DOLLAR GENERAL CORP

FORM 10-K/A
(Amended Annual Report)

Filed 07/31/00 for the Period Ending 01/28/00

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

DOLLAR GENERAL CORP

FORM 10-K/A
(Amended Annual Report)

Filed 7/31/2000 For Period Ending 1/28/2000

Address	100 MISSION RIDGE
	GOODLETTSVILLE, Tennessee 37072
Telephone	615-855-4000
CIK	0000029534
Industry	Retail (Specialty)
Sector	Services
Fiscal Year	01/31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
(AMENDMENT NO. 1)

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

For the fiscal year ended January 28, 2000

Commission file number 0-4769

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 Number)

100 MISSION RIDGE
GOODLETTSVILLE, TN 37072
(Address of principal executive offices, zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of the Exchange on which Registered
Common Stock	New York Stock Exchange
Series B Junior Participating Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

Aggregate market value of the voting stock held by non-affiliates of the Registrant as of April 6, 2000 was $5,656,428,068 based upon the last reported sale price on such date by the New York Stock Exchange.

The number of shares of common stock outstanding on April 6, 2000 was 263,274,082.

Documents Incorporated by Reference

Document	Where Incorporated in Form 10-K
Portions of the Registrant's Proxy Statement Relating to the Annual Meeting of Shareholders to be held on June 5, 2000	Part III

Pursuant to Rule 12b-15 of the Securities Exchange Act of 1934, as amended, the undersigned Registrant hereby amends its annual report on Form 10-K filed on April 27, 2000, for the fiscal year ended January 28, 2000 (the "Annual Report"), to include the unqualified auditors' opinion of Deloitte & Touche LLP, which was inadvertently omitted from the original filing of the Annual Report. Set forth below in its entirety is Item 8 with the only modification being the inclusion of the unqualified opinion of Deloitte & Touche LLP.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands except per share amounts)

	January 28, 2000	January 29, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 58,789	$ 22,294
Merchandise inventories	985,715	811,722
Deferred income taxes	5,995	2,523
Other current assets	45,036	42,378
Total current assets	1,095,535	878,917
Property and equipment, at cost:		
Land	5,907	5,983
Buildings	32,807	47,687
Furniture, fixtures and equipment	558,823	474,568
	597,537	528,238
Less accumulated depreciation	251,064	201,830
Net property and equipment	346,473	326,408
Other assets	8,933	6,459
Total assets	$1,450,941	$1,211,784
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 1,233	725
Accounts payable	334,554	257,759
Accrued expenses	121,375	172,825
Income taxes	15,135	23,825
Total current liabilities	472,297	455,134
Long-term debt	1,200	786
Deferred income taxes	51,523	30,103
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, stated value $.50 per share:		
Shares authorized: 1999 and 1998-10,000,000;		
Issued: 1999-0; 1998-1,716,000;	0	858
Common stock, par value $.50 per share:		
Shares authorized: 1999 and 1998-500,000,000;		
Issued: 1999-264,692,000; 1998-210,242,000	132,346	105,121
Additional paid-in capital	255,581	418,039
Retained earnings	537,994	402,270
	925,921	926,288
Less treasury stock, at cost:		
Shares: 1999-0; 1998-32,725,000	0	200,527
Total shareholders' equity	925,921	725,761
Total liabilities and shareholders' equity	$1,450,941	$1,211,784

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands except per share amounts)

	For the years ended January 28, 2000		January 29, 1999		January 30, 1998	
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales
Net sales	$3,887,964	100.0%	$3,220,989	100.0%	$2,627,325	100.0%
Cost of goods sold	2,790,173	71.8	2,315,112	71.9	1,885,190	71.8
Gross profit	1,097,791	28.2	905,877	28.1	742,135	28.3
Selling, general and administrative	748,489	19.3	616,613	19.1	506,592	19.3
Operating profit	349,302	9.0	289,264	9.0	235,543	9.0
Interest expense	5,157	0.1	8,349	0.3	3,764	0.1
Income before taxes on income	344,145	8.9	280,915	8.7	231,779	8.8
Provisions for taxes on income	124,718	3.2	98,882	3.0	87,151	3.3
Net income	$ 219,427	5.6%	$ 182,033	5.7%	$ 144,628	5.5%
Diluted earnings per share	$0.81		$0.68		$0.54	
Weighted average diluted shares (000)	269,570		268,399		267,954	
Basic earnings per share	$0.89		$0.81		$0.64	

