Dollarama Inc.

Condensed Interim Consolidated Financial Statements

For the 13-week periods ended April 30, 2017 and May 1, 2016

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

Dollarama Inc.

Consolidated Interim Statement of Financial Position as at
(Unaudited, expressed in thousands of Canadian dollars)

	Note	April 30, 2017 $	January 29, 2017 $
Assets			
Current assets			
Cash and cash equivalents		54,430	62,015
Accounts receivable		13,014	15,386
Deposits and prepaid expenses		9,598	7,162
Prepaid income taxes		2,489	-
Merchandise inventories		468,359	465,715
Derivative financial instruments	6	28,461	8,787
		576,351	559,065
Non-current assets			
Property, plant and equipment		439,728	437,089
Intangible assets		139,711	139,515
Goodwill		727,782	727,782
Total assets		1,883,572	1,863,451
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		167,539	198,486
Dividend payable		12,546	11,591
Income taxes payable		-	16,597
Derivative financial instruments	6	-	8,085
Current portion of long-term debt	7	285,230	278,643
		465,315	513,402
Non-current liabilities			
Long-term debt	7	1,169,668	1,050,101
Deferred rent and lease inducements		83,621	81,827
Deferred income taxes		129,395	117,837
Total liabilities		1,847,999	1,763,167
Commitments	11		
Shareholders' equity			
Share capital		425,793	420,266
Contributed surplus		23,880	24,321
Deficit		(435,209)	(342,957)
Accumulated other comprehensive income (loss)		21,109	(1,346)
Total shareholders' equity		35,573	100,284
Total liabilities and shareholders' equity		1,883,572	1,863,451

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Changes in Shareholders' Equity

For the 13-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share amounts)

	Note	Number of common shares	Share capital $	Contributed surplus $	Deficit $	Accumulated other comprehensive income (loss) $	Total $
Balance – January 31, 2016		122,225,104	439,296	20,136	(62,375)	69,795	466,852
Net earnings for the period		-	-	-	83,152	-	83,152
Other comprehensive loss							
Unrealized loss on derivative financial instruments, net of reclassification adjustment and income tax recovery of $28,074		-	-	-	-	(76,862)	(76,862)
Dividends declared		-	-	-	(12,135)	-	(12,135)
Repurchase and cancellation of shares	8	(1,542,066)	(5,543)	-	(133,747)	-	(139,290)
Share-based compensation	8	-	-	1,610	-	-	1,610
Issuance of common shares		143,943	3,734	-	-	-	3,734
Reclassification related to exercise of share options		-	1,445	(1,445)	-	-	-
Balance – May 1, 2016		120,826,981	438,932	20,301	(125,105)	(7,067)	327,061
Balance – January 29, 2017		115,051,349	420,266	24,321	(342,957)	(1,346)	100,284
Net earnings for the period		-	-	-	94,690	-	94,690
Other comprehensive income							
Unrealized gain on derivative financial instruments, net of reclassification adjustment and income tax of ($8,206)		-	-	-	-	22,455	22,455
Dividends declared		-	-	-	(12,546)	-	(12,546)
Repurchase and cancellation of shares	8	(1,687,240)	(6,168)	-	(174,396)	-	(180,564)
Share-based compensation	8	-	-	1,620	-	-	1,620
Issuance of common shares		243,700	9,634	-	-	-	9,634
Reclassification related to exercise of share options		-	2,061	(2,061)	-	-	-
Balance – April 30, 2017		113,607,809	425,793	23,880	(435,209)	21,109	35,573

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Net Earnings and Comprehensive Income

