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DOLLARAMA REPORTS STRONG RESULTS FOR FOURTH QUARTER AND FULL YEAR FISCAL 2017

- 24% increase in quarterly diluted net earnings per common share
- 10% increase in quarterly cash dividend to $0.11 per common share
- Long-term Dollarama store target in Canada raised from 1,400 to 1,700
- Credit card payments through Visa, Mastercard and American Express will be accepted in all stores in the second quarter of Fiscal 2018

MONTREAL, Quebec, March 30, 2017 – 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 29, 2017.

Financial and Operating Highlights

All comparative figures that follow are for the fourth quarter and fiscal year ended January 29, 2017 compared to the fourth quarter and fiscal year ended January 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 2016" are to the Corporation's fiscal year ended January 31, 2016, 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 Fourth Quarter of Fiscal 2016

- Sales increased by 11.5% to $854.5 million;
- Comparable store sales(2) grew 5.8%, over and above a 7.9% growth the previous year;
- Gross margin(3) was 41.4% of sales, compared to 40.8% of sales;
- EBITDA(1) grew 19.1% to $226.2 million, or 26.5% of sales, compared to 24.8% of sales;
- Operating income grew 19.1% to $210.7 million, or 24.7% of sales, compared to 23.1% of sales; and
- Diluted net earnings per common share increased by 24.0%, from $1.00 to $1.24.

The Corporation opened 26 net new stores during the fourth quarter of Fiscal 2017 compared to 25 net new stores during the corresponding period of the previous fiscal year.

Compared to Fiscal 2016

- Sales increased by 11.8% to $2,963.2 million;
- Comparable store sales[2] grew 5.8%, over and above 7.3% growth the previous year;
- Gross margin[3] was 39.2% of sales, compared to 39.0% of sales;
- EBITDA[1] grew 17.7% to $703.3 million, or 23.7% of sales, compared to 22.5% of sales;
- Operating income grew 17.5% to $645.5 million, or 21.8% of sales, compared to 20.7% of sales; and
- Diluted net earnings per common share increased by 23.7%, from $3.00 to $3.71.

The Corporation opened 65 net new stores during Fiscal 2017.

"Our financial and operating results for Fiscal 2017 reflect the strength of our business strategy and our execution. We realized a particularly strong fourth quarter with solid comparable store sales reflecting, in part, the continued customer appeal of our product offering, with gross margin also ahead of guidance," stated Neil Rossy, President and Chief Executive Officer. "Thanks to outstanding execution by our operational and real estate teams, we opened 26 net new stores during our busiest quarter. Also, following a review of the market potential for Dollarama stores across Canada, we have revised our long-term target from 1,400 to 1,700 stores. This provides Dollarama with several years of additional footprint growth."

Long-Term Store Target

In March 2017, the Corporation completed a study to re-evaluate the market potential for Dollarama stores across Canada. The study took into consideration, among other factors, the 2016 census and household income data published in early 2017, the current competitive retail landscape in all markets across Canada, the rates of per capita store penetration, the performance of comparable and new stores and the targeted payback period expected by Dollarama on new store openings. The results of this study support management's confidence in the Corporation's ability to continue to expand the store network beyond the previously disclosed threshold of 1,400 stores, up to approximately 1,700 stores over the next eight to ten years. While cannibalization is expected to increase as the total store count gets closer to 1,700, management does not expect this to have a significant impact on the current average capital payback period of approximately two years.

Acceptance of Credit Cards

In early 2016, Dollarama launched a credit card pilot program to evaluate the impact and feasibility of accepting credit cards as a payment method in all its stores. Dollarama began accepting credit cards in its stores in British Columbia in January 2016 and later extended the pilot to stores located in Alberta and New Brunswick. Based on the results of the one-year pilot program, the Corporation has concluded that the incremental impact of increased sales offsets the additional costs associated with accepting credit cards as a method of payment. While the Corporation expects the financial impact to be neutral, this additional payment method will provide customers with additional convenience. The Corporation plans to accept credit cards as a payment method in all stores across Canada in the second quarter of Fiscal 2018.

