non-current liabilities	756,902	537,793
Total debt	611,855	403,017
Net debt	588,709	331,547

(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 2, 2014 $**	**November 3, 2013 $**	**November 2, 2014 $**	**November 3, 2013 $**
A reconciliation of operating income to EBITDA is included below:				
Operating income	105,038	87,505	281,689	236,929
Add: Depreciation and amortization	9,781	12,271	27,912	34,790
EBITDA	114,819	99,776	309,601	271,719
EBITDA margin (3)	*19.5%*	*19.1%*	*18.6%*	*18.3%*

	As at	
(dollars in thousands)	**November 2, 2014 $**	**February 2, 2014 $**
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	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	400,000	400,000
Unsecured revolving credit facility maturing December 13, 2019	55,000	-
Accrued interest as current portion of long-term debt	6,855	3,017
Total debt	**611,855**	**403,017**
A reconciliation of total debt to net debt is included below:		
Total debt	611,855	403,017
Cash and cash equivalents	(23,146)	(71,470)
Net debt	**588,709**	**331,547**

(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 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) Per share amounts and numbers of outstanding common shares reflect the retrospective application of the Share Split. Refer to Note 16 of the Corporation's unaudited condensed interim consolidated financial statements for the period ended November 2, 2014 for additional information.

(5) At the end of the period.