

# DOLLAR GENERAL CORP

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

Filed 07/06/07 for the Period Ending 07/02/07

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):

July 6, 2007

**DOLLAR GENERAL CORPORATION**

(Exact Name of Registrant as Specified in Charter)

Tennessee	001-11421	61-0502302
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Tennessee	100 Mission Ridge, Goodlettsville,	37072
	(Address of Principal Executive Offices)	(Zip Code)

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

Not Applicable

Former Address, if Changed Since Last Report

(Former Name or

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 ( *see* General Instruction A.2.):

- 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))

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## **Introductory Note**

On July 6, 2007, Dollar General Corporation (the “Company”) completed its merger (the “Merger”) with Buck Acquisition Corp. (“Merger Sub”), pursuant to which the Company has been acquired by entities affiliated with Kohlberg Kravis Roberts & Co. L.P., GS Capital Partners, an affiliate of Goldman Sachs, Citi Private Equity, and other equity co-investors.

### **Item 2.01. Completion of Acquisition or Disposition of Assets.**

The information set forth in Item 5.01 is incorporated by reference into this Item 2.01.

### **Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

In connection with the closing of the Merger, the Company notified the New York Stock Exchange (“NYSE”) on July 6, 2007 that each outstanding share of the Company’s common stock, par value \$0.50 per share, was cancelled and converted into the right to receive \$22.00 in cash, without interest and less applicable withholding taxes, and requested that the NYSE file with the Securities and Exchange Commission an application on Form 25 to report that the shares of common stock of the Company are no longer listed on NYSE. In connection with the completion of the Merger, trading of the Company’s common stock on NYSE will be suspended prior to the opening of trading on Monday, July 9, 2007.

### **Item 3.03. Material Modification to Rights of Security Holders.**

In connection with the Merger, each publicly held outstanding share of the Company’s common stock, par value \$0.50 per share, was cancelled and converted into the right to receive \$22.00, without interest and less applicable withholding taxes.

### **Item 5.01. Changes in Control of Registrant.**

On July 6, 2006, pursuant to the terms of the Agreement and Plan of Merger, dated as of March 11, 2007, by and among Buck Holdings, L.P. (“Parent”), Merger Sub and the Company, Merger Sub was merged with and into the Company, with the Company being the surviving corporation in the Merger. As a result of the Merger, all publicly-held shares of common stock of the Company were canceled and converted into the right to receive \$22.00 cash per share, without interest and less any applicable withholding taxes. As a result of the Merger, the Company became a subsidiary of Parent, which is controlled by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., GS Capital Partners, an affiliate of Goldman Sachs, Citi Private Equity, and other equity co-investors. Parent is financing the purchase price for the canceled shares of Company common stock through a combination of equity and debt financing.

On July 6, 2007, the Company issued a press release announcing the completion of the Merger. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

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**Item 7.01. Regulation FD Disclosure.**

On July 2, 2007, the Company issued a press release, which is furnished hereto as Exhibit 99.2 and incorporated by reference as if fully set forth herein, announcing that Merger Sub had determined tentative pricing information in connection with the cash tender offer (and related consent solicitation) (the “Tender Offer”) relating to the Company’s \$200 million outstanding aggregate principal amount of 8-5/8% Senior Notes due 2010. In the press release that is included as Exhibit 99.2 hereto and is incorporated herein by reference, in addition to announcing the completion of the Merger, the Company also announces the completion of the Tender Offer.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits .*

See the Index of Exhibits attached to this Form 8-K, which is incorporated herein by reference.

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## **INDEX OF EXHIBITS**

<u>Number</u>	<u>Exhibit</u>
99.1	Press release dated July 6, 2007.
99.2	Press release dated July 2, 2007.

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## **KKR COMPLETES ACQUISITION OF DOLLAR GENERAL CORPORATION**

GOODLETTSVILLE, Tenn., July 6, 2007 - Dollar General Corporation (“Dollar General”) today announced the completion of its merger with affiliates of Kohlberg Kravis & Roberts & Co. L.P., GS Capital Partners, an affiliate of Goldman Sachs, Citi Private Equity, and other equity co-investors (collectively, the “Investors”). The total enterprise value of the transaction is approximately \$7.3 billion. The transaction was approved by Dollar General’s shareholders at a special meeting on June 21, 2007.

Pursuant to the terms of the merger agreement entered into on March 11, 2007, Dollar General’s shareholders will receive \$22.00 in cash for each share of Dollar General’s common stock that they hold.

Dollar General’s common stock will cease to trade on the New York Stock Exchange (“NYSE”) prior to the opening of trading on July 9, 2007. Under private ownership, Dollar General’s common stock will no longer be listed on the NYSE.