For the 13-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	April 30, 2017 $	May 1, 2016 $
Sales		704,945	641,012
Cost of sales	13	439,623	404,149
Gross profit		265,322	236,863
General, administrative and store operating expenses		109,474	102,946
Depreciation and amortization	13	16,545	13,527
Operating income		139,303	120,390
Financing costs	13	9,242	6,634
Earnings before income taxes		130,061	113,756
Income taxes	9	35,371	30,604
Net earnings for the period		94,690	83,152
Other comprehensive income (loss)			
Items to be reclassified subsequently to net earnings			
Unrealized gain (loss) on derivative financial instruments, net of reclassification adjustment		30,661	(104,936)
Income tax recovery (taxes) relating to components of other comprehensive income (loss)		(8,206)	28,074
Total other comprehensive income (loss), net of income taxes		22,455	(76,862)
Total comprehensive income for the period		117,145	6,290
Earnings per common share			
Basic net earnings per common share		$0.83	$0.68
Diluted net earnings per common share	10	$0.82	$0.68
Weighted average number of common shares outstanding during the period (*thousands*)		114,370	121,981
Weighted average number of diluted common shares outstanding during the period (*thousands*)	10	115,682	123,152

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Dollarama Inc.

Consolidated Interim Statement of Cash Flows

For the 13-week periods ended

(Unaudited, expressed in thousands of Canadian dollars)

	Note	April 30, 2017 $	May 1, 2016 $
Operating activities			
Net earnings for the period		94,690	83,152
Adjustments for:			
Depreciation of property, plant and equipment and amortization of intangible assets	13	16,545	13,527
Amortization of deferred tenant allowances		(1,241)	(1,178)
Amortization of deferred leasing costs		123	137
Amortization of debt issue costs		458	320
Recognition of realized losses (gains) on foreign exchange contracts	6	567	(21,783)
Cash settlement of gains on foreign exchange contracts		2,359	11,831
Deferred lease inducements		1,270	1,236
Deferred tenant allowances		1,765	1,330
Share-based compensation	8	1,620	1,610
Financing costs on long-term debt		6,586	3,100
Deferred income taxes		3,329	1,556
Gain (loss) on disposal of assets		11	(9)
		128,082	94,829
Changes in non-cash working capital components	14	(43,922)	(56,405)
Net cash generated from operating activities		84,160	38,424
Investing activities			
Additions to property, plant and equipment		(16,725)	(47,050)
Additions to intangible assets		(2,985)	(2,102)
Proceeds on disposal of property, plant and equipment		197	130
Net cash used in investing activities		(19,513)	(49,022)
Financing activities			
Proceeds from long-term debt – Series 2 Floating Rate Notes	7	225,000	-
Net proceeds (repayments) from (of) Credit Facility	7	(105,000)	140,000
Payment of debt issue costs		(891)	-
Repayment of finance lease		-	(250)
Issuance of common shares		9,634	3,734
Dividends paid		(11,591)	(11,087)
Repurchase and cancellation of shares		(189,384)	(122,439)
Net cash from (used in) financing activities		(72,232)	9,958
Decrease in cash and cash equivalents		(7,585)	(640)
Cash and cash equivalents – beginning of period		62,015	59,178
Cash and cash equivalents – end of period		54,430	58,538

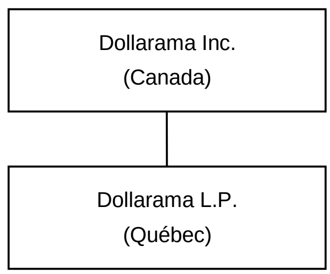
The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1 General information

Dollarama Inc. (the "Corporation") was formed on October 20, 2004 under the Canada Business Corporations Act. The Corporation operates dollar stores in Canada that sell all items for $4.00 or less. As at April 30, 2017, the Corporation maintains retail operations in every Canadian province. The Corporation's corporate headquarters, distribution centre and warehouses are located in the Montreal area. The Corporation is listed on the Toronto Stock Exchange ("TSX") under the symbol "DOL" and is incorporated and domiciled in Canada.

The Corporation's head and registered office is located at 5805 Royalmount Avenue, Montreal, Quebec, H4P 0A1.

As at April 30, 2017, the significant entities within the legal structure of the Corporation are as follows:



Dollarama L.P. operates the chain of stores and performs related logistical and administrative support activities.

2 Basis of preparation

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors for issue on June 7, 2017.

The Corporation prepares its condensed interim consolidated financial statements 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"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". In accordance with GAAP, these financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended January 29, 2017 ("Fiscal 2017"), which have been prepared in accordance with IFRS as issued by the IASB. In management's opinion, the unaudited condensed interim consolidated financial statements reflect all the adjustments that are necessary for a fair presentation of the results for the interim period presented.

