
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 1, 2015

Commission File Number: 001-11421

DOLLAR GENERAL CORPORATION

(Exact name of Registrant as specified in its charter)

TENNESSEE

*(State or other jurisdiction of
incorporation or organization)*

61-0502302

*(I.R.S. Employer
Identification No.)*

**100 MISSION RIDGE
GOODLETTSVILLE, TN 37072**

(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: (615) 855-4000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 297,108,500 shares of common stock outstanding on May 26, 2015.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	May 1, 2015 (Unaudited)	January 30, 2015 (see Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 225,116	\$ 579,823
Merchandise inventories	2,839,198	2,782,521
Prepaid expenses and other current assets	180,586	170,265
Total current assets	<u>3,244,900</u>	<u>3,532,609</u>
Net property and equipment	<u>2,135,436</u>	<u>2,116,075</u>
Goodwill	4,338,589	4,338,589
Other intangible assets, net	<u>1,201,428</u>	<u>1,201,870</u>
Other assets, net	<u>36,197</u>	<u>34,961</u>
Total assets	<u>\$ 10,956,550</u>	<u>\$ 11,224,104</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	\$ 101,309	\$ 101,158
Accounts payable	1,435,367	1,388,154
Accrued expenses and other	393,507	413,760
Income taxes payable	108,948	59,400
Deferred income taxes	33,808	25,268
Total current liabilities	<u>2,072,939</u>	<u>1,987,740</u>
Long-term obligations	<u>2,614,005</u>	<u>2,639,427</u>
Deferred income taxes	<u>598,248</u>	<u>601,590</u>
Other liabilities	<u>285,500</u>	<u>285,309</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock	260,111	265,514
Additional paid-in capital	3,070,518	3,048,806
Retained earnings	2,061,798	2,403,045
Accumulated other comprehensive loss	(6,569)	(7,327)
Total shareholders' equity	<u>5,385,858</u>	<u>5,710,038</u>
Total liabilities and shareholders' equity	<u>\$ 10,956,550</u>	<u>\$ 11,224,104</u>

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	For the 13 weeks ended	
	May 1, 2015	May 2, 2014
Net sales	\$ 4,918,672	\$ 4,522,081
Cost of goods sold	3,419,967	3,164,335
Gross profit	1,498,705	1,357,746
Selling, general and administrative expenses	1,070,511	978,038
Operating profit	428,194	379,708
Interest expense	21,576	22,267
Income before income taxes	406,618	357,441
Income tax expense	153,383	135,043
Net income	<u>\$ 253,235</u>	<u>\$ 222,398</u>
Earnings per share:		
Basic	\$ 0.84	\$ 0.72
Diluted	\$ 0.84	\$ 0.72
Weighted average shares outstanding:		
Basic	301,202	309,331
Diluted	302,089	310,295
Dividends per share	\$ 0.22	\$ —

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	<u>For the 13 weeks ended</u>	
	<u>May 1, 2015</u>	<u>May 2, 2014</u>
Net income	\$ 253,235	\$ 222,398
Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of \$481 and \$268, respectively	758	398
Comprehensive income	<u>\$ 253,993</u>	<u>\$ 222,796</u>

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

	For the 13 weeks ended	
	May 1, 2015	May 2, 2014
<i>Cash flows from operating activities:</i>		
Net income	\$ 253,235	\$ 222,398
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	87,152	84,158
Deferred income taxes	(10,095)	(18,542)
Tax benefit of share-based awards	(26,317)	(9,398)
Noncash share-based compensation	10,125	8,752
Other noncash (gains) and losses	1,407	224
Change in operating assets and liabilities:		
Merchandise inventories	(57,103)	(51,536)
Prepaid expenses and other current assets	(12,241)	(24,210)
Accounts payable	40,123	(62,361)
Accrued expenses and other liabilities	(17,976)	30,932
Income taxes	75,865	71,527
Other	(282)	(484)
Net cash provided by (used in) operating activities	<u>343,893</u>	<u>251,460</u>
<i>Cash flows from investing activities:</i>		
Purchases of property and equipment	(99,929)	(84,088)
Proceeds from sales of property and equipment	163	103
Net cash provided by (used in) investing activities	<u>(99,766)</u>	<u>(83,985)</u>
<i>Cash flows from financing activities:</i>		
Repayments of long-term obligations	(25,346)	(1,434)
Borrowings under revolving credit facilities	13,000	431,000
Repayments of borrowings under revolving credit facilities	(13,000)	(141,000)
Repurchases of common stock	(534,654)	(800,095)
Payments of cash dividends	(66,037)	—
Other equity and related transactions	886	(4,580)
Tax benefit of share-based awards	26,317	9,398
Net cash provided by (used in) financing activities	<u>(598,834)</u>	<u>(506,711)</u>
Net increase (decrease) in cash and cash equivalents	(354,707)	(339,236)
Cash and cash equivalents, beginning of period	579,823	505,566
Cash and cash equivalents, end of period	<u>\$ 225,116</u>	<u>\$ 166,330</u>
<i>Supplemental schedule of non-cash investing and financing activities:</i>		
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 38,676	\$ 25,639

See notes to condensed consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Dollar General Corporation and its subsidiaries (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and are presented in accordance with the requirements of Form 10-Q and Rule 10-01 of Regulation S-X. Such financial statements consequently do not include all of the disclosures normally required by U.S. GAAP or those normally made in the Company’s Annual Report on Form 10-K, including the condensed consolidated balance sheet as of January 30, 2015 which has been derived from the audited consolidated financial statements at that date. Accordingly, readers of this Quarterly Report on Form 10-Q should refer to the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2015 for additional information.

The Company’s fiscal year ends on the Friday closest to January 31. Unless the context requires otherwise, references to years contained herein pertain to the Company’s fiscal year. The Company’s 2015 fiscal year is scheduled to be a 52-week accounting period ending on January 29, 2016, and the 2014 fiscal year was a 52-week accounting period that ended on January 30, 2015.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the Company’s customary accounting practices. In management’s opinion, all adjustments (which are of a normal recurring nature) necessary for a fair presentation of the consolidated financial position as of May 1, 2015 and results of operations for the 13-week accounting periods ended May 1, 2015 and May 2, 2014 have been made.

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The Company uses the last-in, first-out (LIFO) method of valuing inventory. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management’s estimates of expected year-end inventory levels, sales for the year and the expected rate of inflation or deflation for the year. The interim LIFO calculations are subject to adjustment in the final year-end LIFO inventory valuation. The Company recorded a LIFO provision of \$0.4 million and \$0.1 million in the respective 13-week periods ended May 1, 2015 and May 2, 2014. In addition, ongoing estimates of inventory shrinkage and initial markups and markdowns are included in the interim cost of goods sold calculation. Because the Company’s

business is moderately seasonal, the results for interim periods are not necessarily indicative of the results to be expected for the entire year.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued comprehensive new accounting standards related to the recognition of revenue, which specified an effective date for annual reporting periods beginning after December 15, 2016, with early adoption not permitted. In April 2015, the FASB proposed extending the effective date by a year. The new guidance allows for companies to use either a full retrospective or a modified retrospective approach in the adoption of this guidance, and the Company is evaluating these transition approaches. The Company expects to adopt this guidance in the first quarter of the fiscal year following its effective date and is currently in the process of evaluating the effect of adoption on its consolidated financial statements.

2. Earnings per share

Earnings per share is computed as follows (in thousands, except per share data):

	13 Weeks Ended May 1, 2015			13 Weeks Ended May 2, 2014		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic earnings per share	\$ 253,235	301,202	\$ 0.84	\$ 222,398	309,331	\$ 0.72
Effect of dilutive share-based awards		887			964	
Diluted earnings per share	\$ 253,235	302,089	\$ 0.84	\$ 222,398	310,295	\$ 0.72

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is determined based on the dilutive effect of share-based awards using the treasury stock method.

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such awards would be antidilutive, were 1.1 million and 1.5 million in the 2015 and 2014 13-week periods, respectively.

3. Income taxes

Under the accounting standards for income taxes, the asset and liability method is used for computing the future income tax consequences of events that have been recognized in the Company’s consolidated financial statements or income tax returns.

Income tax reserves are determined using the methodology established by accounting standards for income taxes which require companies to assess each income tax position taken using the following two-step approach. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position.

The Internal Revenue Service (“IRS”) has previously examined the Company’s 2009 and earlier federal income tax returns. As a result, the 2009 and earlier tax years are not open for further examination by the IRS. Due to the filing of an amended federal income tax return for the 2010 tax year, the IRS may, to a limited extent, examine the Company’s 2010 income tax filings. The IRS, at its discretion, may also choose to examine the Company’s 2011 through 2014 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress. Generally, the Company’s 2010 and later tax years remain open for examination by the various state taxing authorities.

As of May 1, 2015, the total reserves for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$9.4 million, \$1.0 million and \$0.4 million, respectively, for a total of \$10.8 million. This total amount is reflected in noncurrent Other liabilities in the condensed consolidated balance sheet.

The Company believes it is reasonably possible that the reserve for uncertain tax positions may be reduced by approximately \$3.0 million in the coming twelve months principally as a result of the effective settlement of uncertain tax positions. As of May 1, 2015, approximately \$9.4 million of the reserve for uncertain tax positions would impact the Company’s effective income tax rate if the Company were to recognize the tax benefit for these positions.

The effective income tax rate for the 13-week period ended May 1, 2015 was 37.7% compared to an effective income tax rate of 37.8% for the 13-week period ended May 2, 2014.

