



2020 Vision

Todd Vasos, CEO

Invest for Growth

Strong Track Record of Results

Addressable Market Opportunity

Operating Priorities for Growth

Vision for Dollar General



Strong Track Record of Results

26th Consecutive Year of Same-Store Sales Growth



Note: Excludes sales in 53rd week in 2000, 2005 and 2011. See description of same-store sales calculation and treatment of 53rd weeks set forth in latest Form 10-K filed with the SEC on March 22, 2016

Strong Track Record of Results

Consistent Unit Growth and Dollar Share Growth
(Highly Consumable % Change)



Source: Nielsen POS Highly Consumables, as of Fiscal Year End 2015

Strong Track Record of Results

**32nd Consecutive Quarter Over Comparable Prior Year Quarter
of Traffic and Basket Growth (2008 to 2015)**



Strong Track Record of Results

Dollar General: The Intersection of Value and Convenience

	Relative Price Index	Square Footage
DOLLAR GENERAL	100	7,500
Mass Merchant	100	~125,000
Grocery	120	~40,000
Drug	140	~12,000



Note: Relative Price Index based on January 2016 price audit of same basket of products conducted by Retail Data

Strong Track Record of Results

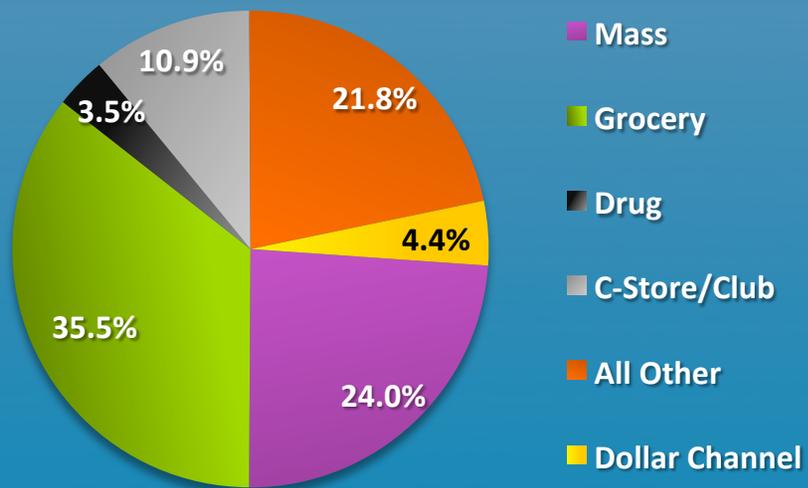


Significant Earnings Growth and Cash Generation

Note: Cumulative cash returned includes share repurchases and dividends; See Non-GAAP reconciliations for Adjusted EPS & CAGR

Addressable Market Opportunity

Sales by Channel (2015)



Total Market: \$793 Billion

Dollar General Net Sales (\$ in billions)



Source: Nielsen Standard Syndicated Homescan Panel, Total US, DG Shoppers, 52 Weeks Ended 12/26/15

Addressable Market Opportunity



Addressable Market Opportunity



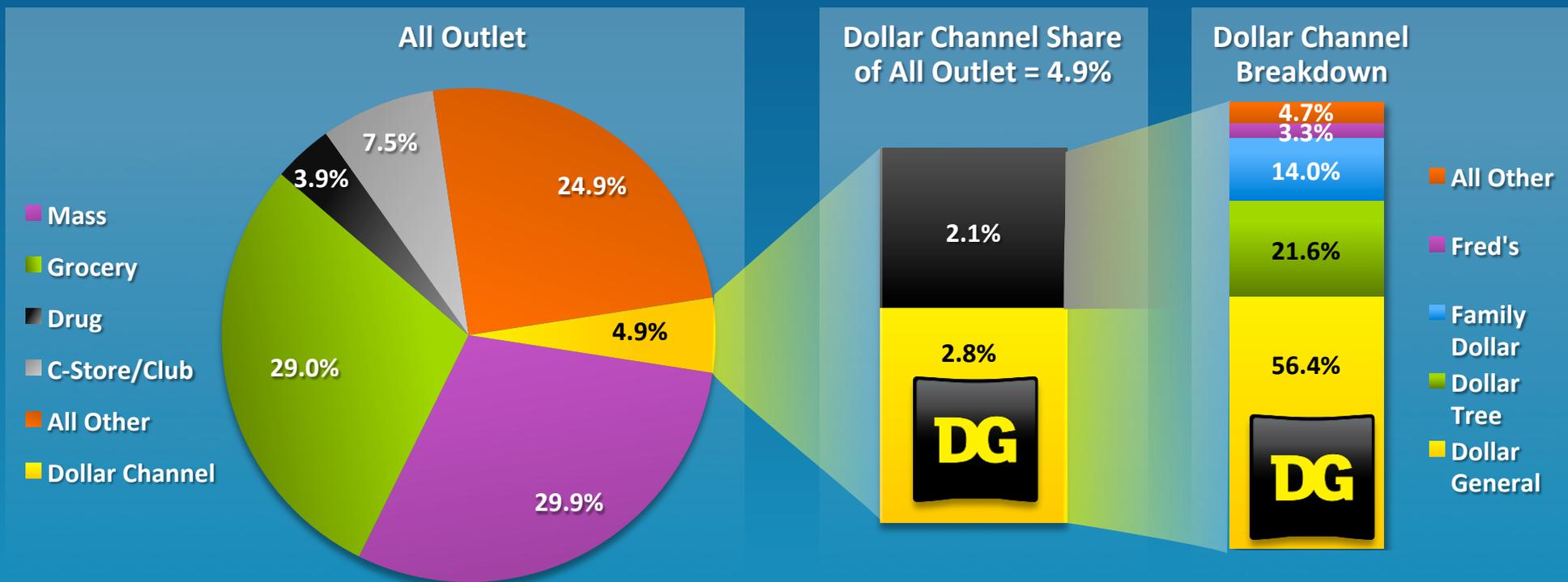
2016:

~13,000 Store Opportunities

Significant Opportunity for 6 to 8%
Square Footage Growth

Addressable Market Opportunity

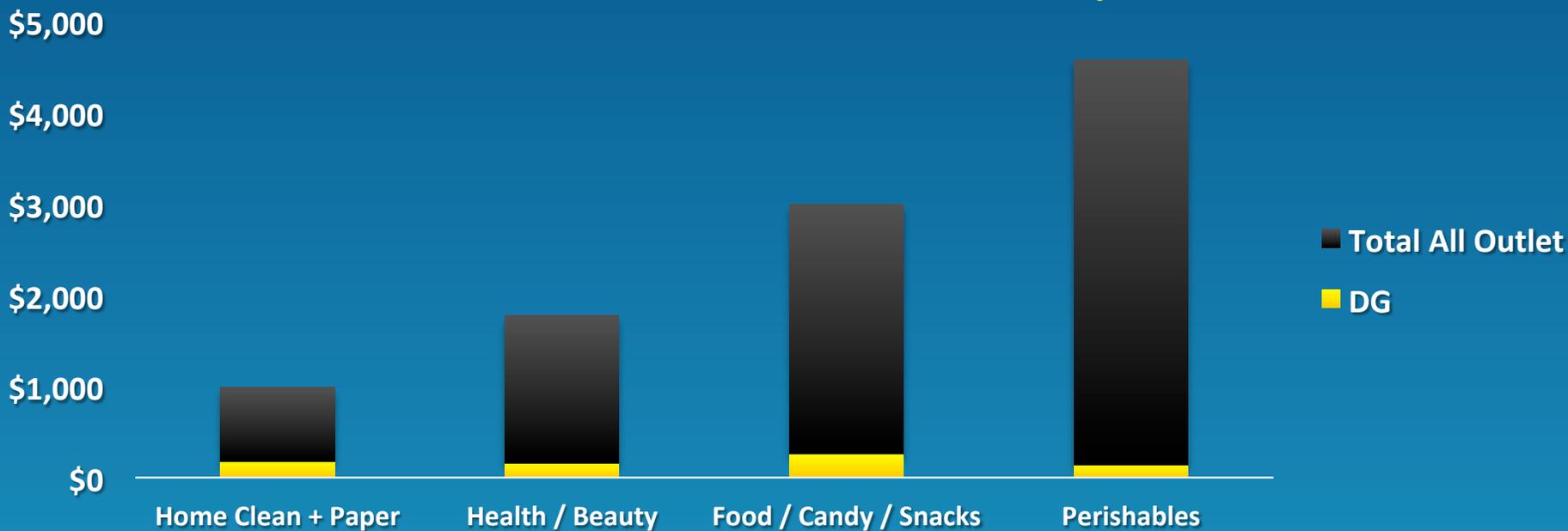
Growing Share of Wallet in Dollar Channel



Source: Nielsen Standard Syndicated Homescan Panel, DG Retail Trade Area (excludes CA and NV), DG Shoppers, 52 Weeks Ended 12/26/15

Addressable Market Opportunity

DG Customer Annualized Household Spend



Opportunity Exists to Grow Key Departments

Source: Nielsen Standard Syndicated Homescan Panel, DG Retail Trade Area, DG Shoppers, 52 Weeks Ended 12/26/15

Operating Priorities for Growth

- 1 Driving Profitable Sales Growth
- 2 Capturing Growth Opportunities
- 3 Enhancing Our Position as a Low-Cost Operator
- 4 Investing in Our People as a Competitive Advantage



Customer is at the Center of All We Do

DOLLAR GENERAL
Invest
FOR
GROWTH

1. Driving Profitable Sales Growth

Leverage Category Management

- Assess role every SKU plays
- Optimize on a per-store basis
- Balance growth across consumables and non-consumables

