For immediate distribution

DOLLARAMA REPORTS FOURTH QUARTER AND FISCAL YEAR 2018 RESULTS

- Diluted net earnings per share increased by 17% during the fourth quarter
- Quarterly cash dividend increased to $0.12 per common share
- Existing Montreal-area distribution centre to be expanded by approximately 50%
- Three-for-one share split proposed, subject to shareholder approval and regulatory requirements
- Changes to Dollarama Board of Directors announced

MONTREAL, Quebec, March 29, 2018 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported an increase in sales, net earnings and earnings per share for the fourth quarter and fiscal year ended January 28, 2018.

Dollarama also announced changes to its Board of Directors. Please consult the separate press release for more details.

Financial and Operating Highlights

All comparative figures that follow are for the fourth quarter and fiscal year ended January 28, 2018 compared to the fourth quarter and fiscal year ended January 29, 2017. 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, to "Fiscal 2018" are to the Corporation's fiscal year ended January 28, 2018, and to "Fiscal 2019" are to the Corporation's fiscal year ending February 3, 2019. The Corporation's fiscal year ends on the Sunday closest to January 31 of each year and usually has 52 weeks. However, as is traditional with the retail calendar, every five to six years, a week is added to the fiscal year. Fiscal 2017 and Fiscal 2018 were comprised of 52 weeks whereas Fiscal 2019 will be comprised of 53 weeks.

Compared to the fourth quarter of Fiscal 2017:

- Sales increased by 9.8% to $938.1 million;
- Comparable store sales(1) grew 5.5%, over and above a 5.8% growth the previous year;
- Gross margin(1) was unchanged at 41.4% of sales;
- EBITDA(1) grew 12.2% to $253.8 million, or 27.1% of sales, compared to 26.5% of sales;
- Operating income grew 11.6% to $235.1 million, or 25.1% of sales, compared to 24.7% of sales; and
- Diluted net earnings per common share increased by 16.9%, to $1.45 from $1.24.

During the fourth quarter of Fiscal 2018, the Corporation opened 25 net new stores, compared to 26 net new stores during the corresponding period of the previous fiscal year.

(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.

Compared to Fiscal 2017:

- Sales increased by 10.2% to $3,266.1 million;
- Comparable store sales(1) grew 5.2%, over and above 5.8% growth the previous year;
- Gross margin(1) was 39.8% of sales, compared to 39.2% of sales;
- EBITDA(1) grew 17.5% to $826.1 million, or 25.3% of sales, compared to 23.7% of sales;
- Operating income grew 17.0% to $755.6 million, or 23.1% of sales, compared to 21.8% of sales; and
- Diluted net earnings per common share increased by 22.6%, to $4.55 from $3.71.

During Fiscal 2018, the Corporation opened 65 net new stores, which is consistent with the guidance range confirmed by management in December 2017, compared to 65 net new stores opened during Fiscal 2017.

"Strong growth in comparable store sales in Fiscal 2018 and the success of new stores opened during the year reflect positive customer response to our product offering and compelling value proposition,'' said Dollarama's President and Chief Executive Officer, Neil Rossy. "Our focus for Fiscal 2019 is on continued sales growth in existing stores, the opening of 60 to 70 net new locations across Canada, and the expansion of our existing distribution centre to support the Corporation's long-term growth."

Distribution Capacity Expansion

Following a careful evaluation of available options, Dollarama has opted to increase the size of its distribution centre located in the Town of Mount Royal, Quebec, by approximately 50%, to 500,000 square feet, thereby leveraging its centralized warehousing, distribution and logistics operations. The Corporation believes that this expansion will provide the infrastructure to support the long-term growth of its store network to the previously stated target of up to 1,700 stores by 2027. The expansion is scheduled for completion by the end of Fiscal 2020. Management expects that the existing distribution centre will continue normal operations throughout the construction phase.

As part of this expansion, the Corporation has incurred costs to date of $23.2 million in Fiscal 2018 for the purchase of two adjacent properties and $39.4 million in Fiscal 2019 for the purchase of its existing distribution centre, which was previously leased from an entity controlled by the Rossy family. As a result, Dollarama will own its expanded distribution operations in their entirety. No external financing was required to complete these transactions.

Capital expenditures guidance for Fiscal 2019 has been revised to a range of $150.0 million to $160.0 million (up from $110.0 million to $120.0 million) to reflect the purchase by Dollarama of the existing distribution centre. Capital expenditures will be revised again once construction and related costs for the distribution centre expansion are finalized. The Corporation expects the majority of construction and related costs to be incurred in Fiscal 2019, with the balance to follow in Fiscal 2020.

Fourth Quarter Financial Results

Sales for the fourth quarter of Fiscal 2018 increased by 9.8% to $938.1 million, compared to $854.5 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 5.5%, over and above comparable store sales growth of 5.8% in the fourth quarter of Fiscal 2017, and the growth in the total number of stores over the past twelve months, from 1,095 stores on January 29, 2017 to 1,160 stores on January 28, 2018.

