



Executing Our Vision

Jeff Owen, EVP Store Operations & Store Development

Executing Our Vision

Foundation for Success

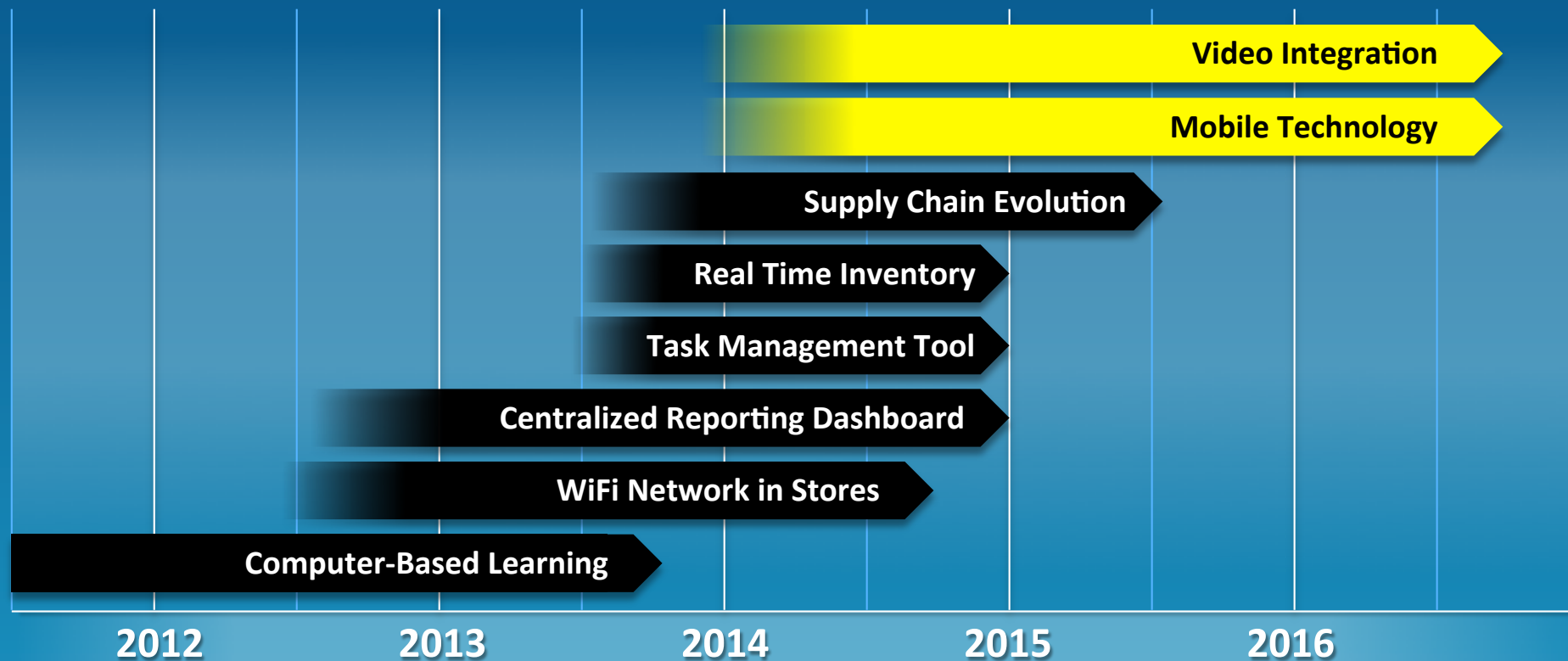
- Scalable and Growing Model
- Culture of Continuous Improvement

Strategic Imperatives

- Attract, Retain and Develop Amazing Talent
- Strengthen Our Execution Machine
- Enhance the Customer Experience



Culture of Continuous Improvement



Proactive Investments for Scalable Growth

Strategic Imperatives

**Attract, Retain and
Develop Amazing Talent**



**Strengthen Our
Execution Machine**



**Enhance the
Customer Experience**



Strategic Imperatives

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Customer Experience**



Attract, Retain and Develop Amazing Talent

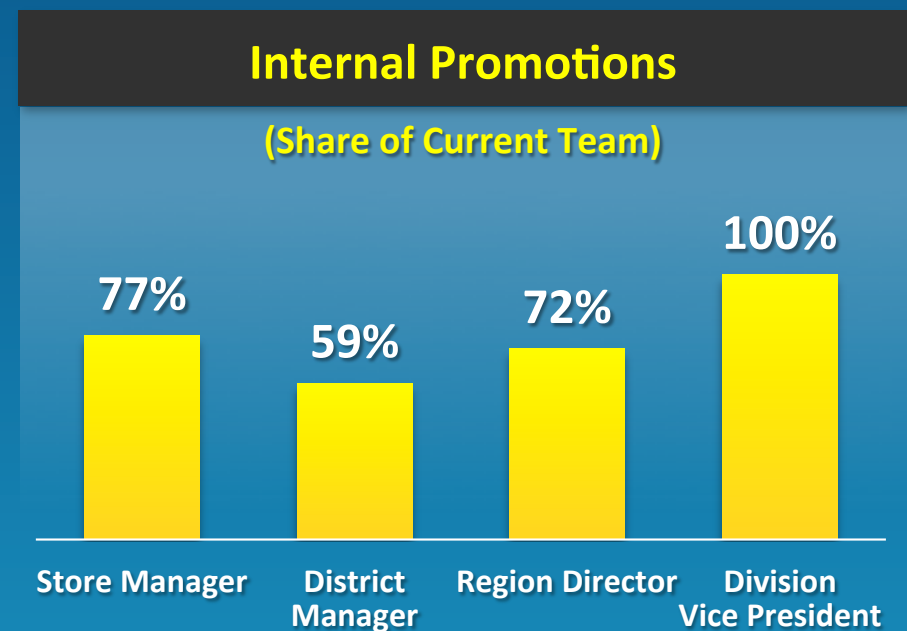
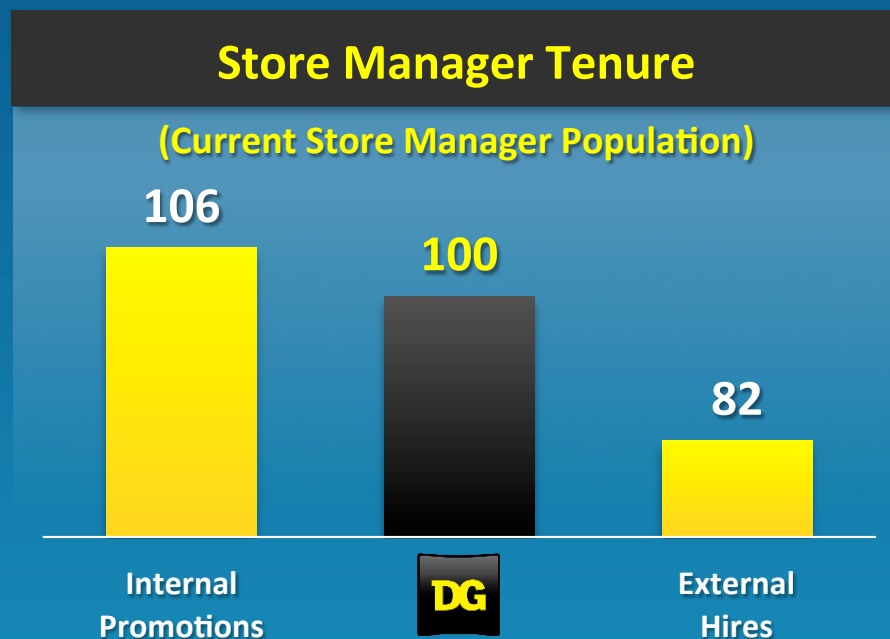