Improve In-Stock Position

- Right products at the right time at the right store
- Labor investment in select competitive stores to drive in-stocks
- Inventory management disciplines

Own EDLP

- Like-for-like pricing survey: biweekly/ monthly/ quarterly
- Parity with mass, ~20% less than grocery and ~40% less than drug
- Balance affordability and value

Enhance Gross Margin

- Category management
- Shrink reduction
- Distribution & transportation efficiencies
- Global sourcing penetration
- Private brand growth
- Non-consumable growth

2. Capturing Growth Opportunities

Significant New Store Growth

- Compelling new store economics: ~18 to 20% IRR on new stores
- Average year 1 sales index at 80 to 85% of SSS Base
- New store maturation contributes 150 to 200 bps to overall SSS comp
- Cash flow positive year 1; Payback < 2 years
- ~13,000 existing identified opportunities

Relocation and Remodel Criteria

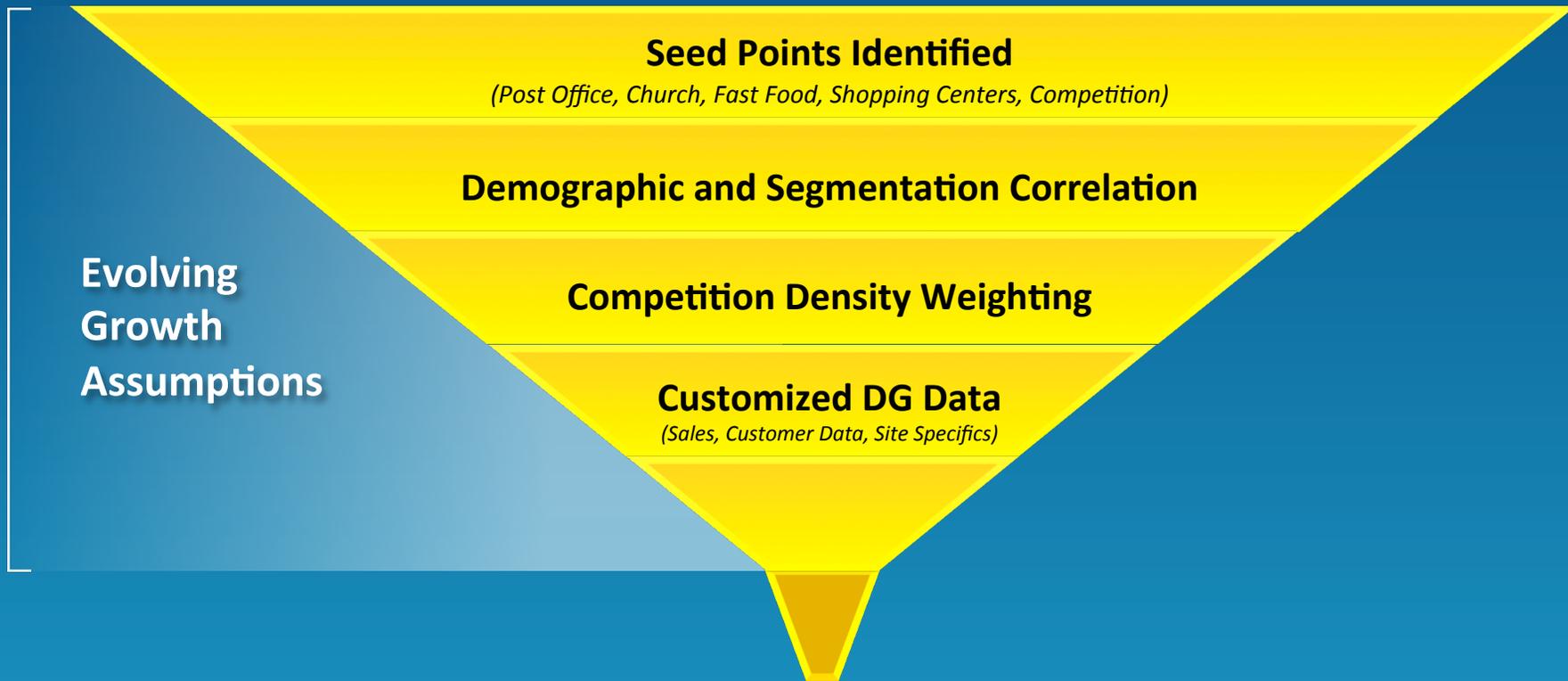
- Compelling relocation and remodel economics: ~18-20% weighted avg. IRR
- Over 3,500 combined opportunities
- Relocations target undersized or restricted stores to capture market share
- Remodels target stores with higher sales potential limited by older layouts

New Concepts

- Leader in store format optimization
- Significant opportunity for test-and-learns
- Small format (<6,000 sq. ft.)

