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DOLLARAMA REPORTS SECOND QUARTER RESULTS

MONTREAL, Quebec, September 7, 2017 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported increases in sales, net earnings and earnings per common share for the second quarter ended July 30, 2017. Diluted net earnings per common share rose 30.7% to $1.15.

Financial and Operating Highlights

All comparative figures that follow are for the second quarter ended July 30, 2017 compared to the second quarter ended July 31, 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 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 second quarter of Fiscal 2017:

- Sales increased by 11.5% to $812.5 million;
- Comparable store sales(1) grew 6.1%, over and above a 5.7% growth the previous year;
- Gross margin(1) was 39.6% of sales, compared to 38.4% of sales;
- EBITDA(1) grew 24.1% to $209.2 million, or 25.7% of sales, compared to 23.1% of sales;
- Operating income grew 24.1% to $191.9 million, or 23.6% of sales, compared to 21.2% of sales; and
- Diluted net earnings per common share increased by 30.7%, from $0.88 to $1.15.

During the second quarter of Fiscal 2018, the Corporation opened 17 net new stores, compared to 13 net new stores during the corresponding period of the previous fiscal year.

"We are very pleased with our financial and operational performance in the first half of Fiscal 2018, with notably strong sales and operating margins in the second quarter," stated Dollarama's President and Chief Executive Officer Neil Rossy. "The sustained growth in comparable store sales demonstrates that consumers appreciate the compelling value we offer through our broad range of products at low, fixed price points. We continue our efforts to enhance the Dollarama shopping experience for our customers while reaching new consumers through store openings in underserved markets."

(1) We refer the reader to the notes in the section entitled "Selected 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 second quarter of Fiscal 2018 increased by 11.5% to $812.5 million, compared to $729.0 million in the corresponding period of the prior fiscal year. The increase in sales was driven by continued organic sales growth fuelled by comparable store sales growth of 6.1%, over and above comparable store sales growth of 5.7% in the second quarter of Fiscal 2017, and the growth in the total number of stores over the past twelve months, from 1,051 stores on July 31, 2016 to 1,125 stores on July 30, 2017.

Comparable store sales growth for the second quarter of Fiscal 2018 consisted of a 5.9% increase in the average transaction size, over and above a 4.6% increase in the corresponding quarter of Fiscal 2017, and a 0.2% increase in the number of transactions.

Gross margin was 39.6% of sales in the second quarter of Fiscal 2018, compared to 38.4% of sales in the second quarter of Fiscal 2017. The increase in the gross margin is mainly attributable to higher product margins, the positive scaling impact of strong comparable store sales as well as lower logistics and occupancy costs as a percentage of sales. Gross margin includes sales made by the Corporation to Dollarcity, as principal, which represent approximately 1% of the Corporation's total sales, and a nominal markup margin.

General, administrative and store operating expenses ("SG&A") for the second quarter of Fiscal 2018 was $112.8 million, a 1.7% increase over $110.9 million for the second quarter of Fiscal 2017. The increase is primarily related to the continued growth in the total number of stores. SG&A for the second quarter of Fiscal 2018 represented 13.9% of sales, compared to 15.2% of sales for the second quarter of Fiscal 2017. The improvement of 1.3% in SG&A as a percentage of sales is mainly the result of labour 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 $2.9 million, from $7.3 million for the second quarter of Fiscal 2017 to $10.2 million for the second quarter of Fiscal 2018. The increase is due to increased borrowings on long-term debt.

Net earnings increased to $131.8 million, or $1.15 per diluted common share, in the second quarter of Fiscal 2018, compared to $106.4 million, or $0.88 per diluted common share, in the second quarter of Fiscal 2017. The increase in net earnings is mainly the result of a 11.5% increase in sales, a stronger gross margin 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 September 7, 2017, the Corporation announced that the Board of Directors had approved a quarterly cash dividend for holders of common shares of $0.11 per common share. The Corporation's quarterly dividend will be paid on November 1, 2017 to shareholders of record at the close of business on October 6, 2017 and is designated as an "eligible dividend" for Canadian tax purposes.

Normal Course Issuer Bid

On June 7, 2017, the Corporation announced that the Board of Directors had approved the renewal of the normal course issuer bid and that the Corporation had received the approval from the Toronto Stock Exchange 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, during the 12-month period from June 19, 2017 to June 18, 2018 (the "2017-2018 NCIB").

During the second quarter of Fiscal 2018, a total of 1,303,900 common shares were repurchased for cancellation under the 2017-2018 NCIB, at a weighted average price of $122.86 per common share, for a total cash consideration of $160.2 million.

Outlook

(as a percentage of sales except net new store openings in units and capital expenditures in millions of dollars)	**Fiscal 2018**	
	June 2017 Guidance	**Enhanced Guidance**
Net new stores openings	60 to 70	60 to 70
Gross margin	37.5% to 38.5%	38.0% to 39.0%(i)
SG&A	15.0% to 15.5%	15.0% to 15.5%
EBITDA margin	22.0% to 23.5%	22.5% to 24.0%(ii)
Capital expenditures(iv)	$90.0 to $100.0	$100.0 to $110.0(iii)

(i) Gross margin was revised upward for Fiscal 2018 as a result of stronger than expected product margins and the sales mix, as well as lower logistics and occupancy costs as a percentage of sales.