4. Current and long-term obligations

The Company’s senior unsecured credit facilities (the “Facilities”) consist of a senior unsecured term loan facility (the “Term Facility”), which had a balance of \$900.0 million at May 1, 2015, and an \$850.0 million senior unsecured revolving credit facility (the “Revolving Facility”), which provides for the issuance of letters of credit up to \$250.0 million. The Term Facility amortizes in quarterly installments of \$25.0 million. The Facilities mature April 11, 2018.

Under the Revolving Facility as of May 1, 2015, there were no outstanding borrowings, outstanding letters of credit were \$30.6 million, and borrowing availability was \$819.4 million. In addition, the Company had additional outstanding letters of credit of \$16.6 million not under the Revolving Facility.

5. Assets and liabilities measured at fair value

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions

about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

In connection with accounting standards for fair value measurement, the Company has made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. The Company has determined that the majority of the inputs used to value its derivative financial instruments using the income approach fall within Level 2 of the fair value hierarchy. However, the credit valuation adjustments associated with the Company's derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of May 1, 2015, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that such adjustments are not significant to the derivatives' valuation. As a result, the Company has classified its derivative valuations, as discussed in detail in Note 6, in Level 2 of the fair value hierarchy. The Company's long-term obligations that are classified in Level 2 of the fair value hierarchy are recorded at cost. The Company does not have any fair value measurements categorized within Level 3 as of May 1, 2015.

(in thousands)	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at May 1, 2015
Liabilities:				
Long-term obligations (a)	\$ 1,789,996	\$ 917,523	\$ —	\$ 2,707,519
Derivative financial instruments (b)	—	263	—	263
Deferred compensation (c)	24,682	—	—	24,682

(a) Reflected at book value in the condensed consolidated balance sheet as Current portion of long-term obligations of \$101,309 and Long-term obligations of \$2,614,005.

(b) Reflected at fair value in the condensed consolidated balance sheet as Accrued expenses and other current liabilities.

(c) Reflected at fair value in the condensed consolidated balance sheet as Accrued expenses and other current liabilities of \$3,894 and noncurrent Other liabilities of \$20,788.

6. Derivatives and hedging activities

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging

instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge.

The Company may enter into derivative contracts that are intended to economically hedge a certain portion of its risk, even though hedge accounting does not apply or the Company elects not to apply the hedge accounting standards. Changes in the fair value of such derivatives are recorded directly in earnings.

Risk management objective of using derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined primarily by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings.

In addition, the Company is exposed to certain risks arising from uncertainties of future market values caused by the fluctuation in the prices of commodities. From time to time the Company may enter into derivative financial instruments to protect against future price changes related to these commodity prices.

Cash flow hedges of interest rate risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate changes. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in Accumulated other comprehensive income (loss) (also referred to as "OCI") and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the 13-week periods ended May 1, 2015 and May 2, 2014, such interest rate swaps were used to hedge the variable cash flows associated with existing variable-rate debt. The ineffective portion of the change in fair value of the interest rate swaps, if any, is recognized directly in earnings.

As of May 1, 2015, the Company had interest rate swaps with a combined notional value of \$875.0 million that were designated as cash flow hedges of interest rate risk. Amounts

reported in Accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. All of the amounts reflected in Accumulated other comprehensive income (loss) in the condensed consolidated balance sheets for the periods presented are related to cash flow hedges.

During the 52-week period following May 1, 2015, the Company estimates that approximately \$1.6 million will be reclassified as an increase to interest expense for its cash flow hedges.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification in the condensed consolidated balance sheets as of May 1, 2015 and January 30, 2015:

<u>(in thousands)</u>	<u>May 1, 2015</u>	<u>January 30, 2015</u>
Derivatives Designated as Hedging Instruments		
Interest rate swaps classified as Accrued expenses and other current liabilities	\$ 263	\$ 1,173

The table below presents the pre-tax effect of the Company's derivative financial instruments as reflected in the condensed consolidated statements of comprehensive income for the 13-week periods ended May 1, 2015 and May 2, 2014:

<u>(in thousands)</u>	<u>13 Weeks Ended</u>	
	<u>May 1, 2015</u>	<u>May 2, 2014</u>
Derivatives in Cash Flow Hedging Relationships		
Loss related to effective portion of derivatives recognized in OCI	\$ 2	\$ 616
Loss related to effective portion of derivatives reclassified from Accumulated OCI to Interest expense	\$ 1,241	\$ 1,282

Credit-risk-related contingent features

The Company has agreements with all of its interest rate swap counterparties that provide that the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on such indebtedness.

As of May 1, 2015, the fair value of interest rate swaps in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk related to these agreements, was \$0.3 million. If the Company had breached any of these provisions at May 1, 2015, it could have been required to post full collateral or settle its obligations under the agreements at an estimated termination value of \$0.3 million. As of May 1, 2015, the Company had not breached any of these provisions or posted any collateral related to these agreements.

7. Commitments and contingencies

Legal proceedings

On September 8, 2014, a lawsuit entitled *Sally Ann Carpenter v. Dolgencorp, Inc.* was filed in the United States District Court for the Southern District of West Virginia (Case No. 2:14-cv-25500) (“Carpenter”). In the complaint, the *Carpenter* plaintiff seeks to proceed on a collective basis under the Fair Labor Standards Act (“FLSA”) on behalf of herself and other former and current store managers in the state of West Virginia who were allegedly improperly classified as exempt executive employees under the FLSA and to recover overtime pay, liquidated damages, and attorneys’ fees and costs.

The Company filed its answer to the complaint on September 30, 2014. The plaintiff’s motion for conditional certification of her FLSA claims was due to be filed on or before April 24, 2015.

The *Carpenter* plaintiff did not seek certification of her FLSA claims. The parties have reached a preliminary agreement, which must be submitted to and approved by the court, to resolve this matter for an amount not material to the Company’s consolidated financial statements as a whole. At this time, although probable, it is not certain that the court will approve the settlement. However, even if the court does not approve the settlement on its current terms, the Company does not expect the resolution of the *Carpenter* matter to have a material adverse effect on the Company’s consolidated financial statements as a whole.

On October 31, 2014, a lawsuit entitled *Ronda Hood v. Dollar General Corporation* was filed in the United States District Court for the Eastern District of Louisiana (Case No. 2:14-cv-02512-JTM-DEK) (“Hood”). The *Hood* plaintiff seeks to proceed on a nationwide collective basis under the FLSA on behalf of herself and other similarly situated store managers who allegedly were improperly classified as exempt executive employees under the FLSA. The *Hood* plaintiff seeks to recover overtime pay, liquidated damages, and attorneys’ fees and costs. The *Hood* plaintiff also asserts individual causes of action for alleged violations of the Americans with Disabilities Act, the Louisiana Human Rights Act, the Family Medical Leave Act, and negligent infliction of emotional distress and seeks damages for those claims including back wages, compensatory damages, liquidated and/or punitive damages, reinstatement and/or front pay, interest, and attorneys’ fees and costs.

The Company filed its answer to the complaint on January 16, 2015. The plaintiff’s motion for conditional certification of her FLSA claims is due to be filed on or before June 23, 2015, and the Company’s response to that motion is due to be filed on or before June 30, 2015. Trial is set for November 9, 2015.

The Company believes that its store managers are and have been properly classified as exempt employees under the FLSA and that the *Hood* action is not appropriate for collective action treatment. The Company has obtained summary judgment in some, although not all, of its individual or single-plaintiff store manager exemption cases in which it has filed such a motion.

At this time, it is not possible to predict whether the *Hood* matter ultimately will be permitted to proceed collectively, and no assurances can be given that the Company will be successful in its defense of the action on the merits or otherwise. Similarly, at this time the Company cannot estimate either the size of any potential class or the value of the claims asserted if this action was to proceed. For these reasons, the Company is unable to estimate any potential loss or range of loss in this matter; however, if the Company is not successful in its defense efforts, the resolution of the *Hood* matter could have a material adverse effect on the Company's consolidated financial statements as a whole.

In September 2011, the Chicago Regional Office of the United States Equal Employment Opportunity Commission ("EEOC" or "Commission") notified the Company of a cause finding related to the Company's criminal background check policy. The cause finding alleges that the Company's criminal background check policy, which excludes from employment individuals with certain criminal convictions for specified periods, has a disparate impact on African-American candidates and employees in violation of Title VII of the Civil Rights Act of 1964, as amended ("Title VII").

The Company and the EEOC engaged in the statutorily required conciliation process, and despite the Company's good faith efforts to resolve the matter, the Commission notified the Company on July 26, 2012 of its view that conciliation had failed.

On June 11, 2013, the EEOC filed a lawsuit in the United States District Court for the Northern District of Illinois entitled *Equal Opportunity Commission v. Dolgencorp, LLC d/b/a Dollar General* (Case No. 1:13-cv-04307) in which the Commission alleges that the Company's criminal background check policy has a disparate impact on "Black Applicants" in violation of Title VII and seeks to recover monetary damages and injunctive relief on behalf of a class of "Black Applicants." The Company filed its answer to the complaint on August 9, 2013.

The Court has bifurcated the issues of liability and damages for purposes of discovery and trial. Fact discovery related to liability is to be completed on or before February 16, 2016.

On July 29, 2014 and May 5, 2015, the court entered orders requiring the Company to produce certain documents, information, and electronic data for the period 2004 to present.

The Company believes that its criminal background check process is both lawful and necessary to a safe environment for its employees and customers and the protection of its assets and shareholders' investments. The Company also does not believe that this matter is amenable to class or similar treatment. However, at this time, it is not possible to predict whether the action will ultimately be permitted to proceed as a class or in a similar fashion or the size of any putative class. Likewise, at this time, it is not possible to estimate the value of the claims asserted, and, therefore, the Company cannot estimate the potential exposure or range of potential loss. If the matter were to proceed successfully as a class or similar action or the Company is unsuccessful in its defense efforts as to the merits of the action, the resolution of this matter could have a material adverse effect on the Company's consolidated financial statements as a whole.

