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DOLLARAMA REPORTS STRONG FIRST QUARTER RESULTS AND RENEWS NORMAL COURSE ISSUER BID

MONTREAL, Quebec, June 8, 2016 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported increases in sales, net earnings and earnings per share for the first quarter ended May 1, 2016. Diluted net earnings per share rose 36.0% to $0.68.

Financial and Operating Highlights

All comparative figures that follow are for the first quarter ended May 1, 2016 compared to the first quarter ended May 3, 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 Quarterly Consolidated Financial Information" section of this press release.

Throughout this press release, all references 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 First Quarter of Fiscal 2016

- Sales increased by 13.2% to $641.0 million;
- Comparable store sales(2) grew 6.6%, over and above a 6.9% growth the previous year;
- Gross margin(3) was 37.0% of sales, compared to 36.0% of sales;
- EBITDA(1) grew 26.4% to $133.9 million, or 20.9% of sales, compared to 18.7% of sales;
- Operating income grew 27.0% to $120.4 million, or 18.8% of sales, compared to 16.7% of sales; and
- Diluted net earnings per common share increased by 36.0%, from $0.50 to $0.68.

In addition, 8 net new stores were opened during the first quarter of Fiscal 2017 compared to 17 net new stores opened during the corresponding period of the previous fiscal year.

"Fiscal 2017 is off to a strong start with strong sales growth, reflecting the positive customer response to our merchandising strategies and our constant commitment to enhancing the in-store shopping experience. We are also reaping the benefits of our various technology investments in the form of productivity improvements. The pace of new store openings should accelerate throughout the year and our plan remains to open 60 to 70 net new stores by fiscal year end," stated Neil Rossy, President and Chief Executive Officer of Dollarama.

Financial Results

Sales for the first quarter of Fiscal 2017 increased by 13.2% to $641.0 million, compared to $566.1 million in the corresponding period of the previous fiscal year. The increase in sales was driven by (i) the growth in the total number of stores over the past twelve months, from 972 stores on May 3, 2015 to 1,038 stores on May 1, 2016, and (ii) continued organic sales growth fuelled by comparable store sales growth of 6.6%, over and above comparable store sales growth of 6.9% in the first quarter of Fiscal 2016.

Comparable store sales growth for the first quarter of Fiscal 2017 consisted of a 3.7% increase in the average transaction size and a 2.8% increase in the number of transactions. In this quarter, 60.5% of our sales originated from products priced higher than $1.25, compared to 55.8% in the corresponding quarter last year.

The gross margin was 37.0% of sales in the first quarter of Fiscal 2017, compared to 36.0% of sales in the first quarter of Fiscal 2016. This increase is mainly attributable to higher product margins, lower logistics costs as a percentage of sales as a result of operational improvements as well as the positive scaling impact of strong comparable store sales.

General, administrative and store operating expenses (“SG&A”) for the first quarter of Fiscal 2017 totalled $102.9 million, a 5.2% increase over $97.9 million for the first quarter of Fiscal 2016. This increase is primarily related to the continued growth in the total number of stores. SG&A for the first quarter of Fiscal 2017 represented 16.1% of sales, compared to 17.3% of sales for the first quarter of Fiscal 2016. The improvement of 1.2% 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 $1.0 million, from $5.6 million for the first quarter of Fiscal 2016 to $6.6 million for the first quarter of Fiscal 2017. The increase is mainly due to higher debt levels, partially offset by lower interest rates.

Net earnings increased to $83.2 million, or $0.68 per diluted common share, in the first quarter of Fiscal 2017, compared to $64.8 million, or $0.50 per diluted common share, in the first quarter of Fiscal 2016. The 28.4% increase in net earnings is mainly the result of a 13.2% increase in sales as well as an improvement of the gross margin and lower SG&A as a percentage of sales.

Dividend

On June 8, 2016, the Corporation announced that its board of directors had approved a quarterly cash dividend for holders of common shares of $0.10 per common share. The Corporation’s quarterly cash dividend will be paid on August 3, 2016 to shareholders of record at the close of business on July 8, 2016 and is designated as an “eligible dividend” for Canadian tax purposes.

Normal Course Issuer Bid

On March 30, 2016, the Corporation received approval from the TSX to further amend the normal course issuer bid launched in June 2015 (the "2015-2016 NCIB") 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% of the Corporation's public float as at June 9, 2015). The other terms of the 2015-2016 NCIB remained unchanged. The total number of common shares repurchased for cancellation under the 2015-2016 NCIB during the 13-week period ended May 1, 2016 amounted to 1,542,066 common shares, for a total cash consideration of $139.3 million. The 2015-2016 NCIB expires on June 16, 2016.