(ii) EBITDA margin was revised upward for Fiscal 2018 as a result of the enhanced guidance on gross margin.

(iii) Capital expenditures were revised upward as a result of certain projects in stores originally scheduled for rollout next year being pushed forward in Fiscal 2018.

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

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 six 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 (since the recently announced minimum wage increase in Ontario will only become effective on January 1, 2018, assuming the bill is passed into law as contemplated);
- 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 (including increases in statutory minimum wage), 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 September 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 1,125 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 Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended		26-Week Periods Ended	
	July 30, 2017 $	July 31, 2016 $	July 30, 2017 $	July 31, 2016 $
Earnings Data				
Sales	812,487	728,968	1,517,432	1,369,980
Cost of sales	490,490	449,391	930,113	853,540
Gross profit	321,997	279,577	587,319	516,440
SG&A	112,783	110,942	222,257	213,888
Depreciation and amortization	17,301	14,006	33,846	27,533
Operating income	191,913	154,629	331,216	275,019
Financing costs	10,225	7,289	19,467	13,923
Earnings before income taxes	181,688	147,340	311,749	261,096
Income taxes	49,888	40,988	85,259	71,592
Net earnings	131,800	106,352	226,490	189,504
Basic net earnings per common share	$1.16	$0.89	$1.99	$1.57
Diluted net earnings per common share	$1.15	$0.88	$1.97	$1.55
Weighted average number of common shares outstanding during the period:				
Basic	113,347	119,431	113,859	120,706
Diluted	114,705	120,662	115,196	121,910
Other Data				
Year-over-year sales growth	11.5%	11.6%	10.8%	12.4%
Comparable store sales growth (2)	6.1%	5.7%	5.4%	6.1%
Gross margin (3)	39.6%	38.4%	38.7%	37.7%
SG&A as a % of sales (3)	13.9%	15.2%	14.6%	15.6%
EBITDA (1)	209,214	168,635	365,062	302,552
Operating margin (3)	23.6%	21.2%	21.8%	20.1%
Capital expenditures	29,367	36,904	49,077	86,056
Number of stores (4)	1,125	1,051	1,125	1,051
Average store size (gross square feet) (4)	10,076	9,968	10,076	9,968
Declared dividends per common share	$0.11	$0.10	$0.22	$0.20

	As at	
	July 30, 2017 $	Jan. 29, 2017 $
Statement of Financial Position Data		
Cash and cash equivalents	79,226	62,015
Merchandise inventories	472,263	465,715
Property, plant and equipment	450,815	437,089
Total assets	1,891,416	1,863,451
Total non-current liabilities	1,669,586	1,249,765
Total debt (1)	1,479,635	1,333,643
Net debt (1)	1,400,409	1,271,628
Shareholders' equity (deficit)	(59,388)	100,284

(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		**26-Week Periods Ended**	
(dollars in thousands)	**July 30, 2017 $**	**July 31, 2016 $**	**July 30, 2017 $**	**July 31, 2016 $**
A reconciliation of operating income to EBITDA is included below:				
Operating income	191,913	154,629	331,216	275,019
Add: Depreciation and amortization	17,301	14,006	33,846	27,533
EBITDA	**209,214**	**168,635**	**365,062**	**302,552**
EBITDA margin (3)	*25.7%*	*23.1%*	*24.1%*	*22.1%*

A reconciliation of long-term debt to total debt is included below:

	As at	
(dollars in thousands)	**July 30, 2017 $**	**Jan. 29, 2017 $**
Senior unsecured notes bearing interest at:		
Fixed annual rate of 2.203% payable in equal semi-annual instalments, maturing November 10, 2022	250,000	-
Fixed annual rate of 2.337% payable in equal semi-annual instalments, maturing July 22, 2021	525,000	525,000
Fixed annual rate of 3.095% payable in equal semi-annual instalments, maturing November 5, 2018	400,000	400,000
Variable rate equal to 3-month bankers’ acceptance rate plus 59 basis points payable quarterly, maturing March 16, 2020	300,000	-
Variable rate equal to 3-month bankers’ acceptance rate plus 54 basis points payable quarterly, matured May 16, 2017	-	274,834
Unsecured revolving credit facility maturing December 14, 2021	-	130,000
Accrued interest on senior unsecured notes	4,635	3,809
Total debt	**1,479,635**	**1,333,643**

	As at	
(dollars in thousands)	**July 30, 2017 $**	**Jan. 29, 2017 $**
A reconciliation of total debt to net debt is included below:		
Total debt	1,479,635	1,333,643
Cash and cash equivalents	(79,226)	(62,015)
Net debt	**1,400,409**	**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.