On May 23, 2013, a lawsuit entitled *Juan Varela v. Dolgen California and Does 1 through 50* (Case No. RIC 1306158) (“Varela”) was filed in the Superior Court of the State of California for the County of Riverside. In the original complaint, the *Varela* plaintiff alleges that he and other “key carriers” were not provided with meal and rest periods in violation of California law and seeks to recover alleged unpaid wages, injunctive relief, consequential damages, pre-judgment interest, statutory penalties and attorneys’ fees and costs and seeks to represent a putative class of California “key carriers” as to these claims. The *Varela* plaintiff also asserts a claim for unfair business practices and seeks to proceed under California’s Private Attorney General Act (“PAGA”). The Company filed its Answer to the Complaint on July 1, 2013.

On November 4, 2014, the *Varela* plaintiff filed an amended complaint to add Victoria Lee Dinger Main as a named plaintiff and to add putative class claims on behalf of “key carriers” for alleged inaccurate wage statements and failure to provide appropriate pay upon termination in violation of California law. The Company filed its answer to the amended complaint on December 23, 2014.

The parties have been ordered to engage in informal discovery and mediation, and mediation is scheduled for September 2, 2015.

On January 15, 2015, a lawsuit entitled *Kendra Pleasant v. Dollar General Corporation, Dolgen California, LLC, and Does 1 through 50* (Case No. CIVDS1500651) (“Pleasant”) was filed in the Superior Court of the State of California for the County of San Bernardino in which the plaintiff seeks to proceed under the PAGA for various alleged violations of California’s Labor Code. Specifically, the plaintiff alleges that she and other similarly situated non-exempt California store-level employees were not paid for all time worked, provided meal and rest breaks, reimbursed for necessary work related expenses, and provided with accurate wage statements and seeks to recover unpaid wages, civil and statutory penalties, interest, attorneys’ fees and costs. On March 12, 2015, the Company filed a demurrer asking the court to abate all proceedings in the *Pleasant* matter pending an issuance of a final judgment in the *Varela* matter. A hearing is scheduled for May 29, 2015.

On February 20, 2015, a lawsuit entitled *Julie Sullivan v. Dolgen California and Does 1 through 100* (Case No. RG 15759417) (“Sullivan”) was filed in the Superior Court of the State of California for the County of Alameda in which the plaintiff alleges that she and other similarly situated Dollar General Market store managers in the State of California were improperly classified as exempt employees and were not provided with meal and rest breaks and accurate wage statements in violation of California law. The *Sullivan* plaintiff also alleges that she and other California store employees were not provided with printed wage statements, purportedly in violation of California law. The plaintiff seeks to recover unpaid wages, including overtime pay, civil and statutory penalties, interest, injunctive relief, restitution, and attorneys’ fees and costs.

On April 8, 2015, the Company removed this matter to the United States District Court for the Northern District of California (Case No. 3:15-cv-01617-JD) and filed its answer on the same date. On April 29, 2015, the *Sullivan* plaintiff amended her complaint to add a claim under PAGA. The Company’s response to the amended complaint was filed on May 14, 2015.

The Company believes that its policies and practices comply with California law and that the *Varela, Pleasant*, and *Sullivan* actions are not appropriate for class or similar treatment. The Company intends to vigorously defend these actions; however, at this time, it is not possible to predict whether the *Varela, Pleasant*, or *Sullivan* action ultimately will be permitted to proceed as a class, and no assurances can be given that the Company will be successful in its defense of these actions on the merits or otherwise. Similarly, at this time the Company cannot estimate either the size of any potential class or the value of the claims asserted in the *Varela, Pleasant*, or *Sullivan* action. For these reasons, the Company is unable to estimate any potential loss or range of loss in these matters; however, if the Company is not successful in its defense efforts, the resolution of any of these actions could have a material adverse effect on the Company's consolidated financial statements as a whole.

On September 8, 2014, a lawsuit entitled *Joyce Riley v. Dolgencorp, LLC* (Case No. 2:14-cv-25505) ("Riley") was filed in the United States District Court for the Southern District of West Virginia. In the complaint, the *Riley* plaintiff seeks to proceed on a collective basis under the FLSA on behalf of all similarly situated non-exempt store employees in the state of West Virginia who allegedly were not paid for certain breaks and seeks back wages (including overtime), liquidated damages, and attorneys' fees and costs.

The Company filed its answer to the complaint on September 30, 2014. The plaintiff's motion for conditional certification of her FLSA claims was due to be filed on or before May 8, 2015.

The *Riley* plaintiff did not seek certification of her FLSA claims. The parties have reached a preliminary agreement, which must be submitted to and approved by the court, to resolve this matter for an amount not material to the Company's consolidated financial statements as a whole. At this time, although probable, it is not certain that the court will approve the settlement. However, even if the court does not approve the settlement on its current terms, the Company does not expect the resolution of the *Riley* matter to have a material adverse effect on the Company's consolidated financial statements as a whole.

On May 20, 2011, a lawsuit entitled *Winn-Dixie Stores, Inc., et al. v. Dolgencorp, LLC* was filed in the United States District Court for the Southern District of Florida (Case No. 9:11-cv-80601-DMM) ("Winn-Dixie") in which the plaintiffs allege that the sale of food and other items in approximately 55 of the Company's stores, each of which allegedly is or was at some time co-located in a shopping center with one of plaintiffs' stores, violates restrictive covenants that plaintiffs contend are binding on the occupants of the shopping centers. The plaintiffs sought damages and an injunction limiting the sale of food and other items in those stores. Although the plaintiffs did not make a demand for any specific amount of damages, documents prepared and produced by plaintiffs during discovery suggested that plaintiffs would seek as much as \$47 million, although as noted below, the court limited their ability to prove such damages. The case was consolidated with similar cases against Big Lots and Dollar Tree. The court issued an order on August 10, 2012 in which it (i) dismissed all claims for damages, (ii) dismissed claims for injunctive relief for all but four Dollar General stores, and (iii) directed the Company to report to the court on its compliance with restrictive covenants at the four stores for which it did not dismiss the claims for injunctive relief. The Company believes that compliance

with the August 2012 ruling will have no material adverse effect on the Company or its consolidated financial statements.

On August 28, 2012, the *Winn-Dixie* plaintiffs filed a notice of appeal with the United States Court of Appeals for the Eleventh Circuit (Docket No. 12-14527-B). Oral argument was conducted on January 16, 2014, and the appellate court rendered its decision on March 5, 2014, affirming in part and reversing in part the trial court's decision. Specifically, the appellate court affirmed the trial court's dismissal of the plaintiffs' claim for monetary damages but reversed the trial court's decision denying injunctive relief as to thirteen additional stores and remanded for further proceedings. On November 19, 2014, the district court issued an order (i) permitting the parties to conduct additional discovery regarding the scope of the restrictive covenants at issue in light of the Eleventh Circuit's decision, and (ii) scheduling a bench trial to resolve any outstanding issues on the court's April 20, 2015 docket. On February 10, 2015, Winn-Dixie filed a motion for summary judgment, and the Company filed a motion for summary judgment regarding the stores located outside of Florida. On April 17, 2015, the court entered an order (i) granting the Company's motion for summary judgment regarding stores at issue in the case that are located outside of Florida, (ii) reaffirming its prior holding denying injunctive relief with respect to the one Dollar General store in Florida that remains at issue, and (iii) postponing trial to an undetermined date.

Based on several factors, including the various district and appellate court rulings in this matter to date, the Company does not believe that the outcome of this litigation is likely to have a material adverse effect on its consolidated financial statements as a whole.

From time to time, the Company is a party to various other legal actions involving claims incidental to the conduct of its business, including actions by employees, consumers, suppliers, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation, including without limitation under federal and state employment laws and wage and hour laws. The Company believes, based upon information currently available, that such other litigation and claims, both individually and in the aggregate, will be resolved without a material adverse effect on the Company's consolidated financial statements as a whole. However, litigation involves an element of uncertainty. Future developments could cause these actions or claims to have a material adverse effect on the Company's results of operations, cash flows, or financial position. In addition, certain of these lawsuits, if decided adversely to the Company or settled by the Company, may result in liability material to the Company's financial position or may negatively affect operating results if changes to the Company's business operation are required.

8. Segment reporting

The Company manages its business on the basis of one reportable operating segment. As of May 1, 2015, all of the Company's operations were located within the United States with the exception of a Hong Kong subsidiary and a liaison office in India, which collectively are not material to the condensed consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	13 Weeks Ended	
	May 1, 2015	May 2, 2014
Classes of similar products:		
Consumables	\$ 3,753,978	\$ 3,445,465
Seasonal	586,293	541,432
Home products	303,024	283,597
Apparel	275,377	251,587
Net sales	<u>\$ 4,918,672</u>	<u>\$ 4,522,081</u>

9. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which has been increased on several occasions, most recently on March 10, 2015. As of May 1, 2015, a total of \$3.0 billion had been authorized under the program and \$688.8 million remained available for repurchase. The repurchase authorization has no expiration date and allows repurchases from time to time in the open market or in privately negotiated transactions. The timing and number of shares purchased depends on a variety of factors, such as price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. Repurchases under the program may be funded from available cash or borrowings under the Facilities discussed in further detail in Note 4.

Pursuant to its common stock repurchase program, during the 13-week periods ended May 1, 2015, and May 2, 2014, the Company repurchased in the open market approximately 7.1 million shares of its common stock at a total cost of \$534.7 million, and approximately 14.1 million shares at a total cost of \$800.1 million, respectively.