New Warehouse in Montreal

The construction of the Corporation’s new 500,000 square foot warehouse in the Lachine borough of Montreal, Québec was completed on time and under budget. On a square footage basis, the new warehouse has added approximately 40% more warehousing capacity, thereby accommodating the Corporation’s future growth as it continues to expand its store network.

Fourth Quarter Financial Results

Sales for the fourth quarter of Fiscal 2017 increased by 11.5% to $854.5 million, compared to $766.5 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 5.8%, over and above comparable store sales growth of 7.9% in the fourth quarter of Fiscal 2016, and (ii) the growth in the total number of stores since the end of the fourth quarter of Fiscal 2016.

Comparable store sales growth for the fourth quarter of Fiscal 2017 consisted of a 7.8% increase in the average transaction size and a 1.9% decrease in the number of transactions. The decrease in the number of transactions is mainly a result of the comparative fourth quarter of Fiscal 2016 having been very strong with a 4.2% increase as well as higher than expected average transaction size for the fourth quarter of Fiscal 2017 of 7.8%.

In the fourth quarter of Fiscal 2017, 64.3% of our sales originated from products priced higher than $1.25 compared to 59.4% in the corresponding quarter last year. Debit card penetration also increased, as 51.4% of sales were paid with debit cards this quarter compared to 49.2% in the corresponding period of the previous fiscal year.

Gross margin was 41.4% of sales in the fourth quarter of Fiscal 2017, compared to 40.8% of sales in the fourth quarter of Fiscal 2016. The increase is mainly attributable to slightly higher product margins, the positive scaling impact of strong comparable store sales and lower logistics costs as a percentage of sales.

SG&A for the fourth quarter of Fiscal 2017 was $127.2 million, a 3.3% increase over $123.1 million for the fourth quarter of Fiscal 2016. The increase is primarily related to the continued growth in the total number of stores.

SG&A for the fourth quarter of Fiscal 2017 represented 14.9% of sales, compared to 16.1% of sales for the fourth quarter of Fiscal 2016. The improvement of 1.2% in SG&A as a percentage of sales is mainly the result of store labour productivity improvements, cost reduction initiatives at store level, and the positive scaling impact of strong comparable store sales.

Financing costs increased by $4.6 million, from $6.0 million for the fourth quarter of Fiscal 2016 to $10.6 million for the fourth quarter of Fiscal 2017. The increase is mainly due to increased borrowings on long-term debt.

Net earnings increased to $146.1 million, or $1.24 per diluted common share, in the fourth quarter of Fiscal 2017, compared to $124.8 million, or $1.00 per diluted common share, in the fourth quarter of Fiscal 2016. The increase in net earnings is mainly the result of an 11.5% 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 2017 Financial Results

Sales in Fiscal 2017 increased by 11.8%, to $2,963.2 million, compared to $2,650.3 million in Fiscal 2016. The increase in sales was driven by (i) continued organic sales growth fuelled by comparable store sales growth of 5.8%, over and above comparable store sales growth of 7.3% in Fiscal 2016, including strong seasonal sales, and (ii) the growth in the total number of stores over the past twelve months, from 1,030 stores on January 31, 2016 to 1,095 stores on January 29, 2017.

Comparable store sales growth for Fiscal 2017 consisted of a 5.5% increase in the average transaction size and a 0.2% increase in the number of transactions.

In Fiscal 2017, 63.4% of our sales originated from products priced higher than $1.25 compared to 58.7% in Fiscal 2016. Debit card penetration also increased, as 49.2% of sales in Fiscal 2017 were paid with debit cards, compared to 47.0% of sales in Fiscal 2016.

Gross margin was 39.2% of sales for Fiscal 2017, compared to 39.0% of sales for Fiscal 2016. This increase is mainly attributable to the positive scaling impact of strong comparable store sales as well as slightly lower logistics costs as a percentage of sales. Gross margin for Fiscal 2017 is generally consistent with the guidance provided by management in December 2016, only slightly above the higher end of the range.

SG&A for Fiscal 2017 was $458.0 million, a 5.1% increase over $435.8 million for Fiscal 2016. The increase is primarily related to the continued growth in the total number of stores.

SG&A for Fiscal 2017 represented 15.5% of sales, compared to 16.4% of sales for Fiscal 2016. The improvement of 0.9% in SG&A as a percentage of sales is mainly the result of store labour productivity improvements, cost reduction initiatives at store level, and the positive scaling impact of strong comparable store sales.