Attract, Retain and Develop Amazing Talent

Role	Internal Pool	Potential Candidates	2016 Need Due to Growth
Store Manager	Internal Key Carriers	27,500	900
District Manager	Store Manager	12,500	40
Region Director	District Manager	750	6
Division Vice President	Region Director	80	1

Growth Needs Satisfied by ~2% of Internal Pool

Attract, Retain and Develop Amazing Talent



Internal Promotions Provide Stability

Note: As of January 29, 2016

Attract, Retain and Develop Amazing Talent

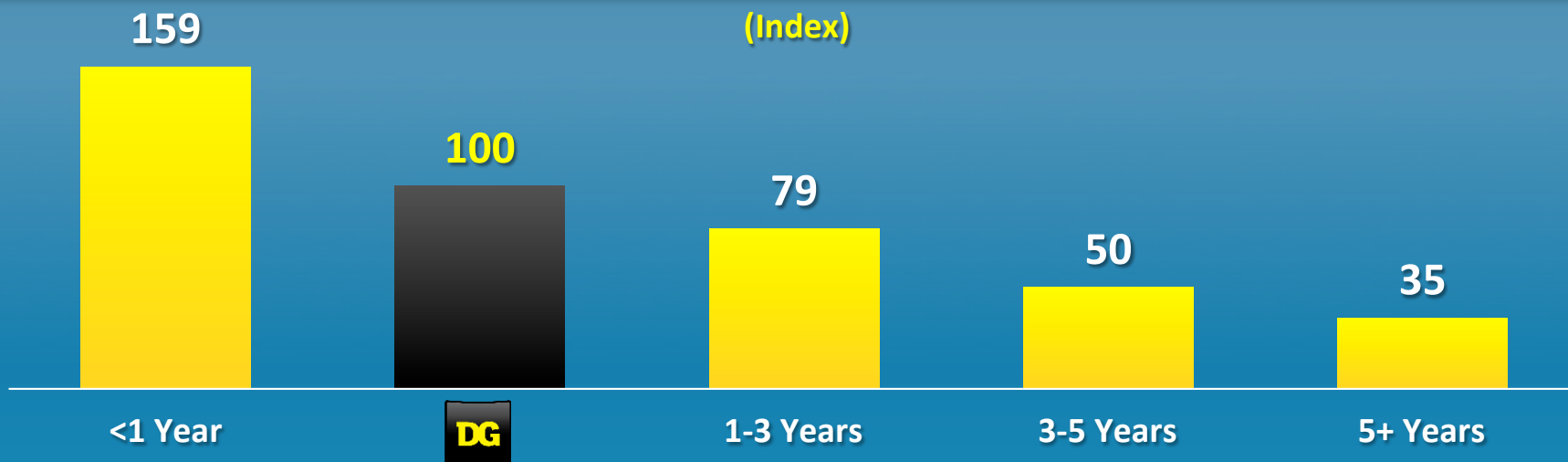


Stable Leadership Drives Better Results

Note: As of January 29, 2016

Attract, Retain and Develop Amazing Talent

Store Manager Turnover by Tenure



First Year is Critical for New Store Managers

Note: As of January 29, 2016

Attract, Retain and Develop Amazing Talent

Positioning for Success

- Capitalize on track record of training innovation
- Emphasize First Year “Survival Skills”
 - Learning in the aisles
 - What is most important?
- Leverage Technology

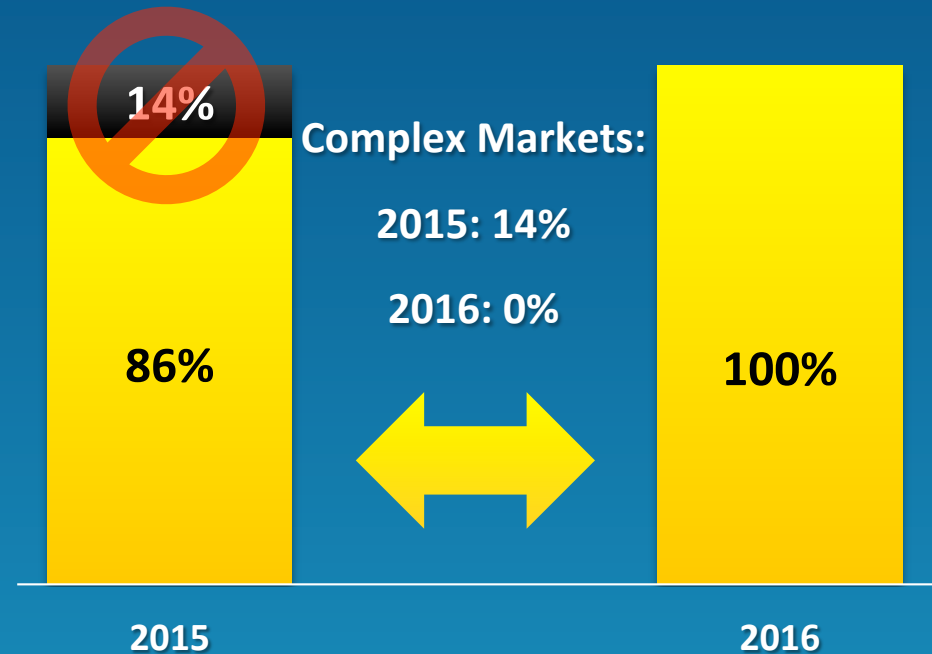


Training Store Managers for Success in Year One

Attract, Retain and Develop Amazing Talent

Complexity Approach

- Index Stores and Markets Based upon Correlative Complexity Drivers
- Rank Stores and Markets by Complexity
- Create More Manageable Business Units
- Align Talent with Level of Complexity