On March 10, 2015, the Company's Board of Directors approved a quarterly cash dividend of \$0.22 per share (approximately \$66.0 million in the aggregate) which was paid on April 22, 2015 to shareholders of record as of April 8, 2015, and on May 27, 2015, the Company's Board of Directors approved a quarterly cash dividend of an identical amount per share which is payable on July 1, 2015 to shareholders of record as of June 17, 2015. The payment of future cash dividends is subject to the Board's discretion and will depend upon, among other things, the Company's results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

Review Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Dollar General Corporation:

We have reviewed the condensed consolidated balance sheet of Dollar General Corporation and subsidiaries (the Company) as of May 1, 2015, and the related condensed consolidated statements of income and comprehensive income for the thirteen week periods ended May 1, 2015 and May 2, 2014, and the condensed consolidated statements of cash flows for the thirteen week periods ended May 1, 2015 and May 2, 2014. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Dollar General Corporation and subsidiaries as of January 30, 2015 and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the fiscal year then ended (not presented herein) and in our report dated March 20, 2015, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the accompanying condensed consolidated balance sheet of Dollar General Corporation and subsidiaries as of January 30, 2015, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

June 2, 2015
Nashville, Tennessee

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

This discussion and analysis is based on, should be read with, and is qualified in its entirety by, the accompanying unaudited condensed consolidated financial statements and related notes, as well as our consolidated financial statements and the related Management's Discussion and Analysis of Financial Condition and Results of Operations as contained in our Annual Report on Form 10-K for the year ended January 30, 2015. It also should be read in conjunction with the disclosure under "Cautionary Disclosure Regarding Forward-Looking Statements" in this report.

Executive Overview

We are the largest discount retailer in the United States by number of stores, with 11,999 stores located in 43 states as of May 1, 2015, geographically concentrated in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products, pet supplies and tobacco products, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes high quality national brands from leading manufacturers, as well as comparable quality private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically \$10 or less) in our convenient small-box locations, with selling space averaging approximately 7,400 square feet per store.

The customers we serve are value-conscious, many with low or fixed incomes, and we have always been intensely focused on helping our customers make the most of their spending dollars. We believe our convenient store format and broad selection of high quality products at compelling values have driven our substantial growth and financial success over the years. Like other retailers, we have been operating for several years in an environment with ongoing economic difficulties and uncertainties. Our core customer faces multiple macroeconomic challenges, from fluctuating food and energy costs to rising and uncertain medical costs. Although during the latter part of 2014 and the beginning of 2015, our customer has experienced some positive general economic factors such as lower gasoline prices and better employment rates, these factors have been inconsistent and their duration is unknown.

As discussed in more detail in our Form 10-K for the fiscal year ended January 30, 2015, we are keenly focused on executing our four primary operating priorities, which are: 1) drive productive sales growth, 2) enhance our gross profit margins, 3) leverage process improvements and information technology to reduce costs, and 4) strengthen and expand our culture of serving others.

We seek to drive productive sales growth through increasing shopper frequency, increasing item unit sales and average transaction amount in our same-stores, and adding new stores, as well as remodeling and relocating stores. We opened 219 new stores in the first quarter

of 2015 and plan to open 730 stores for the full year. We continued to meet the affordability needs of our core customer through our focus on \$1 to \$5 items, as more than 75% of our stock-keeping units (“SKUs”) at quarter-end were priced at \$5 or less. Our strategic decision to add tobacco products in our stores in 2013, with our first full year of tobacco product sales completed during 2014, has achieved its primary goal of increasing customer traffic. Furthermore, we believe our sales of tobacco products have increased as a result of a key competitor’s decision to discontinue the sale of such products. In addition, we continue to expand our remodeling efforts, which optimize shelf space in many of our older, smaller stores and in many instances, increase the number of coolers for refrigerated and frozen foods and beverages. Fiscal 2015 first quarter same-store sales increases as compared to the first quarter of 2014 were balanced across both consumable and non-consumable categories. In consumables, same-store sales increases were driven by sales of tobacco products, perishables, health care items, and candy and snacks. Same-store sales growth within non-consumables was strongest in apparel, with improvements in seasonal and home as well. As expected, the addition of tobacco products and the increased proportion of sales of perishables have posed challenges to our second priority of enhancing our gross profit rate because these products generally have lower profit margins than our other product offerings.

Ongoing initiatives to enhance our gross profit rate include inventory shrink reduction initiatives, effective category management, utilization of private brands, efforts to improve distribution and transportation efficiencies, and a strategic focus on pricing and markdowns while remaining committed to our everyday low price strategy. The first quarter of 2015 evidenced the successful execution of these initiatives, as partially demonstrated by the positive comparable sales results discussed above, as well as by an improved shrink rate and lower transportation costs. We are committed to improving sales of our non-consumable categories, which generally have higher gross profit rates. As we continue to execute our category management initiatives, we expect the growth rate of sales of consumable items to slow in 2015 as compared to 2014, although we expect the growth rate of sales of consumable items to slightly outpace the growth rate of sales of non-consumable items throughout the remainder of the year. Commodities cost inflation has been minimal in recent quarters and, in some instances, we have experienced a decrease in such costs, which is reflected in our insignificant LIFO provision for the quarter.

We remain committed to reducing costs, particularly selling, general and administrative expenses (“SG&A”) that do not affect the customer experience. Specifically, at the store level, we remain committed to simplifying or eliminating various tasks so that those time savings can be re-invested by our store managers in other areas such as customer service and improved store standards. However, concurrently with these work elimination and simplification efforts, we also plan to implement targeted increases in retail labor hours to grow market share in a competitive environment where we believe such increases will generate positive financial returns. In addition, to further support our efforts to improve store standards we have realigned our store operations field management structure which will also increase retail labor. We will continue to balance these initiatives, and will maintain our focus on additional opportunities to reduce costs, including through our centralized procurement initiative.

We have continued our mission of serving others by striving to give our customers clean, well-stocked stores with quality products at everyday low prices, to create for our employees an

environment that attracts and retains talented personnel, to give back to our store communities through our charitable and other efforts, and to meet our shareholders' expectations of an efficiently and profitably run organization that operates with compassion and integrity.

The following represent highlights of our first quarter 2015 results compared to the comparable 2014 period in many of our key financial metrics. Basis points amounts referred to below are equal to 0.01% as a percentage of sales.

- Net sales increased 8.8% to \$4.92 billion. Sales in same-stores increased 3.7% driven by increases in customer traffic and average transaction amount. Average sales per square foot for all stores over the 52-week period ended May 1, 2015 were \$224.
- Gross profit, as a percentage of sales, was 30.5% in the 2015 period compared to 30.0% in the 2014 period, an increase of 45 basis points. We experienced higher initial inventory markups, an improved shrink rate, and lower transportation costs.
- SG&A, as a percentage of sales, was 21.8% compared to 21.6% in the 2014 period, an increase of 13 basis points, reflecting increases in certain expenses including incentive compensation, advertising, and repairs and maintenance.
- Interest expense decreased by \$0.7 million to \$21.6 million in the 2015 period.
- Net income was \$253.2 million or \$0.84 per diluted share, compared to net income of \$222.4 million, or \$0.72 per diluted share, in the 2014 period. Diluted shares outstanding decreased by 8.2 million shares, as a result of share repurchases.
- Cash generated from operating activities was \$343.9 million during the 13-week period ended May 1, 2015, up from \$251.5 million in the comparable prior year period. At May 1, 2015, we had a cash balance of \$225.1 million.
- Cash dividends of \$66.0 million, or \$0.22 per share, were paid during the 2015 period.
- Inventory turnover was 4.8 times on a rolling four-quarter basis. On a per store basis, inventories increased 3% over first quarter 2014.
- During the 13 weeks ended May 1, 2015, we opened 219 new stores, remodeled or relocated 291 stores and closed 9 stores, resulting in a store count of 11,999 as of May 1, 2015.

The above discussion is a summary only. Readers should refer to the detailed discussion of our operating results below for the full analysis of our financial performance in the current year period as compared with the prior year period.

Results of Operations

Accounting Periods. We utilize a 52-53 week fiscal year convention that ends on the Friday nearest to January 31. The following text contains references to years 2015 and 2014, which represent the 52-week fiscal years ending and ended January 29, 2016 and January 30, 2015, respectively. References to the first quarter accounting periods for 2015 and 2014 contained herein refer to the 13-week accounting periods ended May 1, 2015 and May 2, 2014, respectively.

Seasonality. The nature of our business is seasonal to a certain extent. Primarily because of sales of holiday-related merchandise, sales in our fourth quarter (November, December and January) have historically been higher than sales achieved in each of the first three quarters of the fiscal year. Expenses, and to a greater extent operating profit, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of our business may affect comparisons between periods.