3 Summary of significant accounting policies

These condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in note 3 of the Fiscal 2017 audited consolidated financial statements.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

4 Significant new accounting standards not yet adopted

In January 2016, the IASB issued IFRS 16, "Leases", which will replace IAS 17, "Leases". The new standard will be effective for fiscal years beginning on or after January 1, 2019, with early adoption permitted provided the Corporation has adopted IFRS 15, "Revenue from Contracts with Customers". The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. Given that the Corporation has significant contractual obligations in the form of operating leases (note 11) under IAS 17, there will be a material increase to both assets and liabilities upon adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with lease arrangements.

The following table outlines the key areas that will be impacted by the adoption of IFRS 16.

Impacted Areas of the Business	**Analysis**	**Impact**
Financial reporting	The analysis includes which contracts will be in scope as well as the options available under the new standard such as whether to early adopt, the two recognition and measurement exemptions and whether to apply the new standard on a full retrospective application in accordance with IAS 8 or choose the "modified retrospective approach".	The Corporation is in the process of analyzing the full impact of the adoption of IFRS 16 on the Corporation's consolidated statement of financial position and consolidated statement of net earnings and comprehensive income (loss). In addition, the Corporation has begun working with a third party provider of advisory services. As at April 30, 2017, the operating leases disclosed in note 11 are in scope with IFRS 16.
Information systems	The Corporation is analyzing the need to make changes within its information systems environment to optimize the management of more than 1,000 leases that will fall within the scope of the new standard.	The Corporation has begun working with a third party to evaluate different IT solutions for the eventual recognition and measurement of leases in scope.
Internal controls	The Corporation will be performing an analysis of the changes to the control environment as a result of the adoption of IFRS 16.	The Corporation is currently evaluating the impact of IFRS 16 on its control environment.
Stakeholders	The Corporation will be performing an analysis of the impact on the disclosure to its stakeholders as a result of the adoption of IFRS 16.	The Corporation is currently evaluating the impact of IFRS 16 on its disclosure to stakeholders.

In July 2014, the IASB issued the final version of IFRS 9, "Financial Instruments" concerning classification and measurement, impairment and hedge accounting, to supersede IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 will be effective for years beginning on or after January 1, 2018 with early adoption permitted. The Corporation is in the process of analyzing the impact of the adoption of IFRS 9 on the Corporation's consolidated statement of financial position and consolidated statements of net earnings and comprehensive income (loss) and cash flows. The impact is not expected to be significant.

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". IFRS 15 replaces all previous revenue recognition standards, including IAS 18, "Revenue". In September 2015, the IASB deferred the effective date of IFRS 15 from January 1, 2017 to annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is in the process of analyzing the impact of the adoption of IFRS 15 on the Corporation's consolidated statement of financial position and consolidated statement of net earnings and comprehensive income (loss). The impact is not expected to be significant.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

5 Critical accounting estimates and judgments

The preparation of condensed interim consolidated financial statements requires management to make estimates and assumptions using judgment that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses during the reporting period. Estimates and other judgments are continually evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

In preparing these condensed interim consolidated financial statements, the significant estimates and judgments made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for Fiscal 2017 (refer to note 5 of the Fiscal 2017 audited consolidated financial statements).

6 Derivative financial instruments

Fair value of financial instruments

The three levels of fair value hierarchy under which the Corporation's financial instruments are valued are the following:

Level 1 – Quoted market prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

A summary of the aggregate contractual nominal value, average contract rate, statement of financial position location and estimated fair values of derivative financial instruments as at April 30, 2017 and January 29, 2017 is as follows:

	Contractual nominal value	Average contract rate	Statement of financial position	Fair value - Asset (Liability)	Nature of hedging relationship
	USD	USD/CAD	Location	Significant other observable inputs (Level 2)	Recurring
	$			$	
As at April 30, 2017					
Hedging instruments					
Foreign exchange forward contracts	541,000	1.31	Current assets	28,461	Cash flow hedge
As at January 29, 2017					
Hedging instruments					
Foreign exchange forward contracts	215,000	1.28	Current assets	8,787	Cash flow hedge
Foreign exchange forward contracts	335,000	1.34	Current liabilities	(8,085)	Cash flow hedge
	550,000	1.31		702	

During the 13-week period ended April 30, 2017, a loss of $567 (May 1, 2016 - gain of $21,783) was reclassified from accumulated other comprehensive income to net earnings.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

7 Long-term debt

Long-term debt outstanding consists of the following as at:

	April 30, 2017 $	January 29, 2017 $
Senior unsecured notes bearing interest at a fixed annual rate of 2.337% payable in equal semi-annual instalments, maturing July 22, 2021 (the "2.337% Fixed Rate Notes")	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 (the "3.095% Fixed Rate Notes" and, collectively with the 2.337% Fixed Rate Notes, the "Fixed Rate Notes")	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 (the "Series 1 Floating Rate Notes")	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 (the "Series 2 Floating Rate Notes" and, collectively with the Series 1 Floating Rate Notes, the "Floating Rate Notes")	225,000	-
Unsecured revolving credit facility maturing December 14, 2021 (the "Credit Facility")	25,000	130,000
Less: Unamortized debt issue costs	(5,332)	(4,899)
Accrued interest on the Floating Rate Notes and Fixed Rate Notes	10,396	3,809
	1,454,898	1,328,744
Current portion (includes accrued interest on the Floating Rate Notes and Fixed Rate Notes)	(285,230)	(278,643)
	1,169,668	1,050,101

Fixed Rate Notes

As at April 30, 2017, the carrying value of the 2.337% Fixed Rate Notes was $526,351 (January 29, 2017 – $523,192). The fair value of the 2.337% Fixed Rate Notes as at April 30, 2017 was determined to be $534,235 valued as a level 2 in the fair value hierarchy (January 29, 2017 – $526,628). The 2.337% Fixed Rate Notes are due on July 22, 2021.

As at April 30, 2017, the carrying value of the 3.095% Fixed Rate Notes was $405,207 (January 29, 2017 – $401,994). The fair value of the 3.095% Fixed Rate Notes as at April 30, 2017 was determined to be $410,448 valued as a level 2 in the fair value hierarchy (January 29, 2017 – $410,100). The 3.095% Fixed Rate Notes are due on November 5, 2018.

Floating Rate Notes

As at April 30, 2017, the carrying value of the Series 1 Floating Rate Notes was $275,375 (January 29, 2017 - $275,249). The fair value of the Series 1 Floating Rate Notes as at April 30, 2017 was determined to be $274,903 valued as a level 2 in the fair value hierarchy (January 29, 2017 – $275,059). The Series 1 Floating Rate Notes are due on May 16, 2017 and therefore are presented as a current liability on the interim consolidated statement of financial position as at April 30, 2017.

7 Long-term debt (cont'd)

On March 16, 2017, the Corporation issued the Series 2 Floating Rate Notes at par, for aggregate gross proceeds of $225,000, by way of private placement in reliance upon exemptions from the prospectus requirements under applicable securities legislation. Proceeds were used by the Corporation to repay indebtedness outstanding under the Credit Facility and for general corporate purposes.

As at April 30, 2017, the carrying value of the Series 2 Floating Rate Notes was $224,566 (January 29, 2017 – n/a). The fair value of the Series 2 Floating Rate Notes as at April 30, 2017 was determined to be $225,513 valued as a level 2 in the fair value hierarchy (January 29, 2017 – n/a). The Series 2 Floating Rate Notes are due on March 16, 2020.

Credit Facility

As at April 30, 2017, $25,000 were outstanding under the Credit Facility (January 29, 2017 – $130,000), other than letters of credit issued for the purchase of inventories which amounted to $1,696 (January 29, 2017 – $831). As at April 30, 2017, the Corporation was in compliance with all of its financial covenants.

