

Dollar General Corporation
Reconciliations of Non-GAAP Financial Measures

Dollar General Corporation and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Operating Profit,
Adjusted Net Income, and Adjusted EPS
(Dollars and shares in millions)

	Fiscal Year Ended			
	Feb 1, 2013	Jan 31, 2014	Jan 30, 2015	Jan 29, 2016
Net sales	\$ 16,022.1	\$ 17,504.2	\$ 18,909.6	\$ 20,368.6
A Gross profit (GAAP)	\$ 5,085.4	\$ 5,435.7	\$ 5,802.5	\$ 6,306.1
% of net sales	31.7%	31.1%	30.7%	31.0%
B SG&A	\$ 3,430.1	\$ 3,699.6	\$ 4,033.4	\$ 4,365.8
% of net sales	21.4%	21.1%	21.3%	21.4%
Adjustments:				
Restructuring Expenses	-	-	-	(6.1)
Expenses related to acquisition not completed	-	-	(14.3)	-
Litigation settlement and related costs	-	(8.5)	-	-
Secondary offering expenses	(1.4)	(0.5)	-	-
Acceleration of equity-based compensation	(1.5)	(0.5)	-	-
C Total adjustments	(2.9)	(9.5)	(14.3)	(6.1)
D SG&A, excluding adjustments (B+C)	\$ 3,427.2	\$ 3,690.1	\$ 4,019.1	\$ 4,359.7
% of net sales	21.4%	21.1%	21.3%	21.4%
Operating profit (A-B)	\$ 1,655.3	\$ 1,736.2	\$ 1,769.1	\$ 1,940.3
% of net sales	10.3%	9.9%	9.4%	9.5%
Adjusted Operating profit (excluding adjustments (A-D))	\$ 1,658.2	\$ 1,745.7	\$ 1,783.4	\$ 1,946.4
% of net sales	10.3%	10.0%	9.4%	9.6%
Net income	\$ 952.7	\$ 1,025.1	\$ 1,065.3	\$ 1,165.1
Total adjustments from above	2.9	9.5	14.3	6.1
Adjustment for settlement of interest rate swaps	(2.5)	-	-	-
Repurchase of long-term obligations, net	29.0	-	-	-
Debt refinancing costs	-	18.9	-	0.3
Write off of capitalized debt costs	1.6	-	-	-
Debt amendment fees	1.7	-	-	-
Reversal of tax reserves created in 2009	-	(6.0)	(4.7)	-
Income tax effect of adjustments	(12.3)	(10.9)	(5.6)	(2.5)
Adjusted net income	\$ 973.1	\$ 1,036.6	\$ 1,069.3	\$ 1,169.0
Weighted average diluted shares	334.5	323.9	305.7	295.2
Earnings per share (as reported)	\$ 2.85	\$ 3.17	\$ 3.49	\$ 3.95
Earnings per share (adjusted)	\$ 2.91	\$ 3.20	\$ 3.50	\$ 3.96
2012-2015 Earnings per share CAGR (as reported)				11%
2012-2015 Earnings per share CAGR (adjusted)				11%

Dollar General Corporation and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Return on Invested Capital
(Dollars in millions)

	Fiscal Year Ended
	Jan 29, 2016
Total return:	
Operating profit	\$ 1,940.3
Total Adjustments	6.1
Adjusted operating profit	\$ 1,946.4
Depreciation and amortization	351.3
Minimum rents	849.1
Income taxes	(690.5)
Total return (A)	\$ 2,456.3
Invested capital (1):	
Total assets	11,175.7
Accumulated depreciation and amortization	1,777.4
Cash	(265.2)
Goodwill	(4,338.6)
Accounts payable	(1,464.9)
Income taxes payable	(54.6)
Accrued liabilities	(438.2)
Minimum rents *8	6,501.9
Total invested capital (B)	\$ 12,893.5
Return on Invested Capital (A/B)	19.1%

- (1) Average of balances at the end of each of the five most recent fiscal quarters. Minimum rents used in the invested capital calculation are based on the most recent 5-quarter average of rolling 12 months rent.

Note: Peer average includes DLTR, ROST, BIG, TJX, WMT, WBA, CVS, KR, FRED, TGT, and COST

Dollar General Corporation and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Debt to Adjusted EBITDAR
(Dollars in millions)

	Fiscal Year Ended			
	Feb 1, 2013	Jan 31, 2014	Jan 30, 2015	Jan 29, 2016
Long-term obligations	2,745.3	2,799.5	2,725.1	2,970.6
Rent * 8	4,914.4	5,495.2	6,281.6	6,855.2
Total Adjusted Debt (A)	\$ 7,659.7	\$ 8,294.7	\$ 9,006.7	\$ 9,825.8
Adjusted EBITDAR (B)	\$ 2,597.3	\$ 2,776.4	\$ 2,950.3	\$ 3,204.0
Adjusted Debt to Adjusted EBITDAR (A/B)	2.9x	3.0x	3.1x	3.1x

Dollar General Corporation and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Reconciliation of Net Income to Adjusted EBITDAR for use in Leverage Ratio Calculation
(Dollars in millions)

	Fiscal Year Ended			
	Feb 1, 2013	Jan 31, 2014	Jan 30, 2015	Jan 29, 2016
Net income	\$ 952.7	\$ 1,025.1	\$ 1,065.3	\$ 1,165.1
Add:				
Interest expense, net of interest income	127.9	89.0	88.2	86.9
Depreciation and amortization	293.5	326.7	336.9	346.8
Income taxes	544.7	603.2	615.5	687.9
EBITDA	1,918.8	2,044.0	2,105.9	2,286.7
Adjustments:				
Loss on debt retirements, net	30.6	18.9	-	0.3
Gain on hedging instruments	(2.4)	-	-	-
Non-cash share-based awards	21.7	21.0	37.4	38.5
Expenses related to acquisition not completed	-	-	14.3	-
Litigation settlement and related costs	-	8.5	-	-
Other charges , including LIFO	14.3	(2.9)	7.5	21.6
Total Adjustments	64.2	45.5	59.2	60.4
Adjusted EBITDA	\$ 1,983.0	\$ 2,089.5	\$ 2,165.1	\$ 2,347.1
Rent	614.3	686.9	785.2	856.9
Adjusted EBITDAR	\$ 2,597.3	\$ 2,776.4	\$ 2,950.3	\$ 3,204.0

Dollar General Corporation and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Free Cash Flow Yield
(Dollars in millions)

	Fiscal Year Ended			
	Feb 1, 2013	Jan 31, 2014	Jan 30, 2015	Jan 29, 2016
Cash from Operations	\$ 1,131.4	\$ 1,213.1	\$ 1,314.7	\$ 1,378.0
Capital Expenditures	(571.6)	(538.4)	(374.0)	(504.8)
Free Cash Flow	\$ 559.8	\$ 674.7	\$ 940.7	\$ 873.2
Shares Issued and Outstanding as of Fiscal Year End	327.1	317.1	303.4	286.7
Free Cash Flow per Share (A)	\$ 1.71	\$ 2.13	\$ 3.10	\$ 3.05
Closing Share Price as of Fiscal Year End (B)	\$ 46.28	\$ 56.32	\$ 67.06	\$ 75.06
Free Cash Flow Yield (A/B)	3.7%	3.8%	4.6%	4.1%