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the years ended January 28, 2000, January 29, 1999, and January 30, 1998
(Dollars in thousands, except per share amounts)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total
Balances, January 31, 1997	$ 858	$ 53,105	$ 329,948	$ 302,145	$(200,527)	$485,529
Net income				144,628		144,628
5-for-4 stock split, September 22, 1997		13,416		(13,416)		0
5-for-4 stock split, March 23, 1998		16,705		(16,705)		0
Cash dividends, $0.17 per common share				(19,170)		(19,170)
Cash dividends, $1.90 per preferred share				(3,269)		(3,269)
Issuance of common stock under stock incentive plans (2,560,000 shares)		1,280	29,566			30,846
Tax benefit from exercise of options			19,855			19,855
Repurchase of common stock (1,991,000 shares)		(995)		(74,128)		(75,123)
Transfer to employee stock ownership plan (30,000 common shares)		15	585			600
Balances, January 30, 1998	$ 858	$ 83,526	$ 379,954	$ 320,085	$(200,527)	$583,896
Net income				182,033		182,033
5-for-4 stock split, September 21, 1998		21,090	(21,090)			0
Cash dividends, $0.14 per common share				(24,114)		(24,114)
Cash dividends, $2.04 per preferred share				(3,497)		(3,497)
Issuance of common stock under stock incentive plans (2,976,000 shares)		1,488	27,523			29,011
Tax benefit from exercise of options			30,913			30,913
Repurchase of common stock (1,997,000 shares)		(999)		(72,237)		(73,236)
Transfer to 401(k) Plan (32,000 common shares)		16	739			755
Balances, January 29, 1999	$ 858	$105,121	$ 418,039	$ 402,270	$(200,527)	$725,761
Net income				219,427		219,427
5-for-4 stock split, May 24, 1999		26,573	(26,573)			0
Cash dividends, $0.13 per common share				(32,879)		(32,879)
Cash dividends, $0.69 per preferred share				(1,178)		(1,178)
Issuance of common stock under stock incentive plans (3,518,000 shares)		1,759	34,027			35,786
Tax benefit from exercise of options			29,757			29,757
Convert preferred to common (40,906,000 common shares)	(858)		(199,669)		200,527	0
Repurchase of common stock (2,213,000 shares)		(1,107)		(49,646)		(50,753)
Balances, January 28, 2000	$ 0	$132,346	$ 255,581	$ 537,994	$ 0	$925,921

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	For the years ended		
	January 28, 2000	January 29, 1999	January 30, 1998
Cash flows from operating activities:			
Net income	$219,427	$182,033	$144,628
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	63,944	53,112	38,734
Deferred income taxes	17,948	11,386	14,312
Change in operating assets and liabilities:			
Merchandise inventories	(173,993)	(179,768)	(155,851)
Other current assets	(2,658)	(20,494)	(3,640)
Accounts payable	76,795	77,801	76,435
Accrued expenses	(51,450)	80,798	21,586
Income taxes	(8,690)	11,482	2,341
Other	(966)	2,260	574
Net cash provided by operating activities	140,357	218,610	139,119
Cash flows from investing activities:			
Purchase of property and equipment	(152,738)	(140,332)	(107,700)
Proceeds from sale of property and equipment	67,221	222	33,811
Net cash used in investing activities	(85,517)	(140,110)	(73,889)
Cash flows from financing activities:			
Issuance of short-term borrowings	218,865	290,647	157,592
Repayments of short-term borrowings	(218,865)	(312,580)	(174,128)
Issuance of long-term debt	3,104	1,240	190
Repayments of long-term debt	(2,182)	(2,473)	(2,058)
Payment of cash dividends	(34,057)	(27,611)	(22,440)
Proceeds from exercise of stock options	35,786	29,011	30,847
Repurchase of common stock	(50,753)	(73,236)	(75,123)
Tax benefit from stock option exercises	29,757	30,913	19,855
Other	0	755	600
Net cash used in financing activities	(18,345)	(63,334)	(64,665)
Net increase in cash and cash equivalents	36,495	15,166	565
Cash and cash equivalents, beginning of year	22,294	7,128	6,563
Cash and cash equivalents, end of year	$ 58,789	$ 22,294	$ 7,128
Supplemental cash flow information Cash paid during year for:			
Interest	$ 7,452	$ 9,275	$ 4,608
Income taxes	$ 84,759	$ 46,439	$ 50,831