The following table contains results of operations data for the first 13 weeks of 2015 and 2014, and the dollar and percentage variances among those periods:

(dollars in millions, except per share amounts)	13 Weeks Ended		2015 vs. 2014	
	May 1, 2015	May 2, 2014	Amount change	% change
Net sales by category:				
Consumables	\$ 3,754.0	\$ 3,445.5	\$ 308.5	9.0%
<i>% of net sales</i>	76.32%	76.19%		
Seasonal	586.3	541.4	44.9	8.3
<i>% of net sales</i>	11.92%	11.97%		
Home products	303.0	283.6	19.4	6.9
<i>% of net sales</i>	6.16%	6.27%		
Apparel	275.4	251.6	23.8	9.5
<i>% of net sales</i>	5.60%	5.56%		
Net sales	4,918.7	4,522.1	396.6	8.8
Cost of goods sold	3,420.0	3,164.3	255.6	8.1
<i>% of net sales</i>	69.53%	69.98%		
Gross profit	1,498.7	1,357.7	141.0	10.4
<i>% of net sales</i>	30.47%	30.02%		
Selling, general and administrative expenses	1,070.5	978.0	92.5	9.5
<i>% of net sales</i>	21.76%	21.63%		
Operating profit	428.2	379.7	48.5	12.8
<i>% of net sales</i>	8.71%	8.40%		
Interest expense	21.6	22.3	(0.7)	(3.1)
<i>% of net sales</i>	0.44%	0.49%		
Income before income taxes	406.6	357.4	49.2	13.8
<i>% of net sales</i>	8.27%	7.90%		
Income tax expense	153.4	135.0	18.3	13.6
<i>% of net sales</i>	3.12%	2.99%		
Net income	\$ 253.2	\$ 222.4	\$ 30.8	13.9%
<i>% of net sales</i>	5.15%	4.92%		
Diluted earnings per share	\$ 0.84	\$ 0.72	\$ 0.12	16.7%

13 WEEKS ENDED MAY 1, 2015 AND MAY 2, 2014

Net Sales. The net sales increase in the 2015 first quarter reflects a same-store sales increase of 3.7% compared to the 2014 quarter. Same-stores include stores that have been open for at least 13 months and remain open at the end of the reporting period. For the 2015 quarter, there were 11,164 same-stores which accounted for sales of \$4.6 billion. Increases in customer traffic and average transaction amount contributed to the increase in same-store sales. Same store sales increases were generally balanced across both consumable and non-consumable categories. In consumables, the most significant growth was seen within tobacco products, perishables, health care items, and candy and snacks. In addition, we experienced same-store sales growth in apparel, seasonal and home products. The sales increase was also impacted by new stores, partially offset by sales from closed stores.

Gross Profit. Gross profit increased by 10.4%, and as a percentage of sales, increased by 45 basis points to 30.5% in the 2015 first quarter. Higher initial markups on inventory purchases, an improved rate of inventory shrinkage, and lower transportation costs partially attributable to lower fuel rates were the primary factors in the improved performance.

SG&A. Selling, general and administrative expense was 21.8% as a percentage of sales in the 2015 period compared to 21.6% in the 2014 period, an increase of 13 basis points. The 2015 results reflect increases in incentive compensation expenses, advertising costs, repairs and maintenance, fees associated with the increased use of debit cards, and workers' compensation expenses. Partially offsetting these items were increased utilization of cash back transactions resulting in increased convenience fees charged to customers.

Interest Expense. Interest expense decreased by \$0.7 million to \$21.6 million in the 2015 period, due primarily to lower average debt balances in the 2015 period. Total outstanding debt (including the current portion of long-term obligations) as of May 1, 2015 was \$2.72 billion.

Income Taxes. The effective income tax rate for the 2015 period was 37.7% compared to a rate of 37.8% for the 2014 period which represents a net decrease of 0.1 percentage points. Both periods were negatively impacted by the expiration of the federal law authorizing the Work Opportunity Tax Credit or "WOTC." The WOTC credits were retroactively reenacted in the fourth quarter of our 2014 fiscal year for employees hired during the 2014 calendar year. For financial statement purposes, a change in income tax expense is recorded in the period in which the related law is enacted. Accordingly, the fourth quarter of 2014 reflected the full, favorable impact of the 2014 retro-active reenactment of WOTC. It is uncertain as to whether and if so when the WOTC credits will be retroactively renewed for 2015. The Company will receive credits in future periods for employees hired on or before December 31, 2014; however, the future period credit received will be significantly lower than what has been recognized in prior fiscal years without WOTC reenactment.

Liquidity and Capital Resources

We believe our cash flow from operations and existing cash balances, combined with availability under the Facilities and access to the debt markets will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending and

anticipated dividend payments for a period that includes the next twelve months as well as the next several years. However, our ability to maintain sufficient liquidity may be affected by numerous factors, many of which are outside of our control. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the issuance of debt, equity or other securities, the proceeds of which could provide additional liquidity for our operations.

Facilities

The Facilities consist of a senior unsecured term loan facility (the "Term Facility") with an initial balance of \$1.0 billion and an \$850.0 million senior unsecured revolving credit facility (the "Revolving Facility") which provides for the issuance of letters of credit up to \$250.0 million. We may request, subject to agreement by one or more lenders, increased revolving commitments and/or incremental term loan facilities in an aggregate amount of up to \$150.0 million. The Facilities mature on April 11, 2018.

Borrowings under the Facilities bear interest at a rate equal to an applicable margin plus, at our option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The applicable margin for borrowings as of May 1, 2015 was 1.275% for LIBOR borrowings and 0.275% for base-rate borrowings. We must also pay a facility fee, payable on any used and unused amounts of the Facilities, and letter of credit fees. The applicable margins for borrowings, the facility fees and the letter of credit fees under the Facilities are subject to adjustment each quarter based on our long-term senior unsecured debt ratings.

The Term Facility amortizes in quarterly installments of \$25.0 million. The final payment of the then-remaining balance will be due at maturity on April 11, 2018. As of May 1, 2015, the balance on the Term Facility was \$900.0 million. The Facilities can be prepaid in whole or in part at any time. The Facilities contain certain covenants that place limitations on the incurrence of liens; change of business; mergers or sales of all or substantially all assets; and subsidiary indebtedness, among other limitations. The Facilities also contain financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of May 1, 2015, we were in compliance with all such covenants. The Facilities also contain customary affirmative covenants and events of default.

As of May 1, 2015, we had total outstanding letters of credit of \$47.1 million, \$30.6 million of which were under the Revolving Facility.

For the remainder of fiscal 2015, we anticipate potential borrowings under the Revolving Facility up to a maximum of approximately \$500 million outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Senior Notes

We have \$500.0 million aggregate principal amount of 4.125% senior notes due 2017 (the "2017 Senior Notes") which mature on July 15, 2017, \$400.0 million aggregate principal amount of 1.875% senior notes due 2018 (the "2018 Senior Notes"), net of discount at issuance of \$0.5 million, which mature on April 15, 2018; and \$900.0 million aggregate principal amount

of 3.25% senior notes due 2023 (the “2023 Senior Notes”), net of discount at issuance of \$2.4 million, which mature on April 15, 2023. Collectively, the 2017 Senior Notes, the 2018 Senior Notes and the 2023 Senior Notes comprise the “Senior Notes”, each of which were issued pursuant to an indenture as modified by supplemental indentures relating to each series of Senior Notes (as so supplemented, the “Senior Indenture”). Interest on the 2017 Senior Notes is payable in cash on January 15 and July 15 of each year. Interest on the 2018 Senior Notes and the 2023 Senior Notes is payable in cash on April 15 and October 15 of each year.

We may redeem some or all of the Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of our Senior Notes has the right to require us to repurchase some or all of such holder’s Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date.

The Senior Indenture contains covenants limiting, among other things, our ability (subject to certain exceptions) to consolidate, merge, or sell or otherwise dispose of all or substantially all of our assets; and our ability and the ability of our subsidiaries to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on our Senior Notes to become or to be declared due and payable.

Current Financial Condition / Recent Developments

At May 1, 2015, we had total outstanding debt (including the current portion of long-term obligations) of approximately \$2.72 billion. We had \$819.4 million available for borrowing under our Revolving Facility at that date.

Our inventory balance represented approximately 52% of our total assets exclusive of goodwill and other intangible assets as of May 1, 2015. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

As described in Note 7 to the unaudited condensed consolidated financial statements, we are involved in a number of legal actions and claims, some of which could potentially result in material cash payments. Adverse developments in those actions could materially and adversely affect our liquidity. We also have certain income tax-related contingencies as disclosed in Note 3 to the unaudited condensed consolidated financial statements. Future negative developments could have a material adverse effect on our liquidity.

In February 2015, Standard & Poor’s reaffirmed our senior unsecured debt rating of BBB- and our corporate debt rating of BBB-, both with a stable outlook, and Moody’s reaffirmed our senior unsecured debt rating of Baa3 with a stable outlook. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our

operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will be able to maintain or improve our current credit ratings.

Cash flows from operating activities. Cash flows from operating activities were \$343.9 million in the 2015 period, an increase of \$92.4 million compared to the 2014 period. Significant components of the increase in cash flows from operating activities include increased net income due primarily to increased sales and operating profit in the 2015 period as described in more detail above under “Results of Operations.” In addition, changes in accounts payable resulted in a \$40.1 million increase in the 2015 period compared to a \$62.4 million decrease in the 2014 period, due primarily to the timing of receipts and payments.

On an ongoing basis, we closely monitor and manage our inventory balances, and they may fluctuate from period to period based on new store openings, the timing of purchases, and other factors. Merchandise inventories rose 2% during both the 2015 and 2014 year to date periods. In the 2015 period compared to the respective 2014 period, changes in inventory balances in our four inventory categories were as follows: the consumables category increased 5% compared to 6%; the seasonal category increased by 1% compared to a 6% decline; the home products category increased by 3% compared to a 1% decline; and apparel declined by 14% compared to a 3% decline in the prior year period.

Cash flows from investing activities. Significant components of property and equipment purchases in the 2015 period included the following approximate amounts: \$30 million for improvements, upgrades, remodels and relocations of existing stores; \$27 million related to new leased stores, primarily for leasehold improvements, fixtures and equipment; \$24 million for distribution and transportation-related capital expenditures; \$10 million for stores built by us; and \$8 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During the 2015 period, we opened 219 new stores and remodeled or relocated 291 stores.