Financing costs increased by $11.7 million, from $21.4 million for Fiscal 2016 to $33.1 million for Fiscal 2017. The increase is mainly due to increased borrowings on long-term debt.

Net earnings increased to $445.6 million, or $3.71 per diluted common share, for Fiscal 2017, compared to $385.1 million, or $3.00 per diluted common share, for Fiscal 2016. The increase in net earnings is mainly the result of an 11.8 % 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.

Dividend Increase

On March 30, 2017, the Corporation announced that its board of directors had approved a 10.0 % increase of the quarterly cash dividend for holders of common shares, from $0.10 per common share to $0.11 per common share. This increased quarterly dividend will be paid on May 3, 2017 to shareholders of record as at the close of business on April 21, 2017 and is designated as an "eligible dividend" for Canadian tax purposes.

Normal Course Issuer Bid

On June 8, 2016, 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 Toronto Stock Exchange ("TSX") to purchase for cancellation up to 5,975,854 common shares (representing 5.0% of the common shares issued and outstanding as at the close of markets on June 7, 2016) during the 12-month period from June 17, 2016 to June 16, 2017 (the "2016-2017 NCIB").

The total number of common shares repurchased for cancellation under the 2016-2017 NCIB and the previous normal course issuer bid in effect during Fiscal 2017 amounted to 7,420,168 common shares, at a weighted average price of $95.07 per common share, for a total cash consideration of $705.4 million.

As part of the 2016-2017 NCIB, the Corporation entered into a specific share repurchase program with a third party on January 10, 2017 to repurchase common shares through daily purchases, subject to the conditions of an issuer bid exemption order issued by the Ontario Securities Commission. The price that the Corporation paid for the common shares was negotiated by the Corporation and the third party, and represented a discount to the volume weighted average trading price of the common shares on the Canadian markets on the date of each purchase. A total of 1,120,040 common shares were repurchased through this specific program, representing all available holdings of common shares of the third party, for an aggregate purchase price of $110.4 million. The program officially ended on March 13, 2017.

Outlook

(as a percentage of sales except net new store openings in units and capital expenditures in millions of dollars)	**Fiscal 2017**		**Fiscal 2018**	
	Dec. 2016 Guidance	**Actual Results**	**Original Guidance**	**Enhanced Guidance**
Net new store openings	60 to 70	65	60 to 70	No change
Gross margin	38.0% to 39.0%	39.2%(i)	37.0% to 38.0%	37.5% to 38.5%(iii)
SG&A	15.5% to 16.0%	15.5%	15.0% to 15.5%	No change
EBITDA margin	22.0% to 23.5%	23.7%(ii)	21.5% to 23.0%	22.0% to 23.5%
Capital expenditures(iv)	$160.0 to $170.0	$166.2	$90.0 to $100.0	No change

(i) Gross margin for Fiscal 2017 was stronger than expected due to the positive scaling impact resulting from better than anticipated sales in the fourth quarter of Fiscal 2017.

(ii) EBITDA margin was stronger than expected due to the stronger than expected sales and gross margins in the fourth quarter of Fiscal 2017.

(iii) Gross Margin was revised upwards for Fiscal 2018 based on actual results for Fiscal 2017 and on expected pricing on foreign sourced merchandise.

(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, including:

- the number of signed offers to lease and store pipeline for the next 12 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);
- 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 March 30, 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 1,095 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.

For further information:

Investors
Michael Ross, FCPA, FCA
Chief Financial Officer
(514) 737-1006 x1237
michael.ross@dollarama.com

