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DOLLARAMA REPORTS FIRST QUARTER RESULTS AND RENEWS NORMAL COURSE ISSUER BID

MONTREAL, Quebec, June 7, 2017 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported increases in sales, net earnings and earnings per share for the first quarter ended April 30, 2017. Diluted net earnings per share rose 20.6% to $0.82.

Financial and Operating Highlights

All comparative figures that follow are for the first quarter ended April 30, 2017 compared to the first quarter ended May 1, 2016. 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 2017" are to the Corporation's fiscal year ended January 29, 2017, and to "Fiscal 2018" are to the Corporation's fiscal year ending January 28, 2018.

Compared to the First Quarter of Fiscal 2017:

- Sales increased by 10.0% to $704.9 million;
- Comparable store sales[(1)] grew 4.6%, over and above a 6.6% increase the previous year;
- Gross margin[(1)] was 37.6% of sales, compared to 37.0% of sales;
- EBITDA[(1)] grew 16.4% to $155.8 million, or 22.1% of sales, compared to 20.9% of sales;
- Operating income grew 15.7% to $139.3 million, or 19.8% of sales, compared to 18.8% of sales; and
- Diluted net earnings per common share increased by 20.6%, from $0.68 to $0.82.

The Corporation opened 13 net new stores during the first quarter of Fiscal 2018, compared to 8 net new stores during the corresponding period of the previous fiscal year.

"First quarter top line growth was on target, with strong Easter sales, and our results also benefited from productivity improvements and cost reduction initiatives at the store level. Since late April, all of our stores are accepting payment by credit card, providing our customers with additional convenience," stated Neil Rossy, President and Chief Executive Officer of Dollarama.

[(1)] We refer the reader to the notes in the section entitled "Selected Quarterly Consolidated Financial Information" of this press release for the definition of these items and, when applicable, their reconciliation with the most directly comparable GAAP measure.

Financial Results

Sales for the first quarter of Fiscal 2018 increased by 10.0% to $704.9 million, compared to $641.0 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 4.6 %, over and above comparable store sales growth of 6.6% in the first quarter of Fiscal 2017, including strong Easter sales, and (ii) the growth in the total number of stores over the past twelve months, from 1,038 stores on May 1, 2016 to 1,108 stores on April 30, 2017.

Comparable store sales growth for the first quarter of Fiscal 2018 consisted of a 6.1% increase in the average transaction size, over and above a 3.7% increase in the same quarter of Fiscal 2017. The number of transactions decreased by 1.4% in the first quarter of Fiscal 2018, mainly as a result of the comparative first quarter of Fiscal 2017 having been very strong with a 2.8% increase.

Gross margin was 37.6% of sales in the first quarter of Fiscal 2018, compared to 37.0% of sales in the first quarter of Fiscal 2017. The increase in the gross margin is mainly attributable to the positive scaling impact of strong comparable store sales and lower logistics and occupancy costs as a percentage of sales. Gross margin includes sales made by the Corporation, as principal, to Dollarcity, which represent approximately 1% of the Corporation’s total sales, and a nominal markup margin. Dollarcity is a Central American value retailer operating stores in El Salvador, Guatemala and Colombia. The Corporation, through Dollarama International Inc., shares its business expertise and acts as Dollarcity’s main supplier of merchandise pursuant to an agreement entered into in February 2013.

General, administrative and store operating expenses (“SG&A”) for the first quarter of Fiscal 2018 was $109.5 million, a 6.3% increase over $102.9 million for the first quarter of Fiscal 2017. The increase is primarily related to the continued growth in the total number of stores. SG&A for the first quarter of Fiscal 2018 represented 15.5% of sales, compared to 16.1% of sales for the first quarter of Fiscal 2017. The improvement of 0.6% in SG&A as a percentage of sales is mainly the result of productivity improvements and cost reduction initiatives at store level, as well as the positive scaling impact of strong comparable store sales.

Financing costs increased by $2.6 million, from $6.6 million for the first quarter of Fiscal 2017 to $9.2 million for the first quarter of Fiscal 2018. The increase is mainly due to increased borrowings on long-term debt.

Net earnings increased to $94.7 million, or $0.82 per diluted common share, in the first quarter of Fiscal 2018, compared to $83.2 million, or $0.68 per diluted common share, in the first quarter of Fiscal 2017. The increase in net earnings is mainly the result of a 10.0% increase in sales and lower SG&A as a percentage of sales. Earnings per share were also positively impacted by the repurchase of shares through the Corporation’s normal course issuer bid.

Dividend

On June 7, 2017, the Corporation announced that the Board of Directors had approved a quarterly cash dividend for holders of its common shares of $0.11 per common share. The Corporation’s quarterly cash dividend will be paid on August 2, 2017 to shareholders of record at the close of business on July 7, 2017 and is designated as an “eligible dividend” for Canadian tax purposes.

Normal Course Issuer Bid (NCIB)

The total number of common shares repurchased for cancellation under the 2016-2017 NCIB since its inception on June 17, 2016 up to June 6, 2017, inclusively, amounted to 5,975,162 common shares, at a weighted average price of $100.78 per common share, for a total cash consideration of $602.2 million. The total number of common shares repurchased for cancellation under the 2016-2017 NCIB during the first quarter of Fiscal 2018 amounted to 1,687,240, at a weighted average price of $107.02 per common share, for a total cash consideration of $180.6 million. The 2016-2017 NCIB expires on June 16, 2017.