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies:

The Company sells general merchandise on a retail basis through 4,294 stores (as of January 28, 2000), located predominantly in small towns in the midwestern and southeastern United States. The Company has DCs in Scottsville, Kentucky; Homerville, Georgia; Ardmore, Oklahoma; South Boston, Virginia; Indianola, Mississippi; Villa Rica, Georgia; Fulton, Missouri; Alachua, Florida (under development) and Zanesville, Ohio (under development).

Basis of presentation

The Company's fiscal year ends on the Friday closest to January 31. The consolidated financial statements include all subsidiaries. Inter-company transactions have been eliminated. Certain reclassifications have been made to the 1998 and 1997 financial statements to agree to the 1999 presentation.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less when purchased.

Inventories

Inventories are stated at cost using the retail last-in, first-out ("LIFO") method which is not in excess of market. The excess of current cost over LIFO cost was $15.2 million, $15.0 million and $16.4 million at January 28, 2000, January 29, 1999 and January 30, 1998, respectively. LIFO reserves increased by $0.2 million in 1999 but decreased $1.4 million in 1998 and $2.0 million in 1997.

Pre-opening costs

Pre-opening costs for new stores are expensed as incurred.

Property and equipment

Property and equipment are recorded at cost. The Company provides for depreciation of buildings and equipment on a straight-line basis over the following estimated useful lives: 40 years for buildings; 3 to 10 years for furniture, fixtures and equipment. Depreciation expense was $63.4 million, $52.9 million and $38.5 million in 1999, 1998 and 1997, respectively.

Insurance claims provisions

In 1996, the Company established The Greater Cumberland Insurance Company, a Vermont-based, wholly-owned subsidiary captive insurance company. This insurance company charges Dollar General's subsidiary companies competitive premium rates to insure workers' compensation and non-property general liability claims risk. The insurance company currently insures no unrelated third-party risk.

The Company retains a significant portion of the risk for its workers' compensation, employee health insurance, general liability, property, and automobile coverages. Accordingly, provisions are made for the Company's actuarially determined estimates of discounted future claim costs for such risks. To the extent that subsequent claim costs vary from those estimates, current earnings are charged or credited.

Derivative financial instruments

On July 16, 1999, the Company replaced its existing interest rate swap agreements with $200 million in interest rate swap agreements. These agreements contain provisions to extend the agreements to September 2002, which can be exercised at the option of the counterparties in February 2001. The Company will pay a weighted average fixed rate of 5.14% on the $200 million notional amount. All outstanding interest rate swap agreements have been designated as hedges of the Company's floating rate commitments under operating leases. The Company recognizes floating rate interest differentials as adjustments to expense in the period they occur. Gains and losses on terminations of interest rate swap agreements are deferred and amortized to expense over the shorter of the original term of the agreements or the remaining life of the associated outstanding commitment. The counterparties to these instruments are major financial institutions. These counterparties expose the Company to credit risk in the event of non-performance; however, the Company does not anticipate non-performance by the other parties. The fair value of the Company's interest rate swap agreements is based on dealer quotes. These values represent the amounts the Company would receive or pay to terminate the agreements taking into consideration current interest rates. The fair value of the interest rate swap agreements was $3.1 million at January 28, 2000. The Company does not hold or issue derivative financial instruments for trading purposes.

Income taxes

The Company reports income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Under SFAS No. 109, the asset and liability method is used for computing future income tax consequences of events which have been recognized in the Company's consolidated financial statements or income tax returns. Deferred income tax expense or benefit is the change during the year in the Company's deferred income tax assets and liabilities.

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting pronouncements

The Company will adopt Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," for the fiscal year ending February 1, 2002. The Company is in the process of analyzing the impact of the adoption of this Statement.