Comparable store sales growth for the fourth quarter of Fiscal 2018 consisted of a 4.6% increase in the average transaction size, over and above a 7.8% increase in the corresponding quarter of Fiscal 2017, and a 0.8% increase in the number of transactions.

Gross margin remained unchanged at 41.4% of sales in the fourth quarter of Fiscal 2018, compared to the fourth quarter of Fiscal 2017.

General, administrative and store operating expenses ("SG&A") was $134.9 million, a 6.1% increase over $127.2 million for the fourth quarter of Fiscal 2017. The increase is primarily related to the continued growth in the total number of stores. SG&A for the fourth quarter of Fiscal 2018 represented 14.4% of sales, compared to 14.9% of sales for the fourth quarter of Fiscal 2017. The improvement of 0.5% in SG&A as a percentage of sales is mainly the result of labour productivity improvements as well as the positive scaling impact of strong comparable store sales.

Financing costs decreased by $0.3 million, from $10.6 million for the fourth quarter of Fiscal 2017 to $10.3 million for the fourth quarter of Fiscal 2018. The decrease relates mainly to the timing of a one-time charge in Fiscal 2017, partially offset by an increase in borrowings on long-term debt.

Net earnings increased to $162.8 million, or $1.45 per diluted common share, in the fourth quarter of Fiscal 2018, compared to $146.1 million, or $1.24 per diluted common share, in the fourth quarter of Fiscal 2017. The increase in net earnings is mainly the result of a 9.8% 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.

Fiscal 2018 Financial Results

Sales for Fiscal 2018 increased by 10.2% to $3,266.1 million, compared to $2,963.2 million in Fiscal 2017. The increase in sales was driven by continued organic sales growth fuelled by comparable store sales growth of 5.2%, over and above comparable store sales growth of 5.8% in Fiscal 2017, and the growth in the total number of stores over the past twelve months, from 1,095 stores on January 29, 2017 to 1,160 stores on January 28, 2018.

Comparable store sales growth for Fiscal 2018 consisted of a 5.2% increase in the average transaction size, over and above a 5.5% increase in Fiscal 2017. The number of transactions remained unchanged year over year.

In Fiscal 2018, 67.1% of sales originated from products priced higher than $1.25, compared to 63.4% in Fiscal 2017.

Gross margin was 39.8% of sales in Fiscal 2018, compared to 39.2% of sales in Fiscal 2017. This increase 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 was slightly above the higher end of the updated guidance range provided by management in December 2017.

SG&A for Fiscal 2018 was $474.8 million, a 3.7% increase over $458.0 million for Fiscal 2017. The increase is primarily related to the continued growth in the total number of stores. SG&A for Fiscal 2018 represented 14.5% of sales, consistent with the guidance provided by management in December 2017, compared to 15.5% of sales for Fiscal 2017. The improvement of 1.0% 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 $6.8 million, from $33.1 million for Fiscal 2017 to $39.9 million for Fiscal 2018. The increase is due to increased borrowings on long-term debt.

Net earnings increased to $519.4 million, or $4.55 per diluted common share, for Fiscal 2018, compared to $445.6 million, or $3.71 per diluted common share, for Fiscal 2017. The increase in net earnings is mainly the result of a 10.2% 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 March 29, 2018, the Corporation announced that the Board of Directors had approved a 9% increase of the quarterly dividend for holders of common shares, from $0.11 per common share to $0.12 per common share. This increased quarterly dividend will be paid on May 2, 2018 to shareholders of record at the close of business on April 20, 2018 and is designated as an "eligible dividend" for Canadian tax purposes.

Proposed Three-for-One Share Split

On March 29, 2018, the Corporation announced that the Board of Directors had approved a proposed split of its common shares on a three-for-one basis (the "Share Split"). The Share Split remains subject to the approval of shareholders at the Annual and Special Meeting of Shareholders of the Corporation to be held on June 7, 2018 and to the requirements of the Toronto Stock Exchange ("TSX"). Assuming the Share Split is approved by shareholders and pre-cleared by the TSX, shareholders of record at the close of business on June 14, 2018 will be entitled to receive, on or about June 19, 2018, two additional common shares for each common share held.

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 TSX to purchase for cancellation up to 5,680,390 common shares, representing 5.0% of the 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").

The total number of common shares repurchased for cancellation under the 2017-2018 and the previous normal course issuer bid in effect during Fiscal 2018 amounted to 6,104,540 common shares, at a weighted average price of $133.12 per common share, for a total cash consideration of $812.7 million.

Outlook

(as a percentage of sales except net new store openings in units and capital expenditures in millions of dollars)	**Fiscal 2018**		**Fiscal 2019**	
	December 2017 Guidance	**Actual Results**	**Original Guidance**	**Enhanced Guidance**
Net new stores	60 to 70	65	60 to 70	No change
Gross margin	38.5% to 39.5%	39.8%(i)	38.0% to 39.0%	No change
SG&A	14.5% to 15.0%	14.5%	15.0% to 15.5%	No change
EBITDA margin	23.5% to 25.0%	25.3%(ii)	22.5% to 24.0%	No change
Capital expenditures	$100.0 to $110.0	$131.9(iii)	$110.0 to $120.0	$150.0 to $160.0(iv)

(i) Gross margin for Fiscal 2018 was stronger than expected due to the positive scaling impact resulting from better than anticipated sales in the fourth quarter of Fiscal 2018.