Successfully Reduced Operational Complexity for 2016

Strategic Imperatives

Attract, Retain and
Develop Amazing Talent



Strengthen Our
Execution Machine



Enhance the
Customer Experience



Strengthen Our Execution Machine

**Product
Flow**



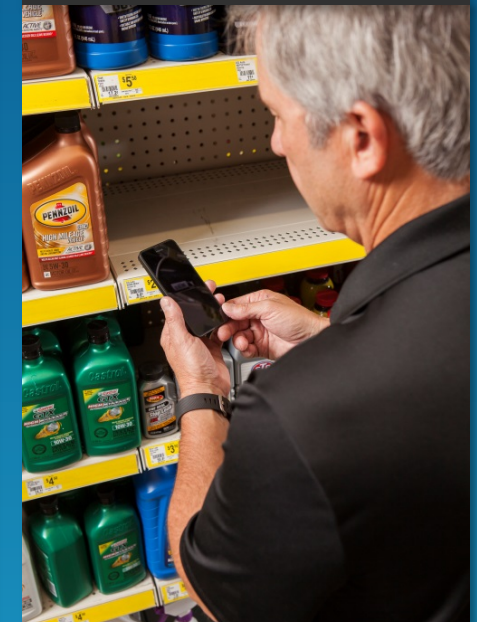
**Product
Placement**



**Performance
Management**



**Mobile
Technology**



Increasing Efficiency Through Process and Technology

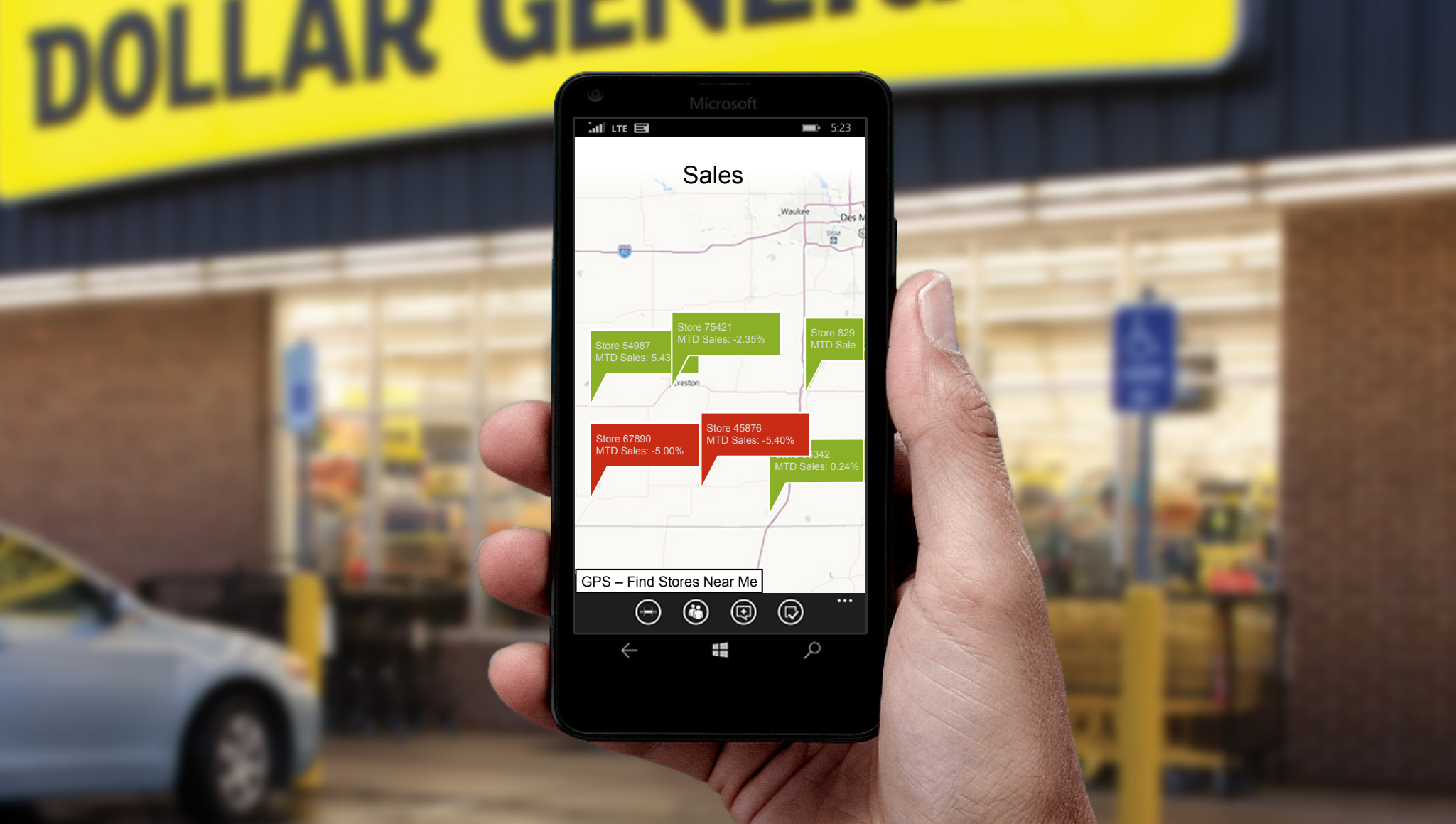
Strengthen Our Execution Machine

Mobile Application: Key Performance Indicators

- Leverage Data and Mobile Technology Utilizing Geofencing to Simplify Work
- Provide Key Performance Indicators with Ability to Drill into Metrics
- Enable Field Leadership to Identify and Solve Root Cause Issues While in Stores



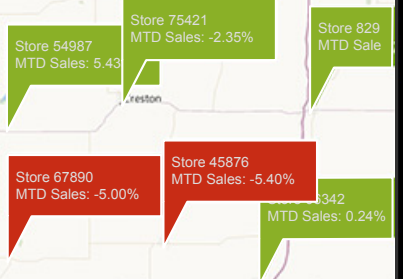
Improving Performance Through Innovation



Microsoft

LTE 5:23

Sales



GPS - Find Stores Near Me





Microsoft

LTE 5:23

KPI 0.5.6
Store 67890

Sales - Comp

Day: \$2,916 18.73%	WTD: \$10,772 -6.39%	menu
PTD: \$30,043 -5.00%	YTD: \$30,043 -5.00%	