Pursuant to the merger agreement, the transfer books were closed as of the effective time of the merger. Shareholders of Dollar General who have stock certificates in their possession will receive instructions by mail from Registrar and Transfer Company, the paying agent, concerning how and where to forward their certificates for payment.

Dollar General also announced the successful completion by Buck Acquisition Corp., a Tennessee corporation (“Buck”), which is indirectly controlled by investment funds affiliated with the Investors, of Buck’s tender offer and consent solicitation (the “Tender Offer”) for Dollar General’s \$200 million outstanding principal amount of 8 5/8% notes due June 15, 2010 (the “Notes”). Pursuant to the merger agreement, Buck was merged with and into Dollar General, with Dollar General continuing as the surviving corporation. The Tender Offer expired at 5:00 p.m., New York City time, on July 5, 2007. Approximately 99% of the Notes were validly tendered, not withdrawn and have been accepted for payment. Dollar General expects that payment for the Notes will be made today. Additionally, because Buck received the requisite consents to the proposed amendments to the indenture pursuant to which the Notes were issued, a supplemental indenture to effect such amendments has been executed and delivered. The amendments will become operative upon the purchase of the tendered Notes.

Goldman, Sachs & Co. acted as the dealer manager and solicitation agent for the Tender Offer. The information agent for the Tender Offer was D.F. King & Co., Inc.

This release is for informational purposes only and is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of consents with respect to the Notes, nor is this release an offer or solicitation of an offer to sell any securities.

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## **About Dollar General**

Dollar General is a Fortune 500(R) discount retailer with over 8,000 neighborhood stores. 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).

## **About KKR**

Kohlberg Kravis Roberts & Co. (KKR) is one of the world's oldest and most experienced private equity firms specializing in management buyouts. Founded in 1976, it has offices in New York, Menlo Park, London, Paris, Hong Kong and Tokyo. Throughout its history, KKR has brought a long-term investment approach to its portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Including Dollar General, over the past 30 years, KKR has invested in 16 transactions in the retail sector in North America and Europe, representing over \$40 billion of aggregate value and covering a broad range of channels including supermarkets, consumer drugstores, and specialty retail. In total, since its founding, KKR has completed over 150 transactions with an aggregate value of US\$294 billion. ([www.kkr.com](http://www.kkr.com)).

## **About GS Capital Partners**

Founded in 1869, Goldman Sachs is one of the oldest and largest investment banking firms. Goldman Sachs is also a global leader in private corporate equity and mezzanine investing. Established in 1991, the GS Capital Partners Funds are part of the firm's Principal Investment Area in the Merchant Banking Division. Since 1986, Goldman Sachs' Principal Investment Area has formed 13 investment vehicles aggregating \$56 billion of capital to date. For more information, please visit [www.gs.com/pia.com](http://www.gs.com/pia.com).

## **About Citi Private Equity**

Citi Private Equity ("CPE"), a unit of Citi Alternative Investments, is the primary investment arm of Citigroup Inc. (NYSE: C) that makes direct equity investments in partnership with leading private equity firms. CPE focuses on leveraged buyouts and recapitalizations across a broad range of industries, geographies and transaction sizes, and is currently investing Citigroup Capital Partners II, a \$3.3 billion fund that closed in December 2006. CPE manages and advises on approximately \$12 billion, comprising more than 75 direct private equity and mezzanine investments and over 330 limited partnership investments, on behalf of proprietary accounts and clients of Citigroup Inc. CPE's 19 investment professionals are based in New York and London.

## **Cautionary Statement Regarding Forward-Looking Statements**

Certain information provided herein may include "forward-looking statements." You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements generally contain words such as "may," "will," "project," "might," "expect," "be-

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lieve,” “anticipate,” “intend,” “could,” “should,” “would,” “estimate,” “continue,” “contemplate,” or “pursue,” or the negative or other variations thereof or comparable terminology. These forward-looking statements are based on current expectations and projections about future events and actual events could differ materially from those projected. You are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks, assumptions and uncertainties that cannot be predicted or quantified. These risks, assumptions and uncertainties include, but are not limited to the outcome of any legal proceedings that have been or may be instituted against Dollar General and others relating to the proposed merger and the risks, assumptions and uncertainties detailed from time to time in Dollar General’s SEC reports, including Dollar General’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Forward-looking statements made herein speak only as of the date hereof, and Dollar General assumes no obligation to update such statements.