Note: Metrics are based on historical performance in the last four fiscal years

2. Capturing Growth Opportunities: New Store Site Selection



Optimized Points Identified: ~13,000

2. Capturing Growth Opportunities

Compelling New Store Returns



**Low Cost to Build,
Low Cost to Operate**

Note: New store investment represents those costs incurred solely in the year of opening and traditional stores only; New store sales and EBITDA contribution exclude DG Market stores

2. Capturing Growth Opportunities

Compelling New Store Returns



Low Cost to Build,
Low Cost to Operate

Note: New Store IRR and Payback exclude DG Market stores

2. Capturing Growth Opportunities

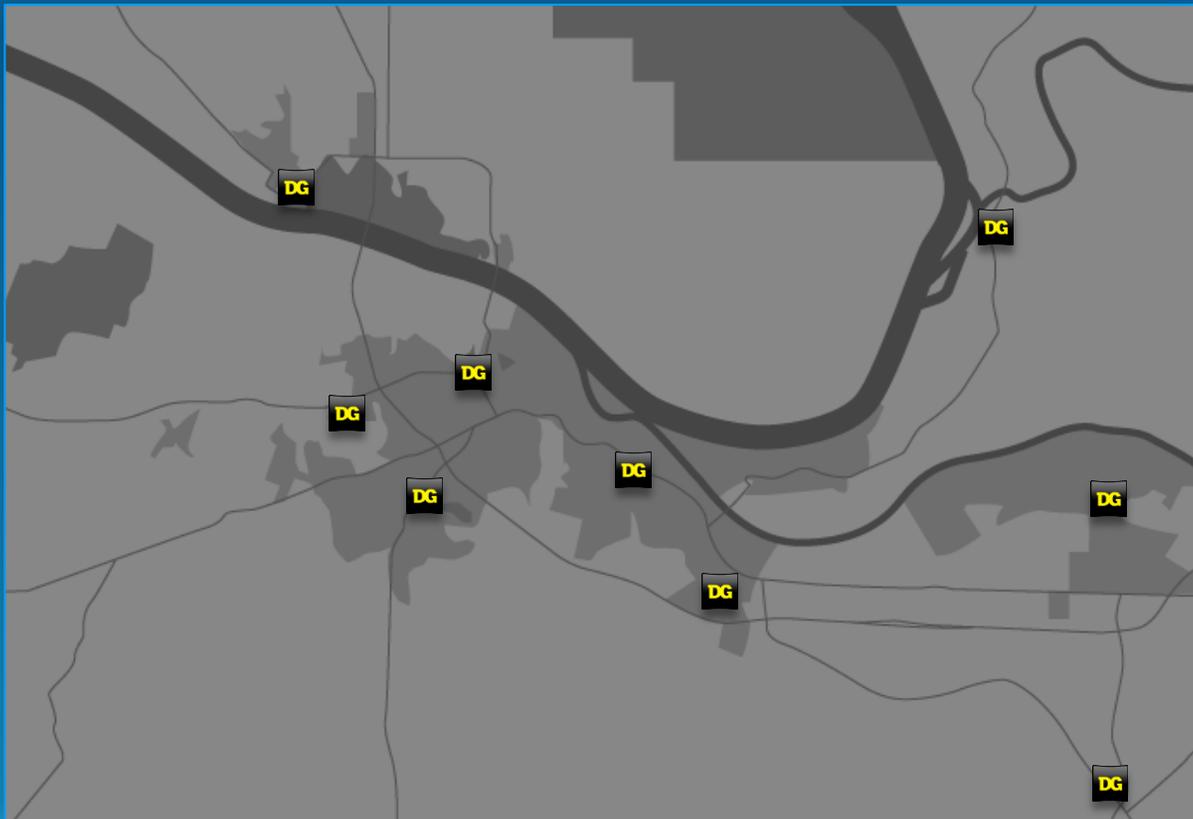
Anytown, USA Market Area: 2009

Targeted Market Strategy

Market Area Distinction	Small Town
Dimensions of Market Area	24 X 30 Miles
Store Count	9
Sales	~\$16 million
Sales / Household	\$371