Last updated: 02/09/2016

Shrink

SAS CTD:	SAS Last Period:	menu
Actual: 9.4 WP 9.1 Gap 0.4	Actual 8.7 WP 8.2 Gap 0.5	

Last updated: 02/10/2016

Labor

PWK: \$1,236 / \$1,787 69.16%	WTD: \$1,667 / \$1,757 94.86%	menu
PTD: \$4,798 / \$5,371 89.33%	YTD: \$92,115 / \$95,338 96.62%	

Last updated: 02/06/2016

Customer Connect

TCS Period: 63.00%	TCS YTD: 57.10%	menu
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Last updated: 02/05/2016

EBITDA - Comp menu





Microsoft

LTE 5:23

KPI 0.56
Store 67890

HIGHLY CONSUMABLES Sales - Comp		menu
Day: \$3,066	WTD: \$19,892	
-26.49%	-2.89%	
PTD: \$112,869	YTD: \$112,869	
-2.49%	-2.49%	

SEASONAL Sales - Comp		menu
Day: \$154	WTD: \$789	
106.30%	47.36%	
PTD: \$4,565	YTD: \$4,565	
1.78%	1.78%	

BASIC CLOTHING Sales - Comp		menu
Day: \$292	WTD: \$1,444	
38.06%	43.45%	
PTD: \$7,371	YTD: \$7,371	
5.11%	5.11%	

BASIC HOUSEHOLD Sales - Comp		menu
Day: \$375	WTD: \$2,663	
-13.54%	10.21%	
PTD: \$15,045	YTD: \$15,045	
10.01%	10.01%	

Last updated: 02/24/2016





Microsoft

LTE 5:23

KPI 0.56
Store 67890

PET Sales - Comp	
Day: \$251	WTD: \$1,153
-31.83%	-29.10%
PTD: \$7,175	YTD: \$7,175
-15.01%	-15.01%
Last updated: 02/24/2016	

menu

PERISHABLES Sales - Comp	
Day: \$459	WTD: \$2,317
-31.83%	-18.11%
PTD: \$12,303	YTD: \$12,303
-12.24%	-12.24%
Last updated: 02/24/2016	

menu

SUNDRIES Sales - Comp	
Day: \$83	WTD: \$623
5.96%	-8.56%
PTD: \$3,160	YTD: \$3,160
-11.49%	-11.49%
Last updated: 02/24/2016	

menu

FOOD Sales - Comp	
Day: \$394	WTD: \$2,257
-21.06%	-8.43%
PTD: \$12,120	YTD: \$12,120
-7.47%	-7.47%
Last updated: 02/24/2016	

menu

PAPER PRODUCTS Sales - Comp



Strengthen Our Execution Machine

Drive In-Stock

Sales Impact

RetailWire.com

Retailers suffer the high cost of overstocks and out-of-stocks

Overstocks and out-of-stocks cost retailers \$1.1 trillion globally in lost revenue, according to a new study from IHL Group, commissioned by OrderDynamics.

Overstocks are responsible for 3.2 percent in lost revenue for the average retailer, and out-of-stocks, 4.1 percent.

In North America, the loss from overstocks in the region is estimated to cost retailers \$123.4 billion annually and out-of-stocks \$129.5 billion although better forecasting tools have resulted in improvements to both metrics in recent years.