Significant components of property and equipment purchases in the 2014 period included the following approximate amounts: \$27 million for improvements, upgrades, remodels and relocations of existing stores; \$25 million related to new leased stores, primarily for leasehold improvements, fixtures and equipment; \$14 million for information systems upgrades and technology-related projects; \$12 million for distribution and transportation-related capital expenditures; and \$6 million for stores built by us. During the 2014 period, we opened 214 new stores and remodeled or relocated 251 stores.

Capital expenditures during 2015 are projected to be in the range of \$500 million to \$550 million. We anticipate funding 2015 capital requirements with existing cash balances, cash flows from operations, and if necessary, our Revolving Facility. As of May 1, 2015, we have significant availability under our Revolving Facility that could be used to fund capital requirements. We plan to continue to invest in store growth and development of approximately 730 new stores and approximately 875 stores to be remodeled or relocated. Capital expenditures in 2015 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the

construction of new stores; costs to support and enhance our supply chain initiatives including the distribution center under construction in Texas; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. Borrowings and repayments under the Revolving Facility during the 2015 period were the same amount, netting to zero, compared to net borrowings of \$290.0 million during the 2014 period. During the 2015 and 2014 periods, we repurchased 7.1 million and 14.1 million outstanding shares of our common stock at a total cost of \$534.7 million and \$800.1 million, respectively. During the 2015 period we paid cash dividends totaling \$66.0 million.

Share Repurchase Program

On March 10, 2015, the Company's Board of Directors authorized a \$1.0 billion increase to our existing common stock repurchase program. Our existing common stock repurchase program had a total remaining authorization of approximately \$688.8 million at May 1, 2015. Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions, and the authorization has no expiration date.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 30, 2015.

ITEM 4. CONTROLS AND PROCEDURES.

(a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) *Changes in Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended May 1, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The information contained in Note 7 to the unaudited condensed consolidated financial statements under the heading “Legal proceedings” contained in Part I, Item 1 of this report is incorporated herein by this reference.

ITEM 1A. RISK FACTORS.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended January 30, 2015.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table contains information regarding purchases of our common stock made during the quarter ended May 1, 2015 by or on behalf of Dollar General or any “affiliated purchaser,” as defined by Rule 10b-18(a)(3) of the Exchange Act:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share (\$)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a) (\$)
01/31/15-02/28/15	—	—	—	223,417,000
03/01/15-03/31/15	3,192,887(b)	75.32	3,125,153	987,744,000
04/01/15-05/01/15	3,968,327	75.34	3,968,327	688,764,000
Total	7,161,214	75.33	7,093,480	688,764,000

(a) A \$500 million share repurchase program was publicly announced on September 5, 2012, and increases in the authorization under such program were announced on March 25, 2013 (\$500 million increase), December 5, 2013 (\$1.0 billion increase) and March 12, 2015 (\$1.0 billion increase). Under the authorization, purchases may be made in the open market or in privately negotiated transactions from time to time subject to market and other conditions. This repurchase authorization has no expiration date.

(b) Includes 67,734 shares accepted in lieu of cash to pay employee tax liabilities upon lapse of restrictions on restricted stock.

ITEM 6. EXHIBITS.

See the Exhibit Index immediately following the signature page hereto, which Exhibit Index is incorporated by reference as if fully set forth herein.

CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We include “forward-looking statements” within the meaning of the federal securities laws throughout this report, particularly under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part I, Item 2, and “Note 7. Commitments and Contingencies” included in Part I, Item 1. You can identify these statements because they are not limited to historical fact or they use words such as “may,” “will,” “should,” “expect,” “believe,” “anticipate,” “project,” “plan,” “estimate,” “objective,” “intend,” “could,” “would,” “committed,” or “continue,” and similar expressions that concern our strategy, plans, initiatives, intentions or beliefs about future occurrences or results. For example, statements relating to estimated and projected expenditures, cash flows, results of operations, financial condition and liquidity; plans and objectives for, and expectations regarding, future operations, growth or initiatives, including the number of planned store openings, remodels and relocations, trends in sales of consumable products, and the levels of future costs and expenses; anticipated borrowing under certain of our credit facilities; and the expected outcome or effect of pending or threatened litigation or audits are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that may change at any time, so our actual results may differ materially from those that we expected. We derive many of these statements from our operating budgets and forecasts, which are based on many detailed assumptions that we believe are reasonable. However, it is very difficult to predict the effect of known factors, and we cannot anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from the expectations expressed in our forward-looking statements include, without limitation:

- economic conditions, including their effect on employment levels, consumer demand, disposable income, credit availability and spending patterns, inflation, commodity prices, fuel prices, interest rates, exchange rate fluctuations and the cost of goods;
- failure to successfully execute our strategies and initiatives, including those relating to merchandising, sourcing, inventory shrinkage, private brand, distribution and transportation, store operations, expense reduction and real estate;
- failure to open, relocate and remodel stores profitably and on schedule, as well as failure of our new store base to achieve sales and operating levels consistent with our expectations;
- levels of inventory shrinkage;
- effective response to competitive pressures and changes in the competitive environment and the markets where we operate, including consolidation;
- our level of success in gaining and maintaining broad market acceptance of our private brands;
- disruptions, unanticipated or unusual expenses or operational failures in our supply chain including, without limitation, a decrease in transportation capacity for overseas shipments, increases in transportation costs (including increased fuel costs and carrier rates or driver wages), work stoppages or other labor disruptions that could impede the receipt of merchandise, or delays in constructing or opening new distribution centers;

- risks and challenges associated with sourcing merchandise from suppliers, including, but not limited to, those related to international trade;
- unfavorable publicity or consumer perception of our products, including, but not limited to, related product liability and food safety claims;
- the impact of changes in or noncompliance with governmental laws and regulations (including, but not limited to, healthcare, product safety, food safety, information security and privacy, and labor and employment laws, as well as tax laws, the interpretation of existing tax laws, or our failure to sustain our reporting positions negatively affecting our tax rate) and developments in or outcomes of private actions, class actions, administrative proceedings, regulatory actions or other litigation;
- natural disasters, unusual weather conditions, pandemic outbreaks, terrorist acts and geo-political events;
- damage or interruption to our information systems or failure of technology initiatives to deliver desired or timely results;
- ability to attract and retain qualified employees, while controlling labor costs (including healthcare costs) and other labor issues;
- our loss of key personnel, our inability to hire additional qualified personnel or disruption of executive management as a result of retirements or transitions;
- failure to successfully manage inventory balances;
- seasonality of our business;
- incurrence of material uninsured losses, excessive insurance costs or accident costs;
- failure to maintain the security of information that we hold, whether as a result of a data security breach or otherwise;
- deterioration in market conditions, including interest rate fluctuations, or a lowering of our credit ratings;
- our debt levels and restrictions in our debt agreements;
- new accounting guidance, or changes in the interpretation or application of existing guidance, such as changes to lease accounting guidance or a requirement to convert to international financial reporting standards;
- factors disclosed under “Risk Factors” in Part I, Item 1A of our Form 10-K for the fiscal year ended January 30, 2015; and
- factors disclosed elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves) and other factors.

All forward-looking statements are qualified in their entirety by these and other cautionary statements that we make from time to time in our other Securities and Exchange Commission filings and public communications. You should evaluate forward-looking statements in the context of these risks and uncertainties. These factors may not contain all of the material factors that are important to you. We cannot assure you that we will realize the results or developments we anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements in this report are made only as of the date hereof. We undertake no obligation to

publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, both on behalf of the Registrant and in his capacity as principal financial and accounting officer of the Registrant.

DOLLAR GENERAL CORPORATION

Date: June 2, 2015

By: /s/ David M. Tehle
David M. Tehle
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

10.1	Dollar General 2015 Teamshare Bonus Program for Named Executive Officers
10.2	Form of Restricted Stock Unit Award Agreement (approved March 17, 2015) for awards beginning March 2015 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan
10.3	Employment Transition Agreement, effective March 10, 2015, by and between Richard W. Dreiling and Dollar General Corporation (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated March 10, 2015, filed with the SEC on March 13, 2015 (file no. 001-11421))
10.4	Restricted Stock Unit Award Agreement, dated March 17, 2015, by and between Richard W. Dreiling and Dollar General Corporation (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated March 17, 2015, filed with the SEC on March 19, 2015 (file no. 001-11421))
15	Letter re unaudited interim financial information
31	Certifications of CEO and CFO under Exchange Act Rule 13a-14(a)
32	Certifications of CEO and CFO under 18 U.S.C. 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document



2015 Teamshare Incentive Program

I. Definitions

As used in this document:

“*AIP*” shall mean the Amended and Restated Dollar General Corporation Annual Incentive Plan, as amended from time to time.

“*Applicable Base Pay*” shall mean the eligible employee’s annual salary (or hours, where applicable) plus shift differential, subject to adjustment based on all other eligibility requirements and administrative rules.

“*Committee*” shall mean the Compensation Committee of the Board of Directors (or any successor committee with oversight of executive compensation) or any subcommittee thereof which meets the requirements of Section 162(m).

“*Covered Employees*” shall mean those officers who could, in respect of the Company’s 2015 fiscal year, be “covered employees” under Section 162(m).

“*Dollar General*” or the “*Company*” means Dollar General Corporation.

“*Eligible Employee*” shall mean those employees meeting all of the criteria set forth in (a) through (c) of Section IV below.

“*Executive Officers*” refers to employees designated as such by the Board of Directors.

“*Merit Effective Date*” shall mean April 1 of the applicable performance period or, if later, the applicable date of the annual merit increase (e.g., for the 2015 Teamshare program, the Merit Effective Date for salaried employees is April 1, 2015).

“*Performance Period*” refers to the 2015 fiscal year from January 31, 2015 to January 29, 2016.

