

# DOLLAR GENERAL CORP

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

Filed 08/08/00 for the Period Ending 08/08/00

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

# DOLLAR GENERAL CORP

## FORM 8-K (Unscheduled Material Events)

Filed 8/8/2000 For Period Ending 8/8/2000

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

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## 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):  
August 8, 2000 (August 8, 2000)

## Dollar General Corporation

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(Exact Name of Registrant as Specified in Charter)

Tennessee	001-11421	61-0502302
-----	-----	-----
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
100 Mission Ridge		37072
Goodlettsville, Tennessee		-----
-----		-----
(Address of Principal Executive Offices)		(Zip Code)
Registrant's telephone number, including area code: (615) 855-4000		-----
	N/A	
	-----	

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

## **Item 5. Other Events**

On August 8, 2000, Dollar General Corporation reported preliminary results for the second quarter ended July 28, 2000. Exhibit 99.1 sets forth the press release issued by the company. In addition, on August 8, 2000, the company announced that its board of directors has authorized the company to repurchase from time to time up to an additional 5,000,000 shares of its outstanding common stock in the open market or in privately negotiated transactions. Exhibit 99.2 sets forth the press release issued by the company. These two press releases are hereby incorporated by reference into this Item 5.

## **Item 7. Financial Statements, Pro Forma Financial Information and Exhibits**

(c) Exhibits:

99.1 Press Release dated August 8, 2000.

99.2 Press Release dated August 8, 2000.

**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 hereunto duly authorized.

**DOLLAR GENERAL CORPORATION**

*Date: August 8, 2000*

*By: /s/ Brian M. Burr*

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

## EXHIBIT INDEX

No. -----	Exhibit -----
99.1	Press Release dated August 8, 2000.
99.2	Press Release dated August 8, 2000.

## EXHIBIT 99.1

### NEWS FROM: FOR IMMEDIATE RELEASE DOLLAR GENERAL CORPORATION

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CONTACT: Dollar General Corporation, Goodlettsville TN 37072-2170 TELEPHONE (615) 855-4000 Investor Contact Kiley Fleming, 615/855-5525 MEDIA CONTACT: Karen Moss, 615/855-5210 <http://www.dollargeneral.com>

### DOLLAR GENERAL REPORTS SECOND QUARTER SALES AND EARNINGS

GOODLETTSVILLE, Tenn.--August 8, 2000--Dollar General Corporation (NYSE: DG) today reported earnings per diluted share of \$0.12 for the second quarter ended July 28, 2000, flat when compared with the second quarter last year. Total sales increased 11.2% to \$1,017.4 million from \$915.2 million last year. Same-store sales for the 13-week period decreased 2.6%.

"In the past four months, we have done a significant reset of all stores to position higher customer flow and inventory turn. All aisles have been widened by approximately 25% while also providing 50% more selling area to seasonal and opportunistic merchandise," said Cal Turner, Jr., Chairman and CEO. "Core merchandise has also been enhanced by adding 600 new items including select national brands desired by our customers. New scanning technology has been placed at the checkout and new shelf ordering processes instituted. This is a bunch of work, but it gets us ready for higher sales per square foot in the future."

For the quarter, gross margin equaled \$282.0 million compared with \$249.6 in 1999. As a percentage of sales, gross margin was 27.71% compared with 27.27% last year. Operating expenses for the quarter equaled \$216.0 million, or 21.23% of sales, compared with \$182.4 million, or 19.93% of sales, in the same period a year ago. Net income for the quarter decreased 5.5% to \$39.3 million, compared with \$41.6 million last year.

Year-to-date, capital expenditures equaled \$142.0 million, compared with \$73.4 million in the same period last year. Capital expenditures for the quarter included investments in new store openings and distribution center projects. The company opened 220 new stores, remodeled or relocated 36 stores and closed 11 stores during the quarter. At quarter end, the company operated 4,719 stores.

Total LIFO merchandise inventories increased 11.7% to \$1,062.2 million from \$951.1 million as a result of operating 721 more stores and operating one additional distribution center. For the quarter, interest expense increased to \$4.3 million compared with \$1.9 million.

Dollar General operates more than 4,719 neighborhood stores in 25 states with distribution centers in Florida, Georgia, Kentucky, Mississippi, Missouri, Oklahoma and Virginia.

This press release contains historical and forward-looking information. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 in the forward-looking statements as a result of certain risks and uncertainties, including, but not limited to, general transportation and distribution delays or interruptions, inventory risks due to shifts in market demand, changes in product mix, interruptions in suppliers' business, fuel price and interest rate fluctuations, and costs and delays associated with building, opening and operating new distribution centers ("DCs") and stores. The Company undertakes no obligation to publicly release any revisions to any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

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**DOLLAR GENERAL CORPORATION**  
**INCOME STATEMENTS**  
(000's)

(UNAUDITED)

	-- FOR THE SECOND QUARTER ENDED --			
	JULY 28, 2000		JULY 30, 1999	
	-----	-----	-----	-----
Sales	\$1,017,418	100.00%	\$915,210	100.00%
Cost of Sales	735,445	72.29	665,628	72.73
	-----	-----	-----	-----
Gross Margin	281,973	27.71	249,582	27.27
Operating Expenses	215,985	21.23	182,407	19.93
	-----	-----	-----	-----
Operating Income	65,988	6.48	67,175	7.34
Interest Expense	4,326	0.42	1,897	0.21
	-----	-----	-----	-----
Pre-Tax Income	61,662	6.06	65,278	7.13
Taxes	22,352	2.20	23,663	2.59
	-----	-----	-----	-----
Net Income	\$ 39,310	3.86%	\$ 41,615	4.55%
	=====	=====	=====	=====
Diluted earnings per share	\$ 0.12		\$ 0.12	
Weighted average diluted shares	333,038		338,836	