8 Share capital

Normal course issuer bid

The total number of common shares repurchased for cancellation under the 2016-2017 NCIB during the 13-week period ended April 30, 2017 amounted to 1,687,240 common shares (May 1, 2016 – 1,542,066 common shares under the previous normal course issuer bid) for a total cash consideration of $180,564 (May 1, 2016 – $139,290). For the 13-week period ended April 30, 2017, the Corporation's share capital was reduced by $6,168 (May 1, 2016 – $5,543) and the remaining $174,396 (May 1, 2016 – $133,747) was accounted for as an increase of the deficit.

Share-based compensation

During the 13-week period ended April 30, 2017, the Corporation recognized a share-based compensation expense of $1,620 (May 1, 2016 - $1,610).

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

8 Share capital (cont'd)

Share-based compensation

Outstanding and exercisable share options for the 13-week periods ended on the dates provided below are as follows:

	April 30, 2017		May 1, 2016	
	Number of share options	Weighted average exercise price ($)	Number of share options	Weighted average exercise price ($)
Outstanding – beginning of period	2,572,000	50.68	2,478,200	42.29
Granted	249,000	112.07	420,000	90.59
Exercised	(243,700)	39.53	(177,100)	38.01
Outstanding – end of period	2,577,300	57.66	2,721,100	50.03
Exercisable – end of period	1,181,900	41.85	957,500	36.51

Information relating to share options outstanding as at April 30, 2017 is as follows:

	Share options outstanding			Share options exercisable		
Range of exercise prices	Weighted average remaining life (in months)	Number of share options	Weighted average exercise price ($)	Weighted average remaining life (in months)	Number of share options	Weighted average exercise price ($)
$6.00-$8.75	28	9,000	8.44	28	9,000	8.44
$8.76-$13.25	32	4,000	11.21	32	4,000	11.21
$13.26-$18.89	47	22,000	15.64	47	22,000	15.64
$18.90-$27.01	57	196,400	21.79	57	196,400	21.79
$27.02-$40.97	72	733,600	36.37	71	466,400	36.16
$40.98-$56.17	84	594,400	44.79	83	299,200	44.39
$56.18-$71.03	95	349,900	71.03	95	109,900	71.03
$71.04-$90.59	107	419,000	90.23	107	75,000	90.19
$90.60-$112.07	119	249,000	112.07	-	-	-
	86	2,577,300	57.66	75	1,181,900	41.85

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

8 Share capital (cont'd)

The weighted average fair value of the share options granted during the 13-week periods ended on the dates provided below was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

	April 30, 2017	May 1, 2016
Exercise price	112.07	90.59
Dividend yield	0.4%	0.4%
Risk-free interest rate	1.2%	0.8%
Expected life	6.2 years	6.2 years
Expected volatility	20.4%	20.7%
Weighted average fair value of share options estimated at the grant date	$24.12	$18.91

The expected life is estimated using the average of the vesting period and the contractual life of the share options. Expected volatility is estimated based on the Corporation's publicly traded share price.

9 Income taxes

The income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. The statutory income tax rate for the 13-week period ended April 30, 2017 was 26.9% (May 1, 2016 - 26.8%). The Corporation's effective income tax rate for the 13-week period ended April 30, 2017 was 27.2% (May 1, 2016 – 26.9%).

10 Earnings per common share

Diluted net earnings per common share for the 13-week periods ended on the dates provided below were calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares as follows:

	April 30, 2017	May 1, 2016
Net earnings attributable to shareholders of the Corporation and used to determine basic and diluted net earnings per common share	$94,690	$83,152
Weighted average number of common shares outstanding during the period (*thousands*)	114,370	121,981
Assumed share options exercised (*thousands*)	1,312	1,171
Weighted average number of common shares for diluted net earnings per common share *(thousands)*	115,682	123,152
Diluted net earnings per common share	$0.82	$0.68

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

11 Commitments

Contractual obligations

As at April 30, 2017, contractual obligations for operating leases amounted to approximately $1,047,946 (May 1, 2016 – $1,001,778). The leases extend, depending on the renewal options, over various periods up to the year 2039.