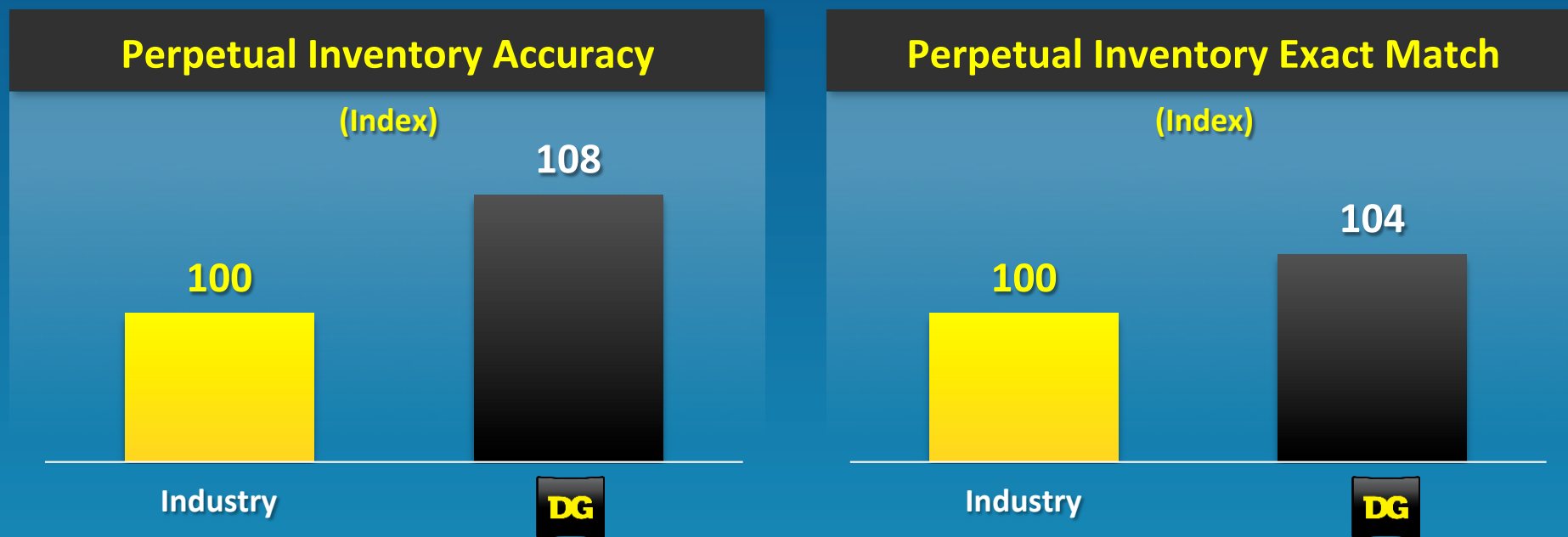
Root Causes of Not Being In-Stock



Understanding the Total Cost of OOS
Gruen, Corsten, and Bharadwaj 2002

In-Stock is a Sales Opportunity

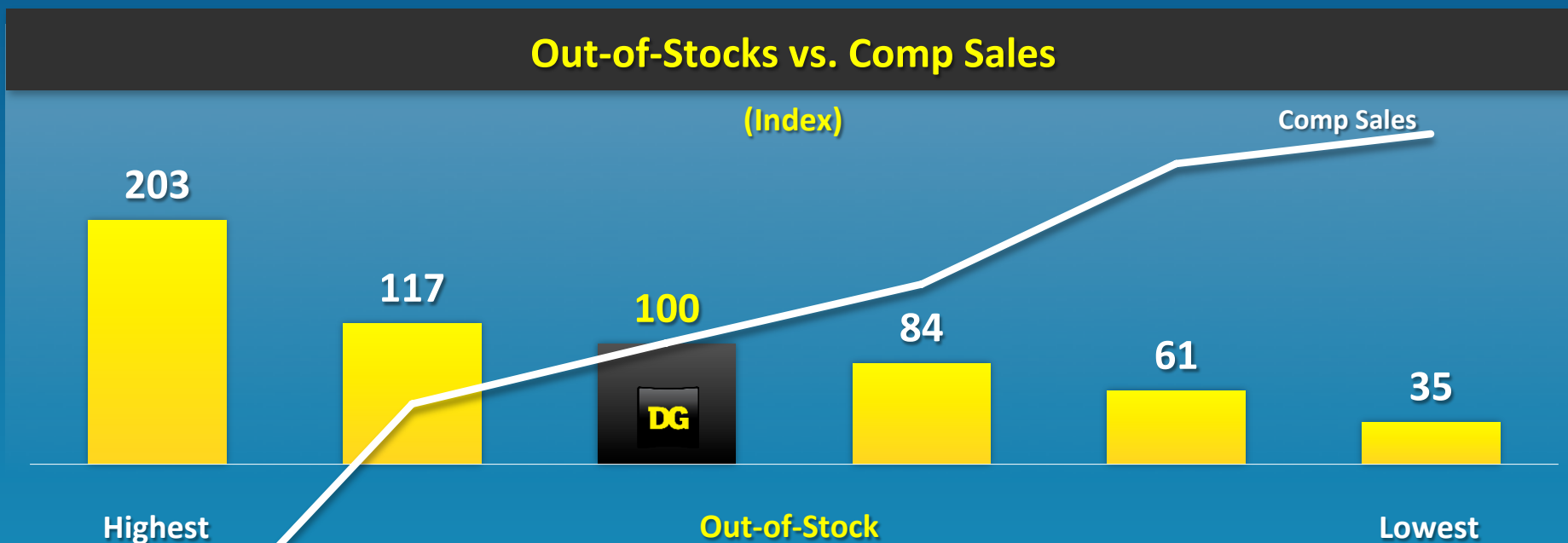
Strengthen Our Execution Machine



Dollar General Outperforms the Industry

Note: Industry data per "A Comprehensive Guide to Retail Out-Of-Stock Reduction In the Fast-Moving Consumer Goods Industry," Gruen & Corsten

Strengthen Our Execution Machine



Opportunity for In-Stock Improvement

Note: As of January 29, 2016

Strengthen Our Execution Machine

Third Party OOS Audit Results

(2015 Index)



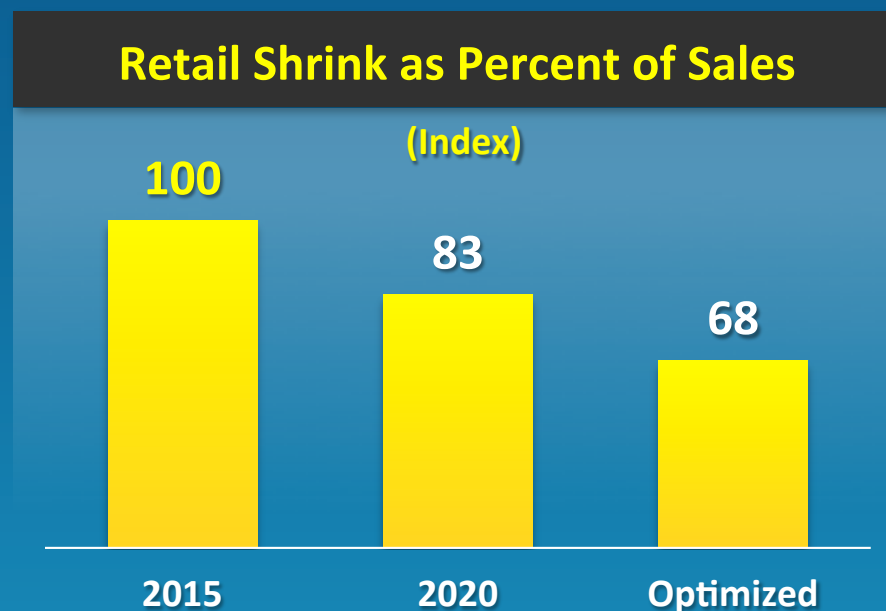
Customer In-Stock Survey Results

(2015 Index)



Our In-Stock is Improving!