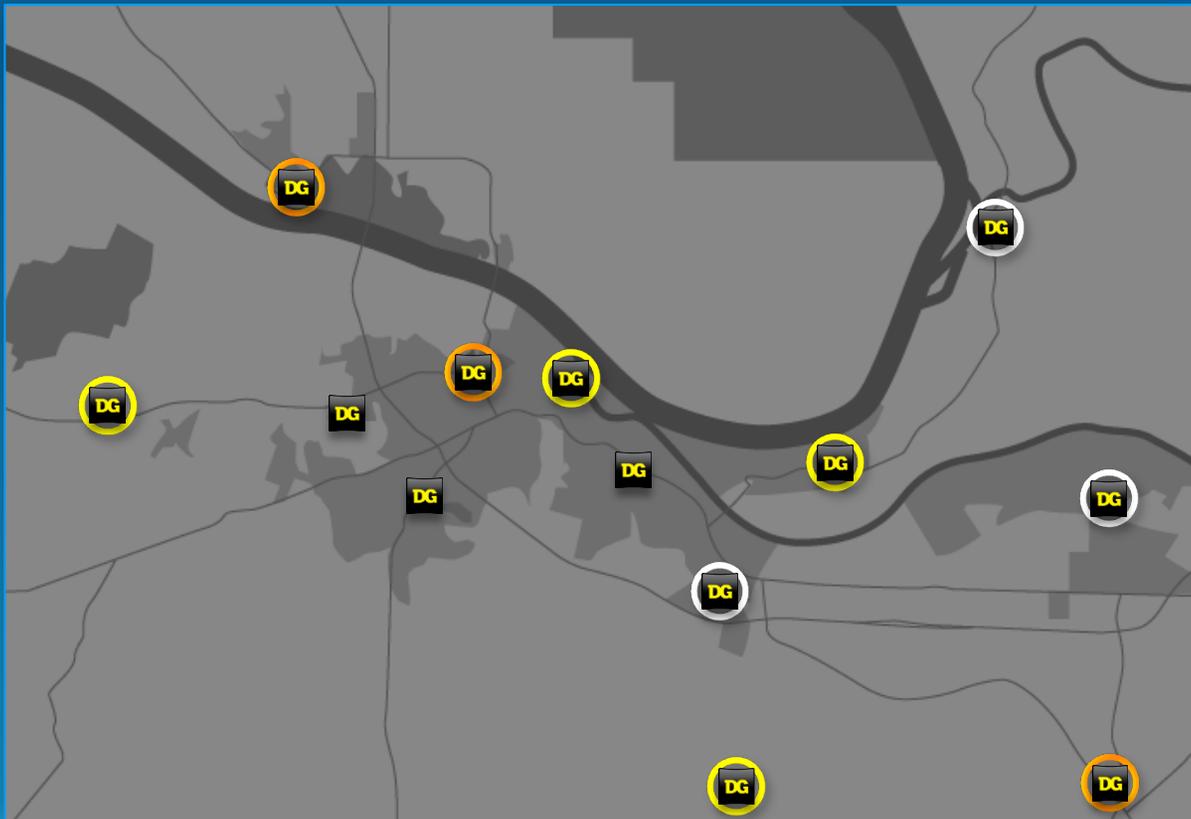


2. Capturing Growth Opportunities: 2009 Market Landscape



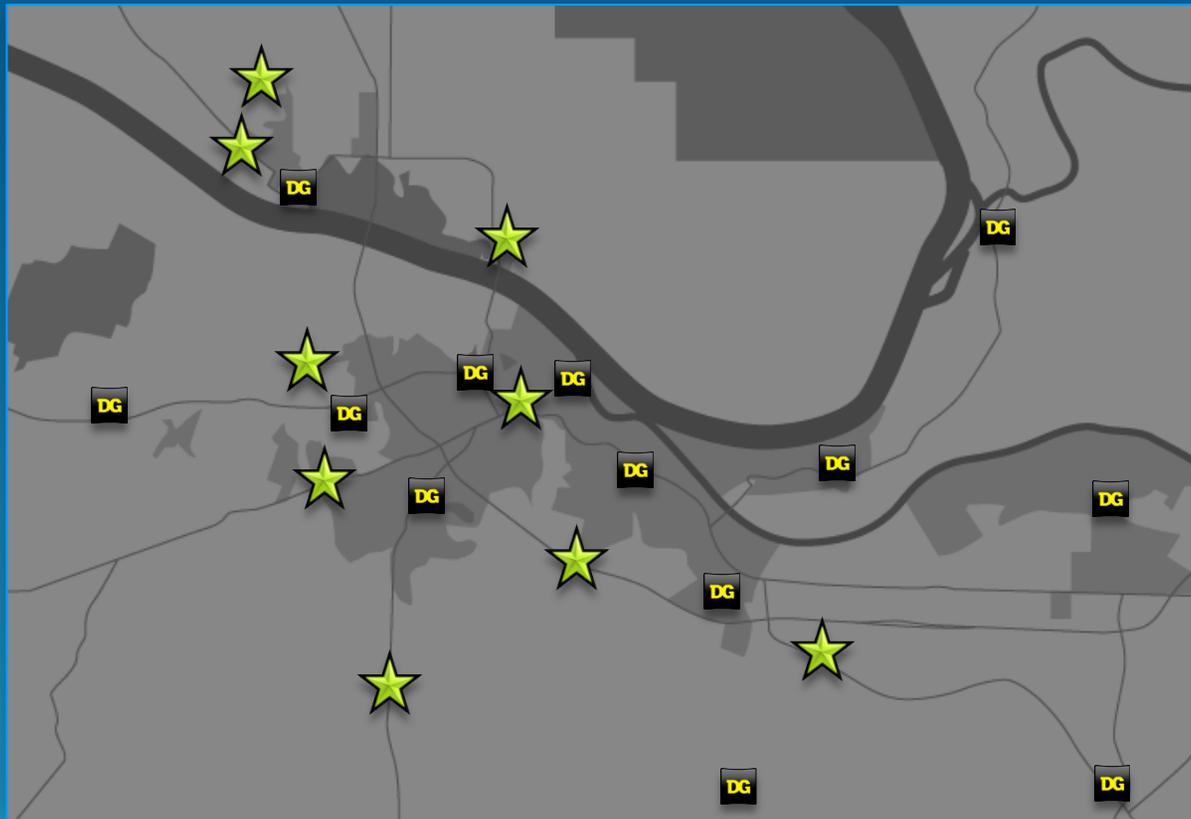
Dollar General

2. Capturing Growth Opportunities: 2009 to 2012 Market Landscape



-  Dollar General
-  New Store Openings
-  Relocations
-  Remodels

2. Capturing Growth Opportunities: 2012 Master List Opportunities

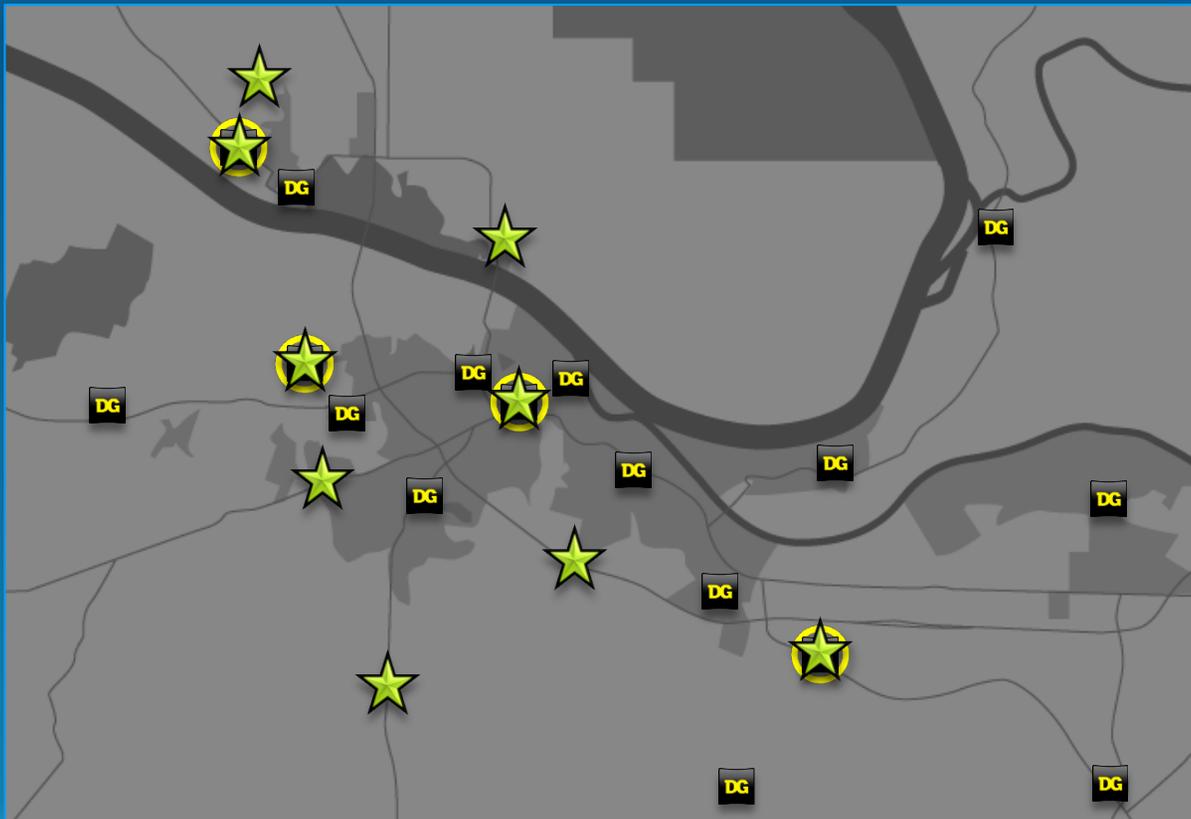


Dollar General



Master Opportunities

2. Capturing Growth Opportunities: 2013 to 2015 Market Landscape



Dollar General



Master Opportunities



New Store Openings

2. Capturing Growth Opportunities

Anytown, USA Market Area: 2015 and 2020 (Projected)

	2009	2015	Projected (2020)	Growth (2009-2020)
Store Count	9	17	22	+ 13
Sales	~\$16 million	~\$30 million	~\$44 million	+ ~\$28 million
Sales / Household	\$371	\$697	\$1,033	+ \$662

