

# DOLLAR GENERAL CORP

## **FORM 8-K** (Current report filing)

Filed 03/03/05 for the Period Ending 02/28/05

Address	100 MISSION RIDGE GOODLETTSVILLE, TN, 37072
Telephone	6158554000
CIK	0000029534
Symbol	DG
SIC Code	5331 - Retail-Variety Stores
Industry	Discount Stores
Sector	Consumer Cyclical
Fiscal Year	02/02

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 28, 2005

Dollar General Corporation

(Exact Name of Registrant as Specified in Charter)

Tennessee

(State or Other Jurisdiction  
of Incorporation)

001-11421

(Commission File Number)

61-0502302

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

100 Mission Ridge  
Goodlettsville, Tennessee

(Address of Principal Executive Offices)

37072

(Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 4.02 NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED INTERIM REVIEW**

On March 3, 2005, Dollar General Corporation (the “Company”) issued a press release announcing that it will correct certain aspects of its lease accounting practices, as more fully described in the release which is attached hereto as Exhibit 99 and incorporated by reference as if fully set forth herein.

On February 28, 2005, the Company determined that, because the cumulative adjustments resulting from these corrections would be material to the financial statements for the year ended January 28, 2005, it is required to restate its financial statements for fiscal years 2000 through 2003. The restatement is technically required even though the estimated adjustments for each individual year are not expected to be material to that year’s previously reported results and have no impact on the Company’s current or future cash flows. Accordingly, the Company determined that those financial statements should no longer be relied upon.

As stated in its February 22, 2005 release, these changes stem from a recent clarification issued by The Securities and Exchange Commission pertaining to certain lease accounting matters. This clarification affected many companies in the retail and restaurant industries.

The Company has discussed the matters set out above with both its Audit Committee of the Board of Directors and its independent auditors, Ernst & Young LLP.

**ITEM 7.01. REGULATION FD DISCLOSURE**

On March 3, 2005, Dollar General Corporation issued the press release attached hereto as Exhibit 99 and incorporated by reference as if fully set forth herein.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) Financial Statements of businesses acquired. N/A
  - (b) Pro Forma Financial Information. N/A
  - (c) Exhibits. See Exhibit Index immediately following the signature page hereto.
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**SIGNATURE**

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 hereunto duly authorized.

Date: March 3, 2005

**DOLLAR GENERAL CORPORATION**

By: /s/ Susan S. Lanigan  
Susan S. Lanigan  
Senior Vice President and General Counsel

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	News release dated March 3, 2005.

Investor Contact:  
Emma Jo Kauffman  
(615) 855-5525

Media Contact:  
Tawn Earnest  
(615) 855-5209

## **DOLLAR GENERAL ANNOUNCES LEASE ACCOUNTING CHANGES**

GOODLETTSVILLE, Tenn. – March 3, 2005 – Dollar General Corporation (NYSE: DG) today announced that it will correct certain aspects of its lease accounting practices, as more fully described below. The Company determined that, because the cumulative adjustments resulting from these corrections would be material to the financial statements for the year ended January 28, 2005, it is required to restate its financial statements for fiscal years 2000 through 2003. The restatement is technically required even though the estimated adjustments for each individual year are not expected to be material to that year's previously reported results and have no impact on the Company's current or future cash flows. As stated in its February 23, 2005 press release, these changes stem from a recent clarification issued by The Securities and Exchange Commission pertaining to certain lease accounting matters. This clarification has affected many companies in the retail and restaurant industries. The Company has discussed the matters set out above with both its Audit Committee of the Board of Directors and its independent auditors, Ernst & Young, LLP.

As explained more fully below, the Company is changing its method of accounting for the amortization of certain leasehold improvements and its calculation of straight-line rent expense. The Company's unaudited estimate is that the total cumulative pre-tax effect of these changes will result in an increase to selling, general and administrative expenses in the range of \$30 to \$40 million, with the majority of the impact relating to years prior to fiscal 2000. The changes are not expected to impact fully diluted earnings per share in fiscal 2004. The expected impact on previously reported fully diluted earnings per share is as follows: fiscal 2003, \$0.00; fiscal 2002, \$0.00; fiscal 2001, \$0.01 decrease; and fiscal 2000, \$0.01 decrease. Similarly, the Company does not expect the impact of these accounting changes to be material in future years.

Previously, the Company amortized all leasehold improvements over eight years, which was estimated to be the approximate useful life of the asset to the Company given the nature of the assets and the historical lease renewal practices. Under the corrected method, the Company has changed its practice to amortize leasehold improvements over the shorter of eight years or the applicable non-cancelable lease term. This change represents the majority of the cumulative impact set forth above.

In addition, the Company previously recognized straight-line rent expense for leases beginning on the earlier of the store opening date or the rent payment commencement date, which had the effect of excluding the period used for preparing the store for opening (approximately 30 days) from the calculation of the period over which rent was expensed. Under the corrected method, the Company has changed its practice to include the period of time needed to prepare the store for opening in its calculation of straight-line rent.

The above estimates are subject to change as the Company finalizes its financial statements. The Company plans to file final corrections to its financial statements in its Annual Report on Form 10-K for the year ended January 28, 2005.

### Forward-Looking Information

This press release contains forward-looking information, such as the expected impact of the lease-related accounting correction. The words "believe," "anticipate," "project," "plan," "schedule," "expect," "estimate," "objective," "forecast," "goal," "intend," "will likely result," or "will continue" and similar expressions generally identify forward-looking statements. These matters involve risks, uncertainties and other factors that may cause the actual performance of the Company to differ materially from that expressed or implied by these forward-looking statements. All forward-looking information should be evaluated in the context of these risks, uncertainties and other factors. The Company believes the assumptions underlying these forward-looking statements are reasonable; however, any of the assumptions

could be inaccurate and, therefore, actual results may differ materially from those projected by, or implied in, the forward-looking statements. Factors that may result in actual results differing from such forward-looking information include, but are not limited to, the completion of the Company's year-end accounting closing process and the completion of the audit.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Except as may be required by law, the Company disclaims any obligation to publicly update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this release or to reflect the occurrence of unanticipated events. Readers are advised, however, to consult any further disclosures the Company may make on related subjects in its public disclosures or documents filed with the SEC.

### 2004 Earnings Conference Call

Dollar General is scheduled to announce earnings for the year ended January 28, 2005 on Thursday, March 17, 2005. The Company will host a conference call on Thursday, March 17, 2005, at 10 a.m. EST to discuss the year's results and the outlook for 2005. The security code for the conference call is "Dollar General." If you wish to participate, please call (334) 260-2280 at least 10 minutes before the conference call is scheduled to begin. The call will also be broadcast live online at [www.dollargeneral.com](http://www.dollargeneral.com). A replay of the conference call will be available until 5 p.m. EST on Thursday, March 31, online or by calling (334) 323-7226. The replay pass code is 13584540.

### About Dollar General

Dollar General is a Fortune 500<sup>®</sup> discount retailer with 7,453 neighborhood stores as of February 25, 2005. Dollar General stores offer convenience and value to customers by offering consumable basic items that are frequently used and replenished, such as food, snacks, health and beauty aids and cleaning supplies, as well as a selection of basic apparel, housewares and seasonal items at everyday low prices. The Company store support center is located in Goodlettsville, Tennessee. Dollar General's Web site can be reached at [www.dollargeneral.com](http://www.dollargeneral.com).

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