2. Cash and Short-term Borrowings:

The cash management system provides for daily investment of available balances and the funding of outstanding checks when presented for payment. Outstanding but unpresented checks totaling $127.5 million and $125.3 million at January 28, 2000, and January 29, 1999, respectively, have been included in accounts payable. Upon presentation for payment, they will be funded through available cash balances or the Company's revolving credit agreement (the "revolver").

The Company had seasonal lines of credit with banks totaling $105.0 million at January 28, 2000, and $165.0 million at January 29, 1999. The lines are subject to periodic review by the lending institutions which may increase or decrease the amounts available. There were no borrowings outstanding under these lines of credit at January 28, 2000 and January 29, 1999. The Company also has a $175.0 million revolver which expires in September 2002. There were no borrowings outstanding under the revolver at January 28, 2000 and January 29, 1999.

The weighted average interest rates for all short-term borrowings were 5.7% and 5.5% for 1999 and 1998, respectively. The revolver contains certain restrictive covenants. At January 28, 2000, the Company was in compliance with all such covenants.

At January 28, 2000, and January 29, 1999, the Company had outstanding letters of credit totaling $53.6 million and $101.1 million, respectively.

3. Accrued Expenses:

Accrued expenses consist of the following:

(In thousands)	1999	1998
Compensation and benefits	$ 42,778	$ 34,766
Insurance	32,429	29,069
Taxes (other than taxes on income)	12,473	8,758
Rent	8,046	8,725
Dividends	8,467	6,615
Freight and other	17,182	16,941
Advance on sale/leaseback transactions	0	67,951
Total accrued expenses	$121,375	$172,825

4. Income Taxes:

The provisions for income taxes consist of the following:

(In thousands)	1999	1998	1997
Currently payable:			
Federal	$105,397	$85,333	$68,177
State	1,373	2,163	4,662
Total currently payable	106,770	87,496	72,839
Deferred:			
Federal	16,752	10,631	13,503
State	1,196	755	809
Total deferred	17,948	11,386	14,312
Total provision	$124,718	$98,882	$87,151

Deferred tax expense is recognized for the future tax consequences of temporary differences between the amounts reported in the Company's financial statements and the tax basis of its assets and liabilities. Differences giving rise to the Company's deferred tax assets and liabilities are as follows:

	1999		1998	
(In thousands)	Assets	Liabilities	Assets	Liabilities
Amortization	$ 0	$ 1,569	$ 0	$ 673
Inventories	0	2,398	0	4,334
Accrued insurance	2,476	0	1,957	0
Deferred compensation	2,684	0	0	0
Tax method changes	0	8,202	0	0
Property and equipment	0	39,354	0	24,847
Other	835	0	566	249
Total deferred taxes	$ 5,995	$ 51,523	$2,523	$30,103

Reconciliation of the federal statutory rate and the effective income tax rate follows:

	1999	1998	1997
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	1.5	0.8	2.7
Tax credits	(0.3)	(0.2)	(0.1)
Other	0.0	(0.4)	0.0
Effective income tax rate	36.2%	35.2%	37.6%

5. Earnings Per Share:

Amounts are in thousands except per share data, and shares have been adjusted to give retroactive effect to all common stock splits.

1999	Income	Shares	Per-Share Amount
Net income	$219,427		
Less: preferred stock dividends	1,178		
Basic earnings per share Income available to common shareholders	218,249	244,019	$0.89
Stock options outstanding		5,098	
Convertible preferred stock	1,178	20,453	
Diluted earnings per share Income available to common shareholders plus assumed conversions	$219,427	269,570	$0.81

1998	Income	Shares	Per-Share Amount
Net income	$182,033		
Less: preferred stock dividends	3,497		
Basic earnings per share Income available to common shareholders	178,536	221,057	$0.81
Stock options outstanding		6,436	
Convertible preferred stock	3,497	40,906	
Diluted earnings per share Income available to common shareholders plus assumed conversions	$182,033	268,399	$0.68

1997	Income	Shares	Per-Share Amount
Net income	$144,628		
Less: preferred stock dividends	3,269		
Basic earnings per share			
Income available to common shareholders	141,359	220,625	$0.64
Stock options outstanding		6,423	
Convertible preferred stock	3,269	40,906	
Diluted earnings per share			
Income available to common shareholders plus assumed conversions	$144,628	267,954	$0.54

Basic earnings per share was computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share was determined based on the assumption that the convertible preferred stock was converted upon issuance on August 22, 1994.