On June 8, 2016, the Corporation announced that it received approval from the TSX to renew its normal course issuer bid upon expiry in order to purchase for cancellation up to 5,975,854 common shares, representing 5.0% of the 119,517,081 shares issued and outstanding as at the close of markets on June 7, 2016 (the "2016-2017 NCIB"). Purchases under the 2016-2017 NCIB may commence on June 17, 2016 and will terminate no later than June 16, 2017.

Outlook

(as a percentage of sales except net new stores in units and capital expenditures in millions of dollars)	**Fiscal 2017**	
	March 2016 Guidance	**Enhanced Guidance**
Net new stores	60 to 70	No change
Gross margin	37.0% to 38.0%	No change
SG&A margin[(i)]	16.0% to 16.5%	15.5% to 16.0%
EBITDA margin[(ii)]	20.5% to 22.0%	21.0% to 22.5%
Capital expenditures	$160.0 to $170.0	No change

[(i)] SG&A margin has been revised to reflect the positive impact of in-store labour productivity initiatives.

[(ii)] EBITDA margin has been revised as a direct consequence of the change in SG&A margin. EBITDA margin is a non-GAAP measure. Refer to the section of this press release entitled "Selected Quarterly Consolidated Financial Information" for a reconciliation of the non-GAAP measures used and presented by the Corporation to the most comparable GAAP measures.

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 9 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 refreshing between 25% to 30% of our offering on an annual basis;
- the absence of a significant increase in occupancy costs, wages and transportation costs;
- the scheduled rollout of foreign exchange forward contracts 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 our time and attendance 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 a 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, 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.

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 June 8, 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.

About Dollarama

Dollarama is a Canadian dollar store operator offering a broad assortment of everyday consumer products, general merchandise and seasonal items. Our 1,038 locations across the country provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Our quality merchandise is sold in individual or multiple units at select, low fixed price points up to $3.00.

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Dollarama Inc.

Selected Quarterly Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended May 1, 2016 $	13-Week Periods Ended May 3, 2015 $
Earnings Data		
Sales	641,012	566,070
Cost of sales	404,149	362,280
Gross profit	236,863	203,790
SG&A	102,946	97,871
Depreciation and amortization	13,527	11,151
Operating income	120,390	94,768
Financing costs	6,634	5,562
Earnings before income taxes	113,756	89,206
Income taxes	30,604	24,426
Net earnings	83,152	64,780
Basic net earnings per common share	$0.68	$0.50
Diluted net earnings per common share	$0.68	$0.50
Weighted average number of common shares outstanding during the period:		
Basic	121,981	129,569
Diluted	123,152	130,581
Other Data		
Year-over-year sales growth	13.2%	13.0%
Comparable store sales growth (2)	6.6%	6.9%
Gross margin (3)	37.0%	36.0%
SG&A as a % of sales (3)	16.1%	17.3%
EBITDA (1)	133,917	105,919
Operating margin (3)	18.8%	16.7%
Capital expenditures	49,152	20,024
Number of stores (4)	1,038	972
Average store size (gross square feet) (4)	9,970	9,910
Declared dividends per common share	$0.10	$0.09

	As at May 1, 2016 $	As at Jan. 31, 2016 $
Statement of Financial Position Data		
Cash and cash equivalents	58,538	59,178
Merchandise inventories	452,700	470,195
Property and equipment	367,859	332,225
Total assets	1,767,419	1,813,874
Total non-current liabilities	1,235,228	1,119,996
Total debt (1)	1,071,475	928,376
Net debt (1)	1,012,937	869,198

(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	
(dollars in thousands)	**May 1, 2016**	**May 3, 2015**
	$	**$**
A reconciliation of operating income to EBITDA is included below:		
Operating income	120,390	94,768
Add: Depreciation and amortization	13,527	11,151
EBITDA	**133,917**	**105,919**
EBITDA margin [3]	*20.9%*	*18.7%*

	As at	
(dollars in thousands)	**May 1, 2016** **$**	**Jan. 31, 2016** **$**
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	274,834
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	390,000	250,000
Accrued interest on Floating Rate Notes and Fixed Rate Notes	6,641	3,542
Total debt	**1,071,475**	**928,376**
A reconciliation of total debt to net debt is included below:		
Total debt	1,071,475	928,376
Cash and cash equivalents	(58,538)	(59,178)
Net debt	**1,012,937**	**869,198**

(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.