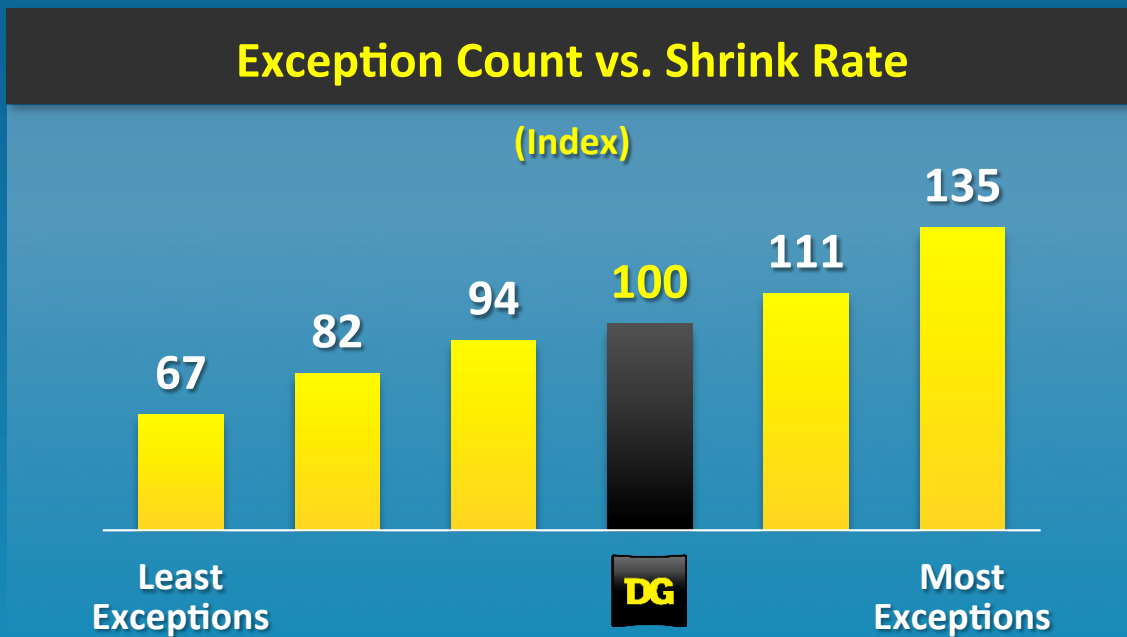
Strengthen Our Execution Machine



Opportunity for Shrink Improvement

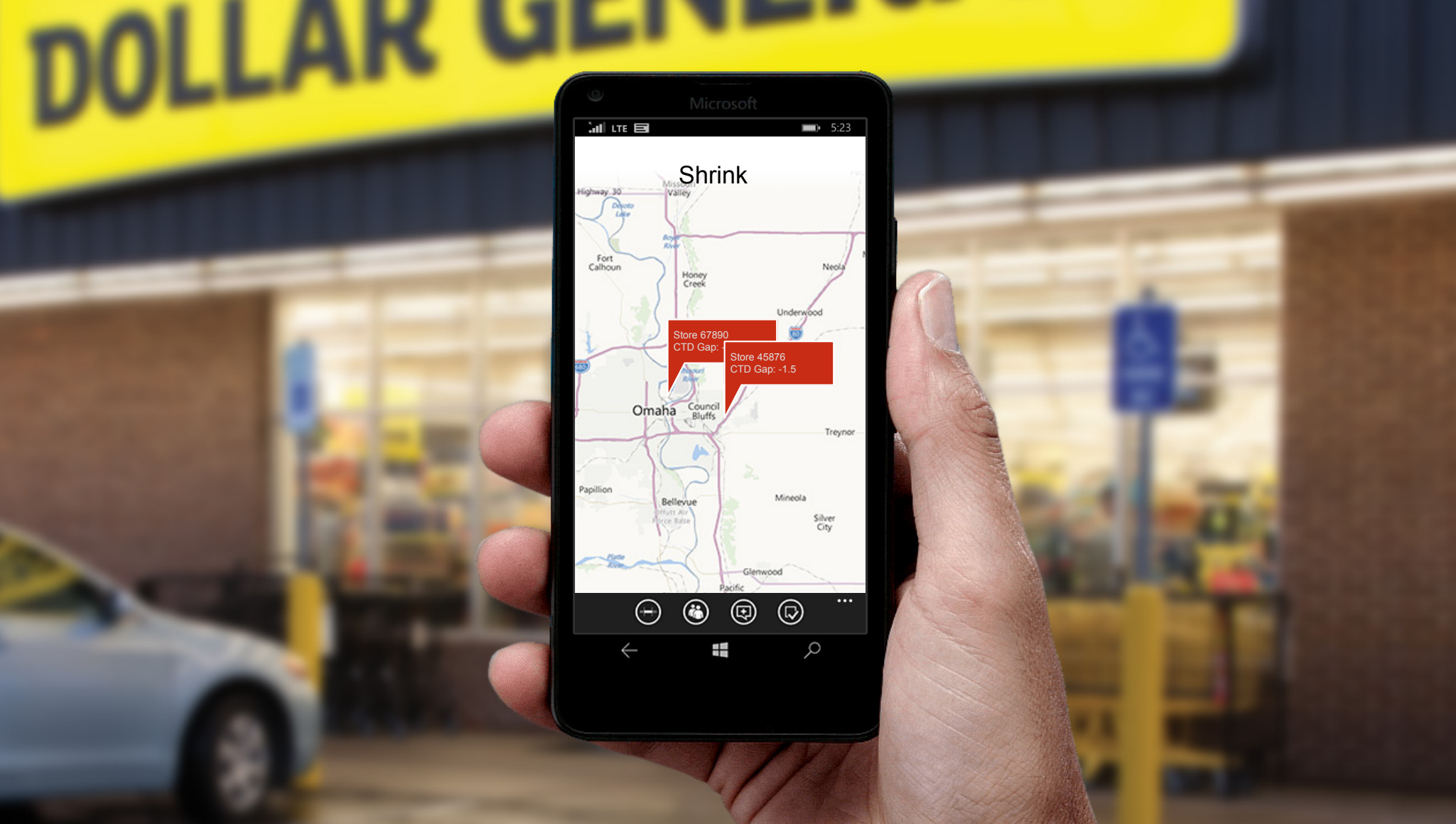
Strengthen Our Execution Machine

Mobile Application: Exception Based Reporting



Fewer Exceptions = Better Shrink

Note: As of January 29, 2016



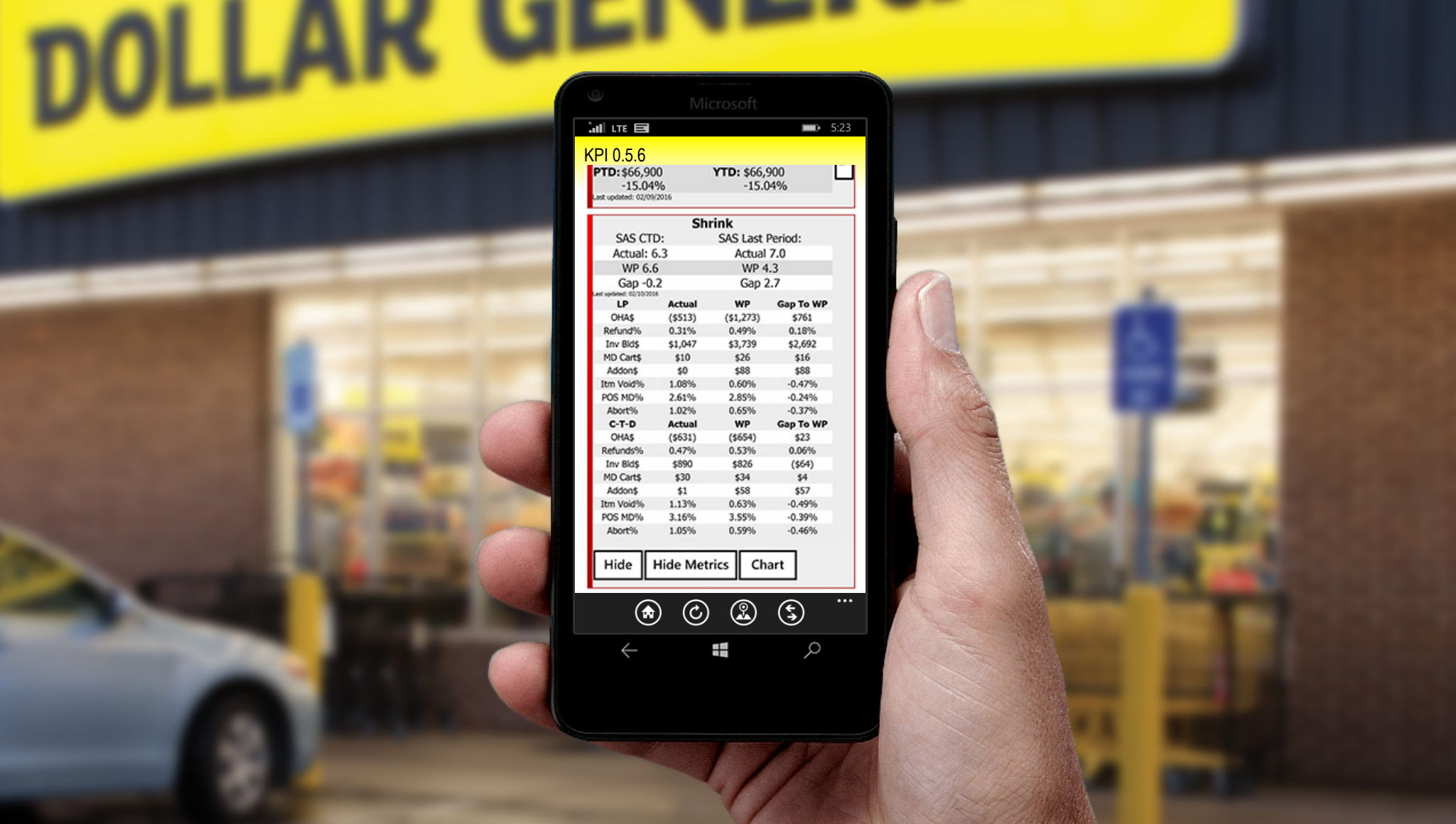