6. Commitments and Contingencies:

At January 28, 2000, the Company and certain subsidiaries were committed for retail store, DC and administrative office space in the following fiscal years under non-cancelable operating lease agreements requiring minimum annual rental payments of (in millions): $149.5 in 2000; $129.1 in 2001; $111.1 in 2002; $64.0 in 2003; $50.1 in 2004 and $181.8 in later fiscal years. Most of these leases include renewal options for periods ranging from two to five years and provisions for contingent rentals based upon a percentage of defined sales volume. Certain leases contain restrictive covenants. At January 28, 2000, the Company was in compliance with such covenants.

Rent expense under all operating leases was as follows:

(In thousands)	1999	1998	1997
Minimum rentals	$135,703	$101,235	$71,694
Contingent rentals	13,646	13,658	12,342
Total rentals	$149,349	$114,893	$84,036

Included in the leases above, the Company leases its corporate headquarters, certain DCs and a number of store locations under operating leases which contain a residual value guarantees of $351.4 million. Lease payments are based on variable interest rates. The Company had $285.0 million in facilities at January 28, 2000, and January 29, 1999, available for the issuance of trade letters of credit.

The Company was involved in litigation, investigations of a routine nature and various legal matters during 1999, which are being defended and handled in the ordinary course of business. While the ultimate results of these matters cannot be determined or predicted, management believes that they will not have a material adverse affect on the Company's results of operations or financial position.

7. Employee Benefits:

Through December 31, 1997, the Company had two noncontributory defined contribution retirement plans covering substantially all full-time employees. Expense for these plans was approximately $4.9 million in 1997.

Effective January 1, 1998, the Company established a 401(k) savings and retirement plan that replaced the previous defined contribution plans. The assets of the defined contribution plans were merged into the new 401(k) plan. All employees who have completed 12 months of service and reached age 21 are eligible to participate in the plan. Under the plan, employees can make contributions up to 15% of their annual compensation. Employee contributions, up to 6% of annual compensation, are matched by the Company at the rate of $0.50 on the dollar. The Company also contributes annually to the plan an amount equal to 2% of each employee's annual compensation. Expense for this plan was approximately $6.3 million in 1999 and $4.8 million in 1998.

Effective January 1, 1998, the Company also established a supplemental retirement plan and a compensation deferral plan for highly compensated employees. The supplemental retirement plan is a noncontributory defined contribution plan with annual Company contributions ranging from 2% to 12% of base pay plus bonus depending upon age plus years of service and salary level. Under the compensation deferral plan participants may defer up to 50% of base pay and 100% of bonus pay, reduced by any deferral to the 401(k) plan. Expense for these plans was approximately $1.0 million in 1999 and $0.4 million in 1998.

8. Capital Stock:

The authorized capital stock of the Company consists of common stock and preferred stock. In June 1998, the Company increased the authorized shares of common stock to 500,000,000 shares and the authorized shares of preferred stock to 10,000,000 shares.

In 1994, the Company exchanged 1,715,742 shares of Series A Convertible Junior Preferred Stock for the 8,578,710 shares of Dollar General common stock owned by C.T.S., Inc., a personal holding Company controlled by members of the Turner family, the founders of Dollar General. The Series A Convertible Junior Preferred Stock was authorized by the Board of Directors out of the authorized but unissued preferred stock approved by the Company's shareholders in 1992. On August 23, 1999, the holders of all of the Company's 1.7 million shares of Series A Convertible Junior Preferred Stock converted their shares to 40.9 million shares of Dollar General Common Stock in accordance with the relevant provisions of the Company's charter. Consequently, preferred stock and treasury stock balances were reduced to zero. This was a non-cash transaction.

The Company has a Shareholder Rights Plan (the "Plan") under which Series B Junior Participating Preferred Stock Purchase Rights (the "Rights") were issued for each outstanding share of common stock. The Rights were attached to all common stock outstanding as of March 10, 2000, and will be attached to all additional shares of common stock issued prior to the Plan's expiration on February 28, 2010, or such earlier termination, if applicable. The Rights entitle the holders to purchase from the Company one one-hundredth of a share (a "Unit") of Series B Junior Participating Preferred Stock (the "Preferred Stock"), no par value, at a purchase price of $100 per Unit, subject to adjustment. Initially, the Rights will attach to all certificates representing shares of outstanding Common Stock, and no separate Rights Certificates will be distributed. The Rights will become exercisable upon the occurrence of a triggering event as defined in the Plan.