“*Section 162(m)*” refers to Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder from time to time.

“*Senior Officers*” shall include Senior Vice Presidents, Executive Vice Presidents, Chief Operating Officer and Chief Executive Officer.

“*Teamshare*” shall mean the 2015 Teamshare Incentive Program as authorized by the Committee.

II. Teamshare Overview

The Committee has established the terms of Teamshare, which provides each Eligible Employee an opportunity to receive a cash bonus payment equal to a certain percentage of his or her Applicable Base Pay based upon Dollar General's achievement of one or more pre-established financial performance measures for a specified Performance Period. When more than one financial performance measure is selected, the Committee determines the applicable weight to be assigned to each of the selected measures.

Threshold, target and maximum performance levels are established by the Committee for the selected performance measure. No Teamshare payout may be made unless the threshold performance level is achieved. The amount payable to each Eligible Employee if the Company reaches the target performance level(s) is equal to a specified percentage of the Eligible Employee's Applicable Base Pay, subject to adjustment for performance as discussed under Section IV below. Teamshare payments for financial performance below or above the applicable target levels are prorated on a graduated scale, subject to the threshold and the maximum limits.

III. 2015 Teamshare Program

For the 2015 Teamshare program, the Committee selected earnings before interest and taxes, as adjusted for certain items ("Adjusted EBIT"), as the financial performance measure. In determining the level of performance the Company has achieved for this performance measure at year end, certain categories of items previously identified by the Committee may be excluded from the calculation. Threshold and maximum performance results for Adjusted EBIT coincide with potential Teamshare payout levels equal to 50% and 300% of individual payout targets, respectively (as a percentage of the Eligible Employee's Applicable Base Pay).

For purposes of the 2015 Teamshare program, the Adjusted EBIT performance target shall be the Company's Operating Profit as calculated in accordance with U.S. general accepted accounting principles, but shall exclude:

- (a) the impact of (i) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Amended and Restated 2007 Dollar General Corporation Stock Incentive Plan) of the Company or any offering of Company common stock or other security; (ii) any gain or loss recognized as a result of derivative instrument transactions or other hedging activities; (iii) any gains or losses associated with the early retirement of debt obligations; (iv) charges resulting from significant natural disasters; and (v) any significant gains or losses associated with the Company's LIFO computation; and
- (b) unless the Committee disallows any such item, (i) non-cash asset impairments; (ii) any significant loss as a result of an individual litigation, judgment or lawsuit settlement (including a collective or class action lawsuit and security holder

lawsuit, among others); (iii) charges for business restructurings; (iv) losses due to new or modified tax or other legislation or accounting changes enacted after the beginning of the 2015 fiscal year; (v) significant tax settlements; and (vi) any significant unplanned items of a non-recurring or extraordinary nature.

IV. Determination of Bonuses

(a) Eligibility to Participate in Teamshare:

- i. Active regular, full-time or part-time store support center (SSC), Dollar General Global Sourcing (DGGS) or distribution center (DC) employee during the Performance Period.
- ii. Hired by January 15 of 2016.
- iii. Employed with the Company through January 29, 2016 and, unless otherwise required by law, on the date on which the Teamshare payment is made.
- iv. Bonuses for the estates of Eligible Employees will be eligible to receive the Teamshare payment if the employee's death occurs on or after January 29, 2016.

(b) Eligibility to Receive Bonus Payout:

If the Company achieves at least the threshold financial performance level, each employee who participates in Teamshare who is not a Senior Officer will become eligible to receive a bonus payout if he or she receives at least a "Needs Improvement" individual performance review. If the Company achieves at least the threshold financial performance level, each Senior Officer who participates in Teamshare will become eligible to receive a bonus payout if he or she receives a satisfactory (i.e., "Good" or better) individual performance review; provided, however, that the Committee may determine in its discretion that a Senior Officer who receives a performance review of "Needs Improvement" is eligible to receive a bonus payout. No employee who participates in Teamshare may be eligible for a bonus payout if he or she receives a performance review of "Unsatisfactory".

(c) Adjustments to Bonus Payouts to Eligible Employees:

If an employee is determined to be eligible to receive a bonus payout in accordance with the eligibility rules outlined immediately above, adjustments to the bonus payout may be made only as follows:

- i. Bonuses for eligible Executive Officers and hourly employees will be paid 100% based on Company financial performance, subject to downward adjustment if rated "Needs Improvement". Such downward adjustment must be approved by the Committee in the case of Executive Officers.
- ii. Bonuses for all other Eligible Employees are calculated 100% on Company financial performance, subject to upward or downward adjustment based

upon such employee's personal performance (see below for a limitation on this authority for Covered Employees). Such upward or downward adjustment must be approved by the Committee in the case of any Senior Officer or certain others identified in the resolution adopting this Teamshare program.

- iii. Payouts to Covered Employees shall follow the rules set forth immediately above depending upon whether or not the Covered Employee is an Executive Officer; provided, however, that in no event may any bonus paid to a Covered Employee be adjusted upward.
- iv. In no event may the aggregate amount paid under Teamshare, taking into account all allowable adjustments, exceed the earned bonus pool.

(d) CEO Discretion to Distribute Unallocated Funds:

Bonuses that are not allocated out of the earned bonus pool are subject to distribution at the discretion of the Chief Executive Officer of the Company, except that no such unallocated bonus amounts may be allocated to any Covered Employee, Senior Officer or certain others identified in the resolution adopting this Teamshare program.

V. Administrative Rules

- (a) Each Eligible Employee's Teamshare payout is computed as a percentage of the Applicable Base Pay plus any shift differential.
- (b) Teamshare payouts will be prorated for changes to an Eligible Employee's position, pay, individual target, shift differential or status that occur during the Performance Period based on the number of days the applicable element applies. The Applicable Base Pay used for Teamshare from the beginning of the Performance Period to the Merit Effective Date will be the Eligible Employee's base pay as of the Merit Effective Date.
- (c) Teamshare payouts are prorated to exclude leaves of absence during the Performance Period (unless otherwise required by law).
- (d) Teamshare payouts will be made no later than April 15 of the year following the fiscal year in which financial performance is measured (e.g., the 2015 Teamshare program payouts, if any, will be made no later than April 15, 2016).
- (e) Teamshare information is proprietary and confidential. Employees are reminded that they may not disclose Teamshare information relating to the Company's financial goals or performance. Such disclosure may result in disciplinary action, up to and including termination. The Company reserves the right to adjust, amend or suspend Teamshare at any time for any reason, including, but not limited to, unforeseen events.
- (f) Notwithstanding anything in this Teamshare program document to the contrary, the determination of the Adjusted EBIT performance measure and all other relevant

provisions and actions applicable to the determination of bonus payout amounts to Covered Employees under Teamshare shall be pursuant to and subject to the terms of the AIP and in the event of any conflict between the provisions of Teamshare and the AIP, the terms of the AIP shall govern.

VI. Tax and Other Withholding Information

The Internal Revenue Service (the "IRS") considers incentive payments as supplemental wages. In accordance with IRS guidelines, Dollar General will withhold federal income taxes at the supplemental rate (currently established at 25%). In addition, this payment will be subject to applicable social security, Medicare, state and local taxes. Voluntary deductions (e.g. health insurance, 401k, etc.) will not be deducted from this amount. Where required by law, specific garnishments (e.g., child support) may be deducted, as appropriate, from this amount. Certain state laws require incentive payments be held for up to 30 days after the check date pending review of applicable child support garnishments. After the Company receives notification from the state child support agencies regarding whether part or all of the impacted employee's incentive payment should be paid toward child support, the Company will pay any remaining incentive funds with the next regular payroll.

**DOLLAR GENERAL CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT (the "Agreement"), dated as of the date indicated on Schedule A hereto (the "Grant Date"), is made between Dollar General Corporation, a Tennessee corporation (hereinafter, together with all Service Recipients unless the context indicates otherwise, called the "Company"), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company (hereinafter referred to as the "Grantee"). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Stock Incentive Plan for Key Employees of Dollar General Corporation and its Affiliates, as amended from time to time (the "Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement.

WHEREAS, the Company desires to grant the Grantee a restricted stock unit award as provided for hereunder, ultimately payable in shares of Common Stock of the Company, par value \$0.875 per Share (the "Restricted Stock Unit Award"), pursuant to the terms and conditions of this Agreement and the Plan; and

WHEREAS, the Compensation Committee (or a duly authorized subcommittee thereof) of the Company's Board appointed to administer the Plan (the "Committee") has determined that it would be to the advantage and in the best interest of the Company and its shareholders to grant the Restricted Stock Unit Award provided for herein to the Grantee, and has advised the Company thereof and instructed the undersigned officer to issue said Award;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Grant of the Restricted Stock Unit.** Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Grantee the number of Restricted Stock Units set forth on Schedule A hereto. A "Restricted Stock Unit" represents the right to receive one Share of Common Stock upon satisfaction of the vesting and other conditions set forth in this Agreement. The Restricted Stock Units shall vest and become nonforfeitable in accordance with Section 2 hereof.

2. **Vesting.**

(a) **Vesting Date and Forfeiture.** The Restricted Stock Units shall become vested and nonforfeitable in three equal installments on April 1 of the three (3) fiscal years following the fiscal year in which the Grant Date occurs, as set forth on Schedule A hereto (each such date, a "Vesting Date"), so long as the Grantee continues to be an employee of the Company through each such Vesting Date. To the extent the application of this vesting schedule results in the vesting of fractional shares, the fractional shares shall be combined and vest on the earliest Vesting Date. If the Grantee's employment with the Company terminates prior to a Vesting Date and Section 2(b) does not apply or has not applied, or to the extent Section 2(b) cannot apply, then any unvested Restricted Stock Units at the date of such termination of employment shall be automatically forfeited to the Company.