Microsoft

Shrink

Store 67890
CTD Gap:

Store 45876
CTD Gap: -1.5

DOLLAR GENERAL



Microsoft

LTE 5:23

KPI 0.5.6

PTD: \$66,900	YTD: \$66,900
-15.04%	-15.04%

Last updated: 02/09/2016

Shrink

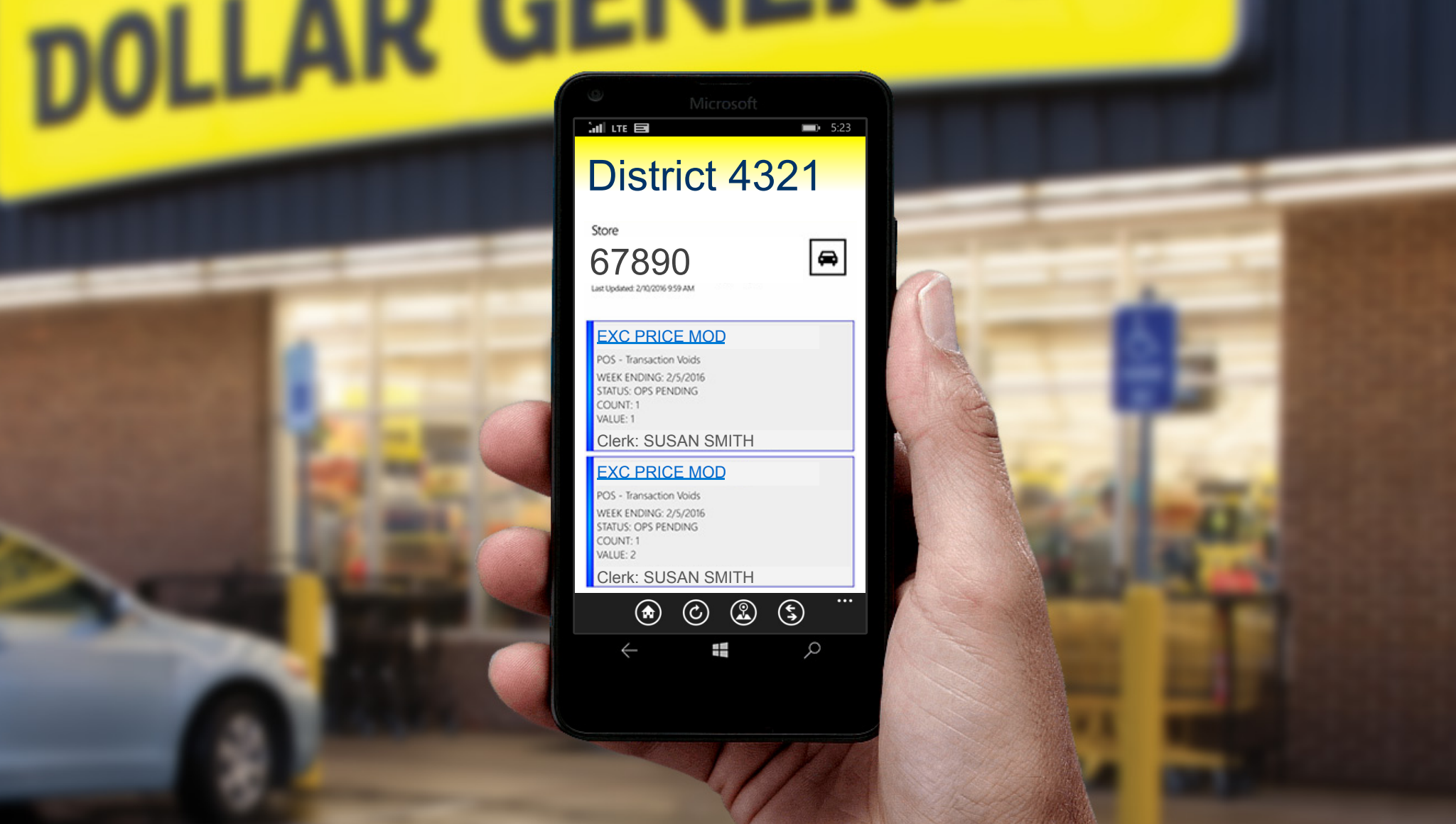
SAS CTD:	SAS Last Period:
Actual: 6.3	Actual 7.0
WP 6.6	WP 4.3
Gap -0.2	Gap 2.7