2. Capturing Growth Opportunities

Small Format Store

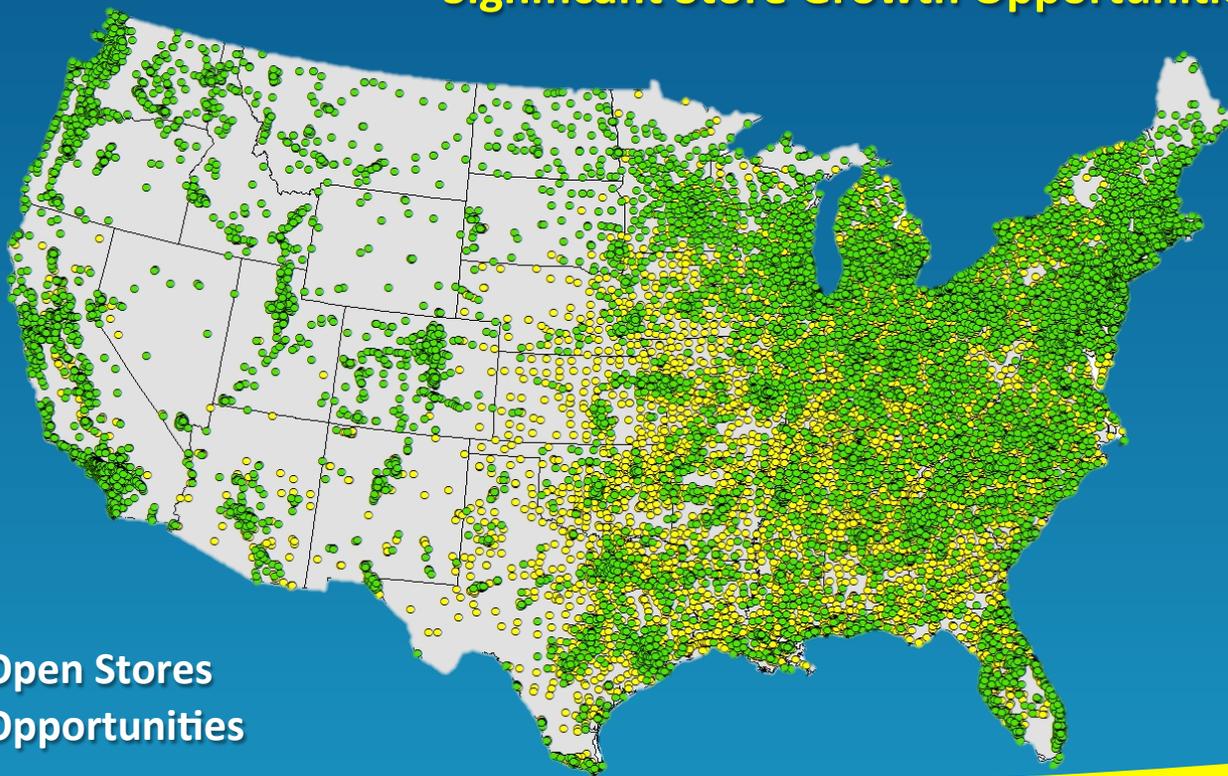
Objective: Develop and Implement a Store Format with Square Footage < 6,000 Square Feet

- Optimize merchandise assortment to maximize sales productivity
- Lower occupancy costs by reducing the size of the box
- **Increases Ability to Capture Real Estate Opportunities**
- **Tested More Than 30 Locations in 2014 and 2015 to Gauge Results**
 - Encouraged by initial results
- **Forecast Approximately 80 Locations in Pipeline for Fiscal 2016**
- **Exploring Additional Opportunities to Leverage Prototype**



2. Capturing Growth Opportunities

Significant Store Growth Opportunities



- Open Stores
- Opportunities

Number of
Open Stores
12,483

Number of Remaining
Opportunities
~13,000

DOLLAR GENERAL
Invest
FOR
GROWTH

Note: Open stores as of 1/29/2016 and identified remaining opportunities as of March 10, 2016

3. Enhancing Our Position as a Low-Cost Operator

Mining for Cost Reductions

- Centralized procurement
- Insourcing fleet maintenance

Work Elimination / Simplification

- Eliminating non-value add tasks and simplifying in-store
- Changing store recovery cadence to match traffic flow
 - Reducing plan-o-gram resets and setup time
 - Key Performance Indicators app