(b) Accelerated Vesting Events. Notwithstanding the foregoing, to the extent such Restricted Stock Units have not previously terminated or become vested and nonforfeitable, (i) if the Grantee terminates his employment with the Company due to the Grantee's Retirement (as defined below), then that one-third of the Restricted Stock Units that would have become vested and nonforfeitable on the next immediately following Vesting Date if the Grantee had remained employed through such date shall become vested and nonforfeitable upon such Retirement, provided, however, that, if the Grantee retires on a Vesting Date, no accelerated vesting shall occur but rather Grantee shall be entitled only to the portion of the Restricted Stock Units that were scheduled to vest on such Vesting Date; and (ii) in the event of the Grantee's death or Disability (as defined below), one hundred percent (100%) of the Restricted Stock Units shall become vested and nonforfeitable upon such death or Disability; and (iii) upon a Change in Control, one hundred percent (100%) of the Restricted Stock Units shall become vested and nonforfeitable.

(c) Transfer and Reemployment. For purposes of this Agreement, transfer of employment among the Company and another Service Recipient shall not be considered a termination or interruption of employment. Upon reemployment following a termination of employment for any reason, the Grantee shall have no rights to any Restricted Stock Units previously forfeited and cancelled under this Agreement.

(d) Retirement. For purposes of this Agreement, Retirement shall mean the voluntary termination of Grantee's employment with the Company on or after (i) reaching the minimum age of sixty-two (62) and (ii) achieving five (5) consecutive years of service; provided, however, that (i) the sum of the Grantee's age plus years of service (counting whole years only) must equal at least seventy (70); (ii) there is no basis for the Company to terminate the Grantee for Cause at the time of Grantee's voluntary termination; and (iii) the termination also constitutes a "separation from service" within the meaning of Section 409A of the Code.

(e) Disability. For the purposes of this Agreement, Disability shall have the meaning set forth in Treas. Reg. Section 1.409A-3(i)(4). A Grantee will be deemed disabled if the Grantee is determined to be disabled under the Company's long term disability plan, provided that the definition of "disability" applied under such plan complies with the requirements of Treas. Reg. Section 1.409A-3(i)(4).

(f) Cause. For the purposes of this Agreement, Cause shall mean (i) "Cause" as such term may be defined in any employment agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (ii) if there is no such employment agreement in effect, "Cause" as such term may be defined in any change-in-control agreement between the Grantee and the Company that is in effect at the time of termination of employment; or (iii) if there is no such employment or change-in-control agreement, with respect to a Grantee: (A) any act of the Grantee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Grantee which failure is not cured within 10 business days after receipt from the Company of written notice of such failure; (B) any material breach by the Grantee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, investments or the like, or any inappropriate disclosure or "tipping" relating to any stock, securities, investments or the like; (C) other than as required by law, the carrying out by the Grantee of any activity, or the Grantee making any public statement, which prejudices or ridicules the good name and standing of the Company or its Affiliates or would bring such persons into public contempt or ridicule; (D) attendance by the Grantee at work in a state of intoxication or the Grantee otherwise being found in possession at the Grantee's place of work of any prohibited drug or substance, possession of which would amount to

a criminal offense; (E) any assault or other act of violence by the Grantee; or (F) the Grantee being indicted for any crime constituting (I) any felony whatsoever or (II) any misdemeanor that would preclude employment under the Company's hiring policy.

(g) Change in Control. For purposes of this Agreement, a Change in Control (as defined in the Plan) will be deemed to have occurred with respect to the Grantee only if an event relating to the Change in Control constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. Section 1.409A-3(i)(5).

3. **Payment of Common Stock**.

(a) Payment and Delivery. Shares of Common Stock corresponding to the number of Restricted Stock Units that become vested and nonforfeitable in accordance with Section 2 ("RSU Shares") shall be paid to the Grantee, or, if deceased, the Grantee's estate, either through delivery of a share certificate or by providing evidence of electronic delivery, and such RSU Shares shall be registered in the name of the Grantee or, if deceased, the Grantee's estate. The RSU Shares shall be paid on the Vesting Date unless vesting is accelerated under Section 2(b) prior to such Vesting Date. In the event vesting is accelerated under Section 2(b), the RSU Shares shall be paid as follows (based on the first to occur of Retirement, death, Disability or Change in Control): (i) six (6) months and one (1) day following the date of termination of employment due to Retirement; (ii) within ninety (90) days following the date of the Grantee's death or Disability; or (iii) upon a Change in Control. If the Grantee dies prior to payment under Section 3(a)(i), payment of the RSU Shares shall occur upon the earlier of (A) ninety (90) days following the date of the Grantee's death, or (B) the payment time under Section 3(a)(i).

(b) Authorized Shares. The RSU Shares may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

4. **No Dividend Equivalents**. The Grantee shall have no right to dividend equivalents or dividends on the Restricted Stock Units.

5. **Transferability**. Neither the Restricted Stock Units prior to becoming vested pursuant to Section 2 nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5 shall not prevent transfers by will or by the applicable laws of descent and distribution.

6. **No Guarantee of Employment**. Nothing in this Agreement or in the Plan shall confer upon the Grantee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the employment of the Grantee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Grantee's employment agreement with the Company or offer letter provided by the Company to the Grantee.

7. **Change in Capitalization; Change in Control.** If any event described in Section 8 or 9 of the Plan occurs, this Agreement and the Restricted Stock Units shall be adjusted to the extent required or permitted, as applicable, pursuant to Sections 8 and 9 of the Plan.

8. **Mandatory Tax Withholding.** Unless otherwise determined by the Committee, at the time of vesting, the Company shall withhold from any RSU Shares deliverable in payment of the Restricted Stock Units the number of RSU Shares having a value equal to the minimum amount of income and employment taxes required to be withheld under applicable laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Any fractional shares resulting from the payment of the withholding amounts shall be liquidated and paid in cash to the U.S. Treasury as additional federal income tax withholding for the Grantee. Grantee shall be responsible for any withholding taxes not satisfied by means of such mandatory withholding and for all taxes in excess of such withholding taxes that may be due upon vesting of the Restricted Stock Units.

9. **Limitation on Obligations.** This Restricted Stock Unit Award shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the share certificates or electronic delivery thereof to him (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

10. **Securities Laws.** The Company may require the Grantee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws. The Restricted Stock Units and RSU Shares shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. **Notices.** Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary or his or her designee, and any notice to be given to the Grantee shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Grantee shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 11. Any notice shall have been deemed duly given when delivered by hand or courier or when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

12. **Governing Law.** The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. **Section 409A of the Code.** The provisions of Section 10(c) of the Plan are hereby incorporated by reference. Notwithstanding the foregoing, the Company shall not be liable to the Grantee in the event this Agreement fails to be exempt from, or comply with, Section 409A of the Code.

14. **Arbitration.** In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator.

15. **Clawback.** As a condition of receiving the Restricted Stock Units, the Grantee acknowledges and agrees that the Grantee's rights, payments, and benefits with respect to the Restricted Stock Units shall be subject to any reduction, cancellation, forfeiture or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation.

16. **Applicability of Plan.** The Restricted Stock Units and the RSU Shares issued to the Grantee upon payment of the Restricted Stock Units shall be subject to all terms and provisions of the Plan to the extent applicable to restricted stock units and Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

17. **Amendment and Termination.** This Agreement may be modified in any manner consistent with Section 10 of the Plan.

18. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Restricted Stock Unit Award. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

19. **Rights as Shareholder.** The holder of a Restricted Stock Unit Award shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any RSU Shares issuable upon the payment of a vested Restricted Stock Unit unless and until a certificate or certificates representing such RSU Shares shall have been issued by the Company to such holder or, if the Common Stock is listed on a national securities exchange, a book entry representing such RSU Shares has been made by the registrar of the Company.

20. **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Signatures on next page.]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

DOLLAR GENERAL CORPORATION

By: _____
Name: _____
Title: _____

GRANTEE

Signature: _____
Print Name: _____
Employee ID: _____

HOME ADDRESS:

Schedule A to Restricted Stock Unit Award Agreement

Grant Date: []

Number of Restricted Stock Units Awarded: []

<u>Vesting Dates:</u>	<u>Percentage</u>	<u>Date</u>
	33 ^{1/3}	April 1, [year]
	33 ^{1/3}	April 1, [year]
	33 ^{1/3}	April 1, [year]

June 2, 2015

The Board of Directors and Shareholders

Dollar General Corporation

We are aware of the incorporation by reference in the Registration Statements (Nos. 333-151047, 333-151049, 333-151655, and 333-163200 on Form S-8 and 333-187493 on Form S-3) of Dollar General Corporation of our report dated June 2, 2015 relating to the unaudited condensed consolidated interim financial statements of Dollar General Corporation that are included in its Form 10-Q for the quarter ended May 1, 2015.

/s/ Ernst & Young LLP
Nashville, Tennessee

CERTIFICATIONS

I, Richard W. Dreiling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 2, 2015

/s/ Richard W. Dreiling
Richard W. Dreiling
Chief Executive Officer

I, David M. Tehle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 2, 2015

/s/ David M. Tehle
David M. Tehle
Chief Financial Officer

CERTIFICATIONS
Pursuant to 18 U.S.C. Section 1350

Each of the undersigned hereby certifies that to his knowledge the Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2015 of Dollar General Corporation (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard W. Dreiling

Name: Richard W. Dreiling
Title: Chief Executive Officer
Date: June 2, 2015

/s/ David M. Tehle

Name: David M. Tehle
Title: Chief Financial Officer
Date: June 2, 2015