Last updated: 02/09/2016

LP	Actual	WP	Gap To WP
OHA\$	(\$513)	(\$1,273)	\$761
Refund%	0.31%	0.49%	0.18%
Inv Bid\$	\$1,047	\$3,739	\$2,692
MD Cart\$	\$10	\$26	\$16
Addon\$	\$0	\$88	\$88
Itm Void%	1.08%	0.60%	-0.47%
POS MD%	2.61%	2.85%	-0.24%
Abort%	1.02%	0.65%	-0.37%
C-T-D	Actual	WP	Gap To WP
OHA\$	(\$631)	(\$654)	\$23
Refunds%	0.47%	0.53%	0.06%
Inv Bid\$	\$890	\$826	(\$64)
MD Cart\$	\$30	\$34	\$4
Addon\$	\$1	\$58	\$57
Itm Void%	1.13%	0.63%	-0.49%
POS MD%	3.16%	3.55%	-0.39%
Abort%	1.05%	0.59%	-0.46%

Hide Hide Metrics Chart





Microsoft

LTE 5:23

District 4321

Store

67890



Last Updated: 2/10/2016 9:59 AM

EXC PRICE MOD

POS - Transaction Voids
WEEK ENDING: 2/5/2016
STATUS: OPS PENDING
COUNT: 1
VALUE: 1

Clerk: SUSAN SMITH

EXC PRICE MOD

POS - Transaction Voids
WEEK ENDING: 2/5/2016
STATUS: OPS PENDING
COUNT: 1
VALUE: 2

Clerk: SUSAN SMITH



Strategic Imperatives

Attract, Retain and
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Strengthen Our
Execution Machine



Enhance the
Customer Experience



Enhance the Customer Experience

Customer Segmentation

- Provides Opportunity to Understand What Matters Most to Our Core Customer:
 - Convenient
 - Clean
 - In-Stock
 - Friendly
 - Quick Checkout



The Customer Is At the Center of Everything We Do

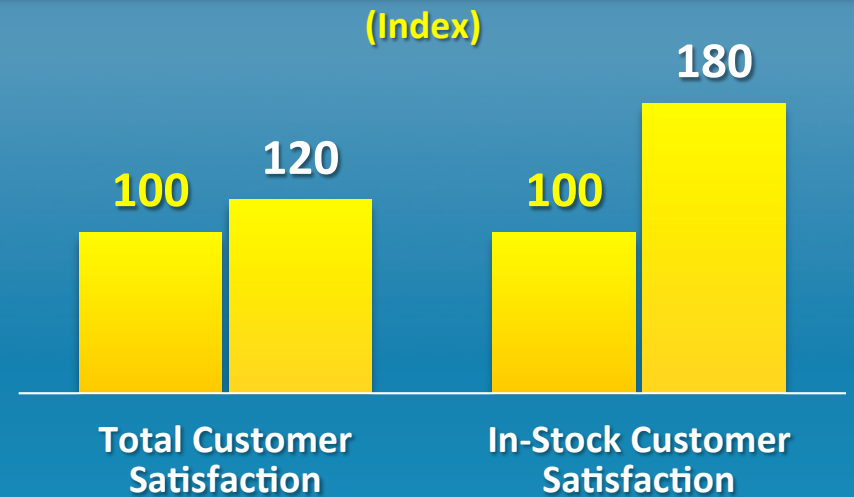
Enhance the Customer Experience

Strategic Labor Investments

What Our Customers Told Us

- Employees Quickly Responded to My Needs
- Store was Neat, Well-Organized and Clean
- Employees Greeted and Thanked Customers
- Store was Well-Stocked with Products it Sells

Investment vs. Control Stores



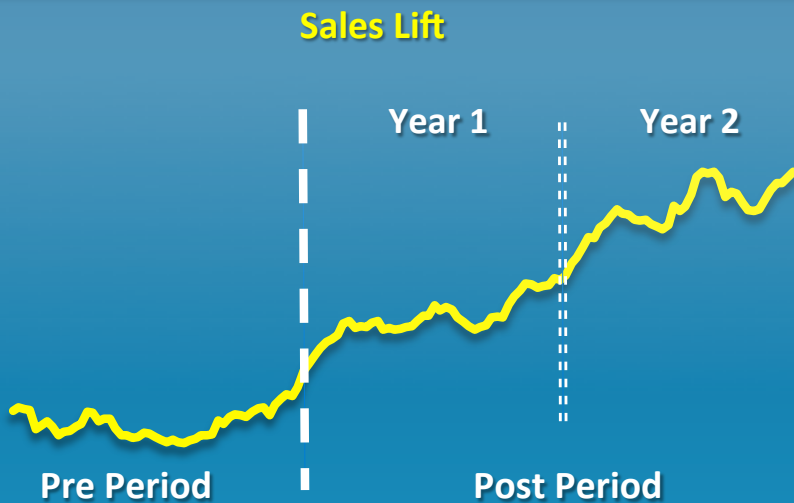
Significant Improvement in Standards, Service and In-Stock

Note: As of January 29, 2016

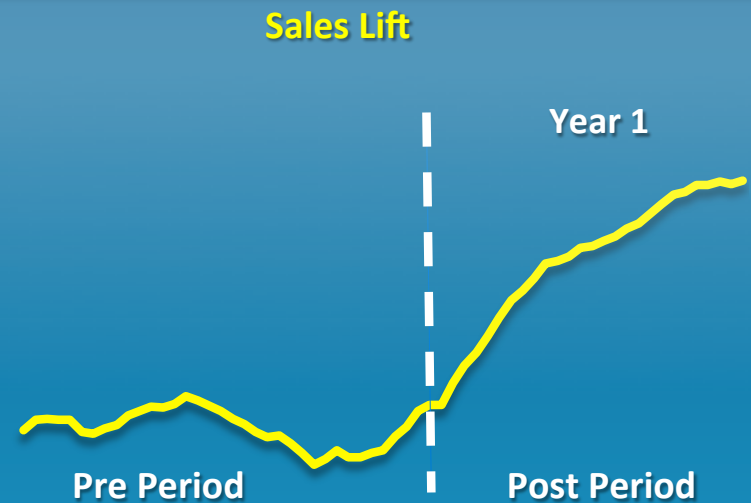
Enhance the Customer Experience

Strategic Labor Investments

2014 Test & Learn Stores



2015 Strategic Labor Investments



Investments Driving Returns

Key Takeaways

- **Strong Process and Technology Platform for Growth**
- **Active Talent Management Approach to Sustain Growth**
- **Same-Store Sales Opportunity through In-Stock Improvements**
- **Continuous Opportunity for Shrink Improvement**
- **Clear Focus on What Matters to the Customer**

Scalable Infrastructure to Support Growth

DOLLAR GENERAL[®]

Invest

**FOR
GROWTH**