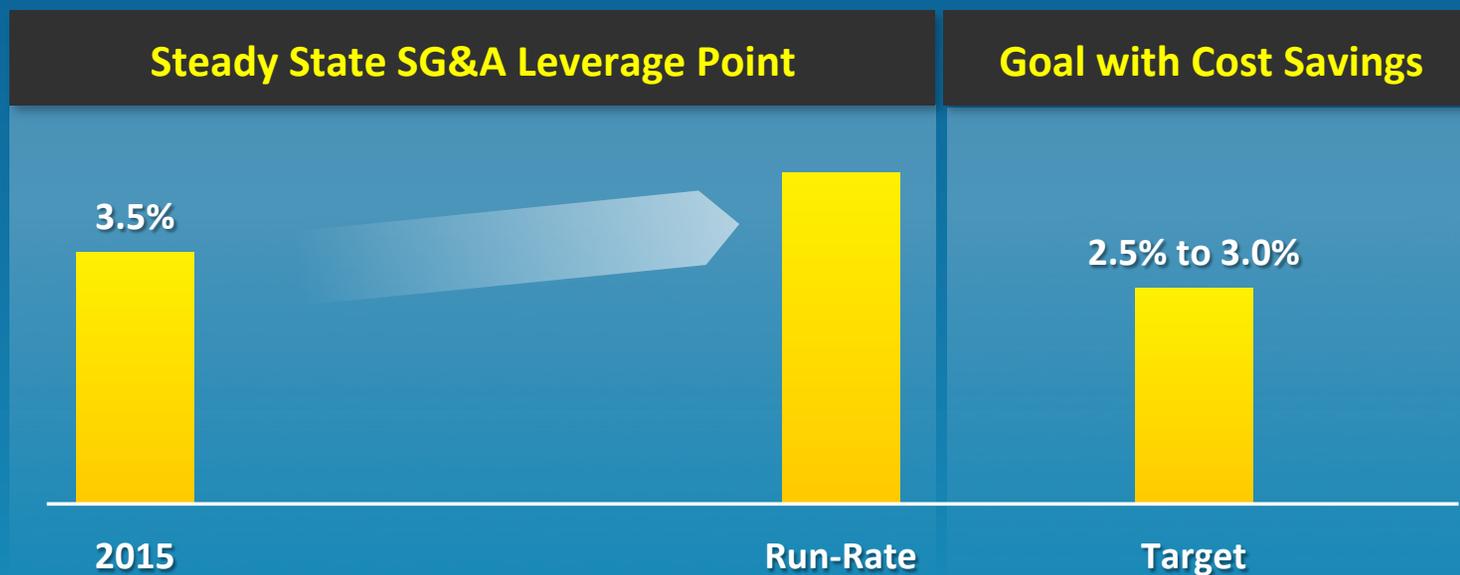
Zero-Based Budgeting

- Multi-year initiative to drive SG&A leverage point on same-store sales growth to goal of 2.5 to 3.0%
- Removes costs that do not affect customer experience
 - Opportunity to reinvest savings to drive top-line growth and/or offset cost pressures



3. Enhancing Our Position as a Low-Cost Operator

Zero-Based Budgeting Implementation: 2016 and Beyond



Zero-Based Budgeting Implemented from a Position of Strength

4. Investing in Our People as a Competitive Advantage

Growing a Career with DG

- Over 9,000 store managers were internal promotes
- ~40% of store managers and 55% of DMs and RDs have been with DG over 5 years
- ~25% of DMs and RDs have been with DG over 10 years

Attract, Develop and Retain Talent

- Best store manager turnover since 2012
- Revamp of store manager and district manager training program
- Corporate training
- Top 125 Ranking from Training Magazine (Ranked 18th in 2016)

Build Leadership Bench Strength

- Succession planning
- Individual growth and development plans
- Targeted training for high-potential employees



Note: Figures as of fiscal year end 2015

4. Investing in Our People as a Competitive Advantage

Experienced Management Team with a Proven Track Record

Name	Title	Prior Experience	Years of Retail / DG Experience
Todd Vasos	CEO	Longs Drug Stores, Phar-Mor Food and Drug, Eckerd	32 / 8
Anita Elliot	SVP, Chief Accounting Officer	Big Lots, Jitney-Jungle Stores, Ernst & Young	30 / 10
John Garratt	EVP, Chief Financial Officer	YUM, GE, Alcoa	12 / 1
Mike Kindy	SVP, Global Supply Chain	Safeway, ConAgra, PricewaterhouseCoopers	27 / 7
Jeff Owen	EVP, Store Operations	Dollar General	23 / 23
Bob Ravener	EVP, Chief People Officer	Starbucks, Home Depot, Footstar, PepsiCo	27 / 8
Rhonda Taylor	EVP, General Counsel	Ogletree, Deakins, Nash, Smoak & Stewart, P.C.	16 / 16
Jim Thorpe	EVP, Chief Merchandising Officer	Sears Holdings, Zenith, Maxima	25 / 7

Vision for the Future of DG



Vision for the Future of DG: 2020

2015 net sales:

\$20 Billion

Vision for the Future of DG: 2020

\$30 Billion
+50% Increase

Note: For illustrative purposes only. Our financial growth model includes growing net sales 7-10% annually. If our actual net sales grow at these annual rates, our \$20 billion of net sales at the end of 2015 would grow to about \$28 billion to \$32 billion by the end of 2020

DOLLAR GENERAL[®]

Invest

**FOR
GROWTH**