9. Stock Incentive Plans:

The Company has established stock incentive plans under which options to purchase common stock may be granted to executive officers, directors and key employees.

All options granted in 1999, 1998 and 1997, under the 1998 Stock Incentive Plan, the 1995 Employee Stock Incentive Plan, the 1993 Employee Stock Incentive Plan and the 1995 Outside Directors Stock Option Plan, were non-qualified stock options issued at a price equal to the fair market value of the Company's common stock on the date of grant. Non-qualified options granted under these plans have an expiration date of no later than ten years following the date of grant and have a vesting period of no less than one year.

Under the plans, grants are made to key management employees ranging from executive officers to store managers and assistant store managers, as well as other employees as prescribed by the Company's Corporate Governance and Compensation Committee of the Board of Directors. The number of options granted and vesting schedules are directly linked to the employee's performance and position within the Company.

The plans also provide for annual grants to non-employee directors according to a non-discretionary formula. The number of shares granted is dependent upon current director compensation levels and the market price of the stock.

The Company applies APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its plans. The exercise price of options awarded under these plans has been equal to the fair market value of the underlying common stock on the date of grant. Accordingly, no compensation expense has been recognized for its stock-based compensation plans. Had compensation cost for the Company's stock-based compensation plans been determined based on the fair value at the grant date for awards under these plans consistent with the methodology prescribed under SFAS No. 123, "Accounting for Stock-Based Compensation," net income and earnings per share would have been reduced to the pro forma amounts indicated in the following table.

(Amounts in thousands except per share data)	1999	1998	1997
Net income - as reported	$219,427	$182,033	$144,628
Net income - pro forma	$196,869	$166,553	$138,262
Earnings per share - as reported			
Basic	$.89	$.81	$.64
Diluted	$.81	$.68	$.54
Earnings per share - pro forma			
Basic	$.80	$.74	$.62
Diluted	$.73	$.62	$.52

Earnings per share have been adjusted to give retroactive effect to all common stock splits.

The pro forma effects on net income for 1999, 1998 and 1997 are not representative of the pro forma effect on net income in future years because they do not take into consideration pro forma compensation expense related to grants made prior to 1996. The fair value of options granted during 1999, 1998, and 1997 is $11.55, $9.69, and $6.04, respectively.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	1999	1998	1997
Expected dividend yield	0.7%	0.7%	0.7%
Expected stock price volatility	48.0%	48.0%	40.0%
Weighted average risk-free interest rate	5.3%	5.5%	6.2%
Expected life of options (years)	4.5	3.0	3.0

A summary of the balances and activity for all the Company's stock incentive plans for the last three fiscal years is presented below:

	Shares Under Plans	Weighted Average Exercise Price
Balance, January 31, 1997	22,391,079	$ 5.63
Granted	5,014,404	14.71
Exercised	(6,017,063)	5.10
Canceled	(1,324,374)	8.02
Balance, January 30, 1998	20,064,046	8.31
Granted	4,940,669	19.70
Exercised	(4,573,573)	6.62
Canceled	(1,508,614)	13.27
Balance, January 29, 1999	18,922,528	11.36
Granted	4,627,834	26.52
Exercised	(4,297,405)	8.03
Canceled	(1,046,328)	15.47
Balance, January 28, 2000	18,206,629	$15.73

The following table summarizes information about stock options outstanding at January 28, 2000:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Exercise Price
$ 0.62 - $10.00	6,190,984	4.5	$ 5.83	4,689,872	$ 6.46
$10.01 - $20.00	6,684,916	7.7	16.69	4,876,150	16.10
$20.01 - $29.88	5,330,729	9.1	26.03	249,579	23.58
$ 0.62 - $29.88	18,206,629	7.0	$15.73	9,815,601	$11.68

At January 28, 2000, there were 10,514,504 shares available for granting of stock options under the Company's stock option plans.