Basic and contingent rent expense

The basic rent and contingent rent expense of operating leases for stores, warehouses, distribution centre and corporate headquarters included in the condensed interim consolidated statement of net earnings and comprehensive income for the 13-week periods ended on the dates provided below are as follows:

	April 30, 2017 $	May 1, 2016 $
Basic rent	44,253	40,058
Contingent rent	1,179	1,058
	45,432	41,116

12 Related party transactions

Rent

Rental expenses charged by entities controlled by a director totalled $5,754 for the 13-week period ended April 30, 2017 (May 1, 2016 - $5,679).

These transactions were measured at cost, which equals fair value, being the amount of consideration established at market terms.

Land

Land in Montreal, Quebec was acquired on February 5, 2016 from a party related to Dollarama at a cost of $22,144, the same price paid by such party in a recent arm's length transaction, for the purpose of building a 500,000 square-foot warehouse. Construction began in March 2016 and the building itself is now complete whereas racking, fixtures and other equipment are in the process of being installed. The building is available for use since January 30, 2017.

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

13 Expenses by nature included in the interim consolidated statement of net earnings

	April 30, 2017 $	May 1, 2016 $
Cost of sales:		
Merchandise, labour, transport and other costs	365,205	335,108
Occupancy costs	74,418	69,041
Total cost of sales	439,623	404,149
Depreciation and amortization:		
Depreciation of property, plant and equipment	13,813	11,294
Amortization of intangible assets	2,732	2,233
Total depreciation and amortization	16,545	13,527
Employee benefits	78,624	76,502
Financing costs	9,242	6,634

14 Changes in non-cash working capital

The changes in non-cash working capital components for the 13-week periods ended on the dates provided below are as follows:

	April 30, 2017 $	May 1, 2016 $
Accounts receivable	2,373	1,905
Deposits and prepaid expenses	(2,437)	1,425
Prepaid income taxes	(2,489)	-
Merchandise inventories	(2,644)	17,495
Accounts payable and accrued liabilities	(22,128)	(35,464)
Income taxes payable	(16,597)	(41,766)
	(43,922)	(56,405)
Cash paid for taxes	51,127	73,020
Cash paid for interest	1,797	2,852

Cash paid for taxes and interest are cash flows used in operating activities.

15 Events after the reporting period

Quarterly cash 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.

Renewal of 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 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.

Private offering of senior unsecured notes

On May 10, 2017, the Corporation issued additional series 2 floating rate senior unsecured notes due March 16, 2020 (the "Additional Series 2 Floating Rates Notes") as well as fixed rate senior unsecured notes due November 10, 2022 (the "2.203% Fixed Rate Notes") by way of private placement in reliance upon exemptions from the prospectus requirements under applicable securities legislation. Proceeds were used to repay the $275,000 aggregate principal amount of the outstanding Series 1 Floating Rate Notes due May 16, 2017, repay indebtedness outstanding under the Credit Facility and for general corporate purposes.

The Additional Series 2 Floating Rate Notes constitute an increase to the Series 2 Floating Rate Notes due March 16, 2020 issued by the Corporation on March 16, 2017. The Additional Series 2 Floating Rate Notes were issued at a premium of 0.284% of the $75,000 principal amount thereof, for aggregate gross proceeds of $75,213. As at the date of issuance, the effective spread over the 3-month bankers' acceptance rate (CDOR) for the Additional Series 2 Floating Rate Notes was 49 basis points (or 0.49%). Once issued, they bear interest at the same rate as the original Series 2 Floating Rate Notes, such rate being equal to the 3-month bankers' acceptance rate (CDOR) plus 59 basis points (or 0.59%), to be set quarterly on the 16th day of March, June, September and December of each year. All other terms and conditions applicable to the original Series 2 Floating Rate Notes also apply to the Additional Series 2 Floating Rate Notes, and those are treated as a single series with the original Series 2 Floating Rate Notes.

The 2.203% Fixed Rate Notes were issued at par, for aggregate gross proceeds of $250,000, and bear interest at a rate of 2.203% per annum, payable in equal semi-annual instalments, in arrears, on the 10th day of May and November of each year until maturity on November 10, 2022.