On June 7, 2017, the Corporation announced the renewal of the NCIB and the approval from the TSX to purchase for cancellation up to 5,680,390 common shares, representing 5.0% of the 113,607,809 common shares issued and outstanding as at the close of markets on June 6, 2017. Purchases may commence on June 19, 2017 and will terminate no later than June 18, 2018.

Outlook

(as a percentage of sales except net new store openings in units and capital expenditures in millions of dollars)	**Fiscal 2018**
Net new stores	60 to 70
Gross margin	37.5% to 38.5%
SG&A	15.0% to 15.5%
EBITDA margin	22.0% to 23.5%
Capital expenditures(i)	$90.0 to $100.0

(i) Includes additions to property, plant and equipment as well as computer hardware and software.

No changes were made to the guidance provided in March 2017 for Fiscal 2018.

These guidance ranges are based on a number of assumptions for Fiscal 2018, including the following:

- the number of signed offers to lease and store pipeline for the next 9 months;
- comparable store sales growth for Fiscal 2018 in the range of 4.0% to 5.0%;
- 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 entering into of foreign exchange forward contracts to hedge the majority of forecasted purchases of merchandise in U.S. dollars against fluctuations of the Canadian dollar against the U.S. dollar;
- the continued execution of in-store productivity initiatives, including, without limitation, the efficient use of advanced scheduling and the realization of cost savings and benefits aimed at improving operating expenses;
- ongoing cost monitoring;
- the capital budget for Fiscal 2018 for new store openings, maintenance capital expenditures, and transformational capital expenditures (the latter being mainly related

to information technology projects), excluding for greater certainty any potential capital expenditures relating to future distribution capacity expansion;

- the successful execution of our business strategy;
- the absence of a significant shift in economic conditions or material changes in the retail competitive environment; and
- the absence of unusually adverse weather, especially in peak seasons around major holidays and celebrations.

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.

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 2017 (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 7, 2017 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 1,108 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, fixed price points up to $4.00.

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Selected Quarterly Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended April 30, 2017 $	13-Week Periods Ended May 1, 2016 $
Earnings Data		
Sales	704,945	641,012
Cost of sales	439,623	404,149
Gross profit	265,322	236,863
SG&A	109,474	102,946
Depreciation and amortization	16,545	13,527
Operating income	139,303	120,390
Financing costs	9,242	6,634
Earnings before income taxes	130,061	113,756
Income taxes	35,371	30,604
Net earnings	94,690	83,152
Basic net earnings per common share	$0.83	$0.68
Diluted net earnings per common share	$0.82	$0.68
Weighted average number of common shares outstanding during the period:		
Basic	114,370	121,981
Diluted	115,682	123,152
Other Data		
Year-over-year sales growth	10.0%	13.2%
Comparable store sales growth (2)	4.6%	6.6%
Gross margin (3)	37.6%	37.0%
SG&A as a % of sales (3)	15.5%	16.1%
EBITDA (1)	155,848	133,917
Operating margin (3)	19.8%	18.8%
Capital expenditures	19,710	49,152
Number of stores (4)	1,108	1,038
Average store size (gross square feet) (4)	10,045	9,970
Declared dividends per common share	$0.11	$0.10

(dollars in thousands)	As at April 30, 2017 $	As at Jan. 29, 2017 $
Statement of Financial Position Data		
Cash and cash equivalents	54,430	62,015
Merchandise inventories	468,359	465,715
Property, plant and equipment	439,728	437,089
Total assets	1,883,572	1,863,451
Total non-current liabilities	1,382,684	1,249,765
Total debt (1)	1,460,230	1,333,643
Net debt (1)	1,405,800	1,271,628

(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)	**April 30, 2017** **$**	**May 1, 2016** **$**
A reconciliation of operating income to EBITDA is included below:		
Operating income	139,303	120,390
Add: Depreciation and amortization	16,545	13,527
EBITDA	**155,848**	**133,917**
EBITDA margin (3)	*22.1%*	*20.9%*

	As at	
(dollars in thousands)	**April 30, 2017** **$**	**Jan. 29, 2017** **$**
A reconciliation of long-term debt to total debt is included below:		
Senior unsecured notes bearing interest at a fixed annual rate of 2.337% payable in equal semi-annual instalments, maturing July 22, 2021	525,000	525,000
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
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	274,834	274,834
Senior unsecured notes bearing interest at a variable rate equal to 3-month bankers' acceptance rate (CDOR) plus 59 basis points payable quarterly, maturing March 16, 2020	225,000	-
Unsecured revolving credit facility maturing December 14, 2021	25,000	130,000
Accrued interest on senior unsecured notes	10,396	3,809
Total debt	**1,460,230**	**1,333,643**

(dollars in thousands)	**As at**	
	April 30, 2017	**Jan. 29, 2017**
	$	**$**
A reconciliation of total debt to net debt is included below:		
Total debt	1,460,230	1,333,643
Cash and cash equivalents	(54,430)	(62,015)
Net debt	**1,405,800**	**1,271,628**

(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.