(ii) EBITDA margin for Fiscal 2018 was stronger than expected as a direct consequence of the gross margin being stronger than expected.

(iii) The total amount incurred for capital expenditures in Fiscal 2018 would have been $108.7 million, within the range confirmed by management in December 2017, if we exclude the amount of $23.2 million spent for the acquisition of two properties in connection with the expansion of the distribution centre. Capital expenditures associated with the expansion of distribution capacity were explicitly excluded from Fiscal 2018 guidance pending confirmation of the project.

(iv) Includes additions to property, plant and equipment, computer hardware and software, as well as the acquisition of the existing distribution centre, but excludes construction and related costs to be incurred in Fiscal 2019 in connection with the expansion of distribution capacity, which have not been finalized yet.

The guidance ranges for Fiscal 2019 are based on a number of assumptions, including the following:

- the number of signed offers to lease and store pipeline for the next 12 months;
- comparable store sales growth 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 visibility of approximately three months on open orders and product margins;
- announced minimum wage increases in Ontario, Alberta, British Columbia and Quebec, and the assumption that competitors will absorb this increase for the most part instead of offsetting it by a corresponding increase in the retail price of products;
- 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 2019 for new store openings, maintenance capital expenditures, and transformational capital expenditures (the latter being mainly related to information technology projects) as well as the acquisition of the existing distribution centre (but excluding construction and related costs associated with the expansion of distribution capacity, which have not been finalized yet);
- 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, 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 2018 (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 March 29, 2018 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 recognized Canadian value retailer offering a broad assortment of everyday consumer products, general merchandise and seasonal items. Our 1,160 locations across Canada 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		52-Week Periods Ended	
	January 28, 2018	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**
	$	**$**	**$**	**$**
Earnings Data				
Sales	938,075	854,531	3,266,090	2,963,219
Cost of sales	549,355	501,156	1,965,171	1,801,935
Gross profit	388,720	353,375	1,300,919	1,161,284
SG&A	134,920	127,166	474,807	458,026
Depreciation and amortization	18,705	15,549	70,550	57,748
Operating income	235,095	210,660	755,562	645,510
Financing costs	10,256	10,643	39,877	33,083
Earnings before income taxes	224,839	200,017	715,685	612,427
Income taxes	62,011	53,943	196,275	166,791
Net earnings	162,828	146,074	519,410	445,636
Basic net earnings per common share	$1.47	$1.25	$4.61	$3.75
Diluted net earnings per common share	$1.45	$1.24	$4.55	$3.71
Weighted average number of common shares outstanding:				
Basic	111,094	116,400	112,751	118,998
Diluted	112,642	117,664	114,173	120,243
Other Data				
Year-over-year sales growth	9.8%	11.5%	10.2%	11.8%
Comparable store sales growth (2)	5.5%	5.8%	5.2%	5.8%
Gross margin (3)	41.4%	41.4%	39.8%	39.2%
SG&A as a % of sales (3)	14.4%	14.9%	14.5%	15.5%
EBITDA (1)	253,800	226,209	826,112	703,258
Operating margin (3)	25.1%	24.7%	23.1%	21.8%
Capital expenditures	51,423	37,450	131,920	166,214
Number of stores (4)	1,160	1,095	1,160	1,095
Average store size (gross square feet) (4)	10,120	10,023	10,120	10,023
Declared dividends per common share	$0.11	$0.10	$0.44	$0.40

	As at	
	January 28, 2018	**January 29, 2017**
	$	**$**
Statement of Financial Position Data		
Cash	54,844	62,015
Inventories	490,927	465,715
Total current assets	569,969	559,065
Property, plant and equipment	490,988	437,089
Total assets	1,934,339	1,863,451
Total current liabilities	720,945	513,402
Total non-current liabilities	1,465,752	1,249,765
Total debt (1)	1,671,192	1,333,643
Net debt (1)	1,616,348	1,271,628
Shareholders’ equity (deficit)	(252,358)	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		52-Week Periods Ended	
(dollars in thousands)	**January 28, 2018**	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**
	$	**$**	**$**	**$**
A reconciliation of operating income to EBITDA is included below:				
Operating income	235,095	210,660	755,562	645,510
Add: Depreciation and amortization	18,705	15,549	70,550	57,748
EBITDA	**253,800**	**226,209**	**826,112**	**703,258**
EBITDA margin (3)	*27.1%*	*26.5%*	*25.3%*	23.7%

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

	As at	
(dollars in thousands)	**January 28, 2018**	**January 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 September 29, 2022	191,000	130,000
Accrued interest on senior unsecured notes	5,192	3,809
Total debt	**1,671,192**	**1,333,643**

	As at	
(dollars in thousands)	**January 28, 2018**	**January 29, 2017**
	$	**$**
A reconciliation of total debt to net debt is included below:		
Total debt	1,671,192	1,333,643
Cash	(54,844)	(62,015)
Net debt	**1,616,348**	**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.