**DOLLAR GENERAL CORPORATION**  
**INCOME STATEMENTS**  
(000's)

(UNAUDITED)

	-- FOR THE YEAR-TO-DATE --			
	JULY 28, 2000		JULY 30, 1999	
	-----		-----	
Sales	\$2,014,497	100.00%	\$1,759,803	100.00%
Cost of Sales	1,459,815	72.47	1,284,274	72.98
	-----		-----	
Gross Margin	554,682	27.53	475,529	27.02
Operating Expenses	417,863	20.74	350,458	19.91
	-----		-----	
Operating Income	136,819	6.48	125,071	7.11
Interest Expense	5,604	0.42	2,776	0.16
	-----		-----	
Pre-Tax Income	131,215	6.51	122,295	6.95
Taxes	47,565	2.36	44,332	2.52
	-----		-----	
Net Income	\$ 83,650	4.15%	\$ 77,963	4.43%
	=====		=====	
Diluted earnings per share	\$ 0.25		\$ 0.23	
Weighted average diluted shares	333,885		337,514	

**DOLLAR GENERAL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(\$000'S)

(UNAUDITED)

	JULY 28 2000 ----	JULY 30 1999 ----
Current Assets:		
Cash and cash equivalents	\$ 14,040	\$ 25,303
Merchandise inventories	1,062,175	951,109
Deferred income taxes	6,936	2,664
Other current assets	81,205	49,767
	-----	-----
TOTAL CURRENT ASSETS	1,164,356	1,028,843
Property & equipment, at cost	736,444	523,601
Less: Accumulated depreciation	286,774	219,978
	-----	-----
	449,670	303,623
Other assets	12,936	9,617
	-----	-----
TOTAL ASSETS	\$ 1,626,962 =====	\$ 1,342,083 =====
Current Liabilities:		
Current portion of long-term debt	\$ 2,334	\$ 1,420
Short-term borrowings	21,992	148,494
Accounts payable	277,815	209,868
Accrued expenses	121,420	104,405
Income taxes	0	21,142
	-----	-----
TOTAL CURRENT LIABILITIES	423,561	485,329
Long-term obligations	205,369	1,507
Deferred income taxes	51,673	18,089
	-----	-----
TOTAL LIABILITIES	680,603	504,925
Shareholders' Equity:		
Preferred stock	0	858
Common stock	164,548	133,116
Additional paid-in capital	245,341	440,482
Retained earnings	536,470	463,229
	-----	-----
	946,359	1,037,685
Less: Treasury stock	0	200,527
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	946,359	837,158
	-----	-----
TOTAL LIABILITIES AND		
SHAREHOLDERS' EQUITY	\$ 1,626,962 =====	\$ 1,342,083 =====

**DOLLAR GENERAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(000'S)

(UNAUDITED)

	-- For the Year-to-Date --	
	July 28	July 30
	2000	1999
	----	----
Cash flows provided by (used in) operating activities:		
Net income	\$ 83,650	\$ 77,963
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	37,952	30,296
Deferred income taxes	(791)	(12,155)
Change in operating assets and liabilities:		
Merchandise inventories	(76,460)	(139,387)
Other Current Assets	(36,169)	(7,389)
Accounts payable	(56,739)	(47,891)
Accrued expenses	45	(68,420)
Income taxes	(15,135)	(2,683)
Other	(3,216)	823
	-----	-----
Net cash provided by (used in) operating activities	(66,863)	(168,843)
	-----	-----
Cash flows provided by (used in) investing activities:		
Purchase of property and equipment	(142,044)	(73,433)
Proceeds from sale of property and equipment	117	61,941
	-----	-----
Net cash provided by (used in) investing activities	(141,927)	(11,492)
	-----	-----
Cash flows provided by (used in) financing activities:		
Issuance of short-term borrowings	249,595	222,814
Repayments of short-term borrowings	(227,603)	(74,320)
Issuance of long-term debt	206,677	2,086
Repayments of long-term debt	(1,416)	(670)
Payment of cash dividend	(21,079)	(17,004)
Proceeds from exercise of stock options	15,926	26,523
Repurchase of common stock	(65,548)	0
Tax effect of stock options	7,489	23,915
Other	0	0
	-----	-----
Net cash provided by (used in) financing activities	164,041	183,344
	-----	-----
Net increase (decrease) in cash and cash equivalents	(44,749)	3,009
Cash and cash equivalents beginning of period	58,789	22,294
	-----	-----
Cash and cash equivalents end of period	\$ 14,040	\$ 25,303
	=====	=====

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**EXHIBIT 99.2**

**FOR IMMEDIATE RELEASE PRESS RELEASE**

CONTACT: Dollar General Corporation  
100 Mission Ridge  
Goodlettsville, Tennessee 37072  
Investor Contact: Kiley Fleming  
(615) 855-5525

**DOLLAR GENERAL AUTHORIZES REPURCHASE OF COMMON STOCK**

GOODLETTSVILLE, TENNESSEE - August 8, 2000 - Dollar General Corporation (NYSE: DG) announced today that its Board of Directors has authorized the Company to repurchase from time to time, in the open market or in privately negotiated transactions, up to five million shares of its outstanding common stock. The Company currently has 329,085,710 shares of common stock issued and outstanding. Under this authorization, which expires August 7, 2002, the Company may repurchase its common stock from time to time depending upon market price and other factors.

The Company has repurchased approximately 6.4 million shares, adjusted for stock splits, under the Board's previously authorized stock repurchase program, which expires May 1, 2001.

Dollar General is a chain of more than 4,719 neighborhood stores in 25 states, with distribution centers in Florida, Georgia, Kentucky, Mississippi, Missouri,

Oklahoma and Virginia.

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**End of Filing**

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