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## **TENTATIVE PRICING FOR TENDER OFFER FOR OUTSTANDING DOLLAR GENERAL NOTES ANNOUNCED**

GOODLETTSVILLE, Tenn. - July 2, 2007 - Dollar General Corporation (NYSE: DG) (the "Company" or "Dollar General") announced today that it had been advised by Buck Acquisition Corp., a Tennessee corporation ("Buck"), which is indirectly controlled by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR"), that Buck had determined tentative pricing information in connection with the cash tender offer (and related consent solicitation) (the "Tender Offer") relating to the \$200 million outstanding aggregate principal amount of  $8\frac{5}{8}\%$  Senior Notes due 2010 of Dollar General (the "Notes"). If the Tender Offer for the Notes expires as currently scheduled, at 5:00 p.m., New York City time, on July 5, 2007, the Company will pay total consideration of \$1,087.72 for each \$1,000 principal amount of Notes. The Tender Offer is being conducted in connection with the anticipated merger (the "Merger") of Buck with and into Dollar General. Additional information regarding the Merger and the related transactions can be found in the Company's Securities and Exchange Commission filings. The Tender Offer is being made pursuant to an Offer to Purchase and Consent Solicitation Statement (the "Offer to Purchase") dated June 4, 2007, which more fully sets forth the terms and conditions of the Tender Offer.

Buck reserves the right to extend the expiration time of the Tender Offer subject to applicable law. In the event the expiration time is extended, Buck will publicly announce the extension no later than 9:00 a.m., New York City time, on the first business day following the previously scheduled expiration time.

If the Tender Offer expires at the currently scheduled expiration time of 5:00 p.m., New York City time, on July 5, 2007, Buck expects the settlement date to be July 6, 2007, subject to satisfying various conditions, including all conditions precedent to the Merger.

The total consideration for the Notes includes a consent payment of \$30.00 per \$1,000 principal amount of Notes. All holders who validly tendered their Notes pursuant to the Offer to Purchase on or prior to the consent payment deadline of 5:00 p.m., New York City time, on June 15, 2007 will receive the total consideration, which includes the consent payment. All other holders who tender their Notes pursuant to the Tender Offer prior to the expiration time (currently scheduled at 5:00 p.m., New York City time, on July 5, 2007 unless the expiration time is extended) will receive the tender offer consideration of \$1,057.72 per \$1,000 principal amount of Notes tendered.

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The purchase price for the Notes was determined by reference to a fixed spread of 50 basis points over the bid side yield (as quoted on Bloomberg screen PX5 at 11:00 a.m., New York City time, on July 2, 2007) of the 3.625% U.S. Treasury Note due June 15, 2010.

Goldman, Sachs & Co. is acting as the dealer manager and solicitation agent for the Tender Offer and Consent Solicitation. The information agent for the Tender Offer is D.F. King & Co., Inc. Questions regarding the Tender Offer and Consent Solicitation may be directed to Goldman, Sachs & Co. at (212) 902-9077 (collect) or (800) 828-3182 (toll-free). Requests for documentation may be directed to D.F. King & Co., Inc. at (212) 269-5550 (for banks and brokers only) or 1(800) 488-8095 (for all others toll-free).

This release is for informational purposes only and is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of consents with respect to the Notes, nor is this release an offer or solicitation of an offer to sell any securities. The Tender Offer and related consent solicitation are made solely by means of the Offer to Purchase.

### **Cautionary Statement Regarding Forward-Looking Statements**

Certain information provided herein may include “forward-looking statements.” You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements generally contain words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “should,” “would”, “estimate,” “continue,” “contemplate” or “pursue,” or the negative or other variations thereof or comparable terminology. These forward-looking statements are based on current expectations and projections about future events and actual events could differ materially from those projected. You are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks, assumptions and uncertainties that cannot be predicted or quantified. These risks, assumptions and uncertainties include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that have been or may be instituted against Dollar General and others relating to the proposed Merger; the inability to complete the Merger due to the failure to satisfy the conditions to the completion of the Merger, including the failure to obtain the necessary debt financing arrangements set forth in commitment letters received in connection with the Merger; risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the Merger; the ability to recognize the benefits of the Merger; the amount of the costs, fees, expenses and charges related to the Merger and the actual terms of certain financings that will be obtained for the Merger; the impact of the substantial indebtedness incurred to finance the consummation of the Merger; and other risks, assumptions and uncertainties detailed from time to time in Dollar General’s SEC reports, including Dollar General’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q as well as in the proxy statement relating to the proposed Merger. Many of the factors that will determine the outcome of the subject matter of this press release are beyond Buck’s or Dollar General’s ability to control or predict. There can be no assurance that the transaction described above will be consummated. Forward-looking statements made herein speak only as of the date hereof, and Dollar General assumes no obligation to update such statements.

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