10. SEGMENT REPORTING

The Company manages its business on the basis of one reportable segment. See Note 1 for a brief description of the Company's business. As of January 28, 2000, all of the Company's operations were located within the United States. The following data is presented in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and

Related Information."

(In thousands)	1999	1998	1997
Classes of similar products:			
Net Sales:			
Hardlines	$3,193,626	$2,627,304	$2,149,528
Softlines	694,338	593,685	477,797
Total net sales	$3,887,964	$3,220,989	$2,627,325

11. QUARTERLY FINANCIAL DATA (UNAUDITED):

The following is selected unaudited quarterly financial data for the fiscal years ended January 28, 2000, and January 29, 1999. Amounts are in thousands except per share data. Per share data has been adjusted for all common stock splits.

Quarter	First	Second	Third	Fourth	Year
1999:					
Net sales	$844,593	$915,210	$950,419	$1,177,742	$3,887,964
Gross profit	225,947	249,582	277,857	344,405	1,097,791
Net income	36,348	41,615	50,859	90,605	219,427
Diluted earnings per share	$ 0.14	$ 0.15	$ 0.19	$ 0.34	$ 0.81
Basic earnings per share	$ 0.16	$ 0.19	$ 0.19	$ 0.34	$ 0.89
1998:					
Net sales	$705,260	$741,355	$781,389	$992,985	$3,220,989
Gross profit	190,332	205,481	224,734	285,330	905,877
Net income	30,404	33,288	40,338	78,003	182,033
Diluted earnings per share	$ 0.11	$ 0.12	$ 0.15	$ 0.29	$ 0.68
Basic earnings per share	$ 0.13	$ 0.15	$ 0.18	$ 0.35	$ 0.81

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Dollar General Corporation Goodlettsville, Tennessee

We have audited the accompanying consolidated balance sheets of Dollar General Corporation and subsidiaries as of January 28, 2000 and January 29, 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended January 28, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Dollar General Corporation and subsidiaries as of January 28, 2000 and January 29, 1999, and the results of their operations and their cash flows for each of the three years in the period ended January 28, 2000, in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP

Nashville, Tennessee
February 22, 2000

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOLLAR GENERAL CORPORATION

Date: July 28, 2000

By: /s/ Brian M. Burr

Brian M. Burr,
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

23 Consent of Deloitte & Touche LLP

27 Financial Data Schedule

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-51589, 333-51591, 333-00141, 333-09448, 333-65789 and 333-93309 of Dollar General Corporation on Form S-8 and Registration Statement Nos. 333-50541 and 333-80655 of Dollar General Corporation on Form S-3 of our report dated February 22, 2000, appearing in this Annual Report on Form 10-K/A of Dollar General Corporation for the year ended January 28, 2000.

/s/ DELOITTE & TOUCHE LLP

Nashville, Tennessee
July 28, 2000

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	12 MOS	12 MOS
FISCAL YEAR END	JAN 28 2000	JAN 29 1999
PERIOD END	JAN 28 2000	JAN 29 1999
CASH	58,789	22,294
SECURITIES	0	0
RECEIVABLES	0	0
ALLOWANCES	0	0
INVENTORY	985,715	811,722
CURRENT ASSETS	1,095,535	878,917
PP&E	597,537	528,238
DEPRECIATION	251,064	201,830
TOTAL ASSETS	1,450,941	1,211,784
CURRENT LIABILITIES	472,297	455,134
BONDS	0	0
COMMON	132,346	105,121
PREFERRED MANDATORY	0	0
PREFERRED	0	858
OTHER SE	793,575	619,782
TOTAL LIABILITY AND EQUITY	1,450,941	1,211,784
SALES	3,887,964	3,220,989
TOTAL REVENUES	3,887,964	3,220,989
CGS	2,790,173	2,315,112
TOTAL COSTS	748,489	616,613
OTHER EXPENSES	0	0
LOSS PROVISION	0	0
INTEREST EXPENSE	5,157	8,349
INCOME PRETAX	344,145	280,915
INCOME TAX	124,718	98,882
INCOME CONTINUING	219,427	182,033
DISCONTINUED	0	0
EXTRAORDINARY	0	0
CHANGES	0	0
NET INCOME	219,427	182,033
EPS BASIC	0.89	0.81
EPS DILUTED	0.81	0.68

End of Filing