Media
Lyla Radmanovich
(514) 845-8763
media@rppelican.ca

www.dollarama.com

Selected Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended January 29, 2017 $	13-Week Periods Ended January 31, 2016 $	52-Week Periods Ended January 29, 2017 $	52-Week Periods Ended January 31, 2016 $
Earnings Data				
Sales	854,531	766,476	2,963,219	2,650,327
Cost of sales	501,156	453,526	1,801,935	1,617,051
Gross profit	353,375	312,950	1,161,284	1,033,276
SG&A	127,166	123,075	458,026	435,816
Depreciation and amortization	15,549	12,945	57,748	48,085
Operating income	210,660	176,930	645,510	549,375
Financing costs	10,643	6,043	33,083	21,395
Earnings before income taxes	200,017	170,887	612,427	527,980
Income taxes	53,943	46,067	166,791	142,834
Net earnings	146,074	124,820	445,636	385,146
Basic net earnings per common share	$1.25	$1.01	$3.75	$3.03
Diluted net earnings per common share	$1.24	$1.00	$3.71	$3.00
Weighted average number of common shares outstanding during the period:				
Basic	116,400	123,875	118,998	127,271
Diluted	117,664	125,081	120,243	128,420
Other Data				
Year-over-year sales growth	11.5%	14.6%	11.8%	13.7%
Comparable store sales growth (2)	5.8%	7.9%	5.8%	7.3%
Gross margin (3)	41.4%	40.8%	39.2%	39.0%
SG&A as a % of sales (3)	14.9%	16.1%	15.5%	16.4%
EBITDA(1)	226,209	189,875	703,258	597,460
Operating margin (3)	24.7%	23.1%	21.8%	20.7%
Capital expenditures	37,450	31,334	166,214	94,430
Number of stores (4)	1,095	1,030	1,095	1,030
Average store size (gross square feet) (4)	10,023	9,942	10,023	9,942
Declared dividends per common share	$0.10	$0.09	$0.40	$0.36

(dollars in thousands)	As at January 29, 2017 $	As at January 31, 2016 $
Statement of Financial Position Data		
Cash and cash equivalents	62,015	59,178
Merchandise inventories	465,715	470,195
Property, plant and equipment	437,089	332,225
Total assets	1,863,451	1,813,874
Total non-current liabilities	1,249,765	1,119,996
Total debt (1)	1,333,643	928,376
Net debt (1)	1,271,628	869,198

(1) In this press release, EBITDA, EBITDA margin, total debt and net debt are referred to as "non-GAAP measures". Non-GAAP measures are not generally accepted measures under GAAP and do not have a standardized meaning under GAAP. EBITDA, EBITDA margin, total debt and net debt are reconciled below. The non-GAAP measures, as calculated by the Corporation, may not be comparable to those of other issuers and should be considered as a supplement to, not a substitute for, or superior to, the comparable measures calculated in accordance with GAAP.

We have included non-GAAP measures to provide investors with supplemental measures of our operating and financial performance. We believe that non-GAAP measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on GAAP measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers, many of which present non-GAAP measures when reporting their results. Our management also uses non-GAAP measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess our ability to meet our future debt service, capital expenditure and working capital requirements.

	13-Week Periods Ended		**52-Week Periods Ended**	
(dollars in thousands)	**January 29, 2017**	**January 31, 2016**	**January 29, 2017**	**January 31, 2016**
	$	**$**	**$**	**$**
A reconciliation of operating income to EBITDA is included below:				
Operating income	210,660	176,930	645,510	549,375
Add: Depreciation and amortization	15,549	12,945	57,748	48,085
EBITDA	**226,209**	**189,875**	**703,258**	**597,460**
EBITDA margin (3)	*26.5%*	*24.8%*	*23.7%*	*22.5%*

	As at	
(dollars in thousands)	**January 29, 2017**	**January 31, 2016**
	$	**$**
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 (the "2.337% Fixed Rate Notes")	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
Unsecured revolving credit facility maturing December 14, 2021 (the "Credit Facility")	130,000	250,000
Accrued interest on the Series 1 Floating Rate Notes and the Fixed Rate Notes	3,809	3,542
Total debt	**1,333,643**	**928,376**
A reconciliation of total debt to net debt is included below:		
Total debt	1,333,643	928,376
Cash and cash equivalents	(62,015)	(59,178)
Net debt	**1,271,628**	**869,198**

(2) Comparable store sales growth is a measure of the percentage increase or decrease, as applicable, of the sales of stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal year.

(3) Gross margin represents gross profit divided by sales. SG&A as a % of sales represents SG&A divided by sales. Operating margin represents operating income divided by sales. EBITDA margin represents EBITDA divided by sales.

(4) At the end of the period.