November 24, 2009

# Dollar Tree, Inc. Reports Record Third Quarter Results

Diluted Earnings Per Share Increased 61.7%, To $0.76

Operating Margin Increased 240 Basis Points, To 8.6%

Raises Guidance for Fourth Quarter 2009

CHESAPEAKE, Va.--(BUSINESS WIRE)-- Dollar Tree, Inc. (NASDAQ:DLTR), the nation's leading operator of discount variety stores selling everything for $1 or less, reported earnings per diluted share of $0.76, for the quarter ended October 31, 2009 ("third quarter"), an increase of 61.7% compared to the $0.47 earnings per diluted share reported for the quarter ended November 1, 2008. Consolidated net sales for the third quarter were $1.25 billion, a 12.1% increase compared to $1.11 billion reported for the quarter ended November 1, 2008. Comparable store sales increased 6.5% for the quarter.

"I am pleased with our third quarter performance," said President and CEO Bob Sasser. "Sales and earnings were above plan, operating margin improved significantly, we leveraged our S.G. & A. expenses and we continued to expand our nation-wide store base. The sell-through on Halloween and fall seasonal products was excellent and our stores are now set with an exciting presentation of extreme-value merchandise for Thanksgiving and the Holiday season."

Operating margin increased 240 basis points for the quarter to 8.6%. The improvement was driven by a 130 basis point increase in gross margin and a 110 basis point reduction in Selling, General and Administrative expenses.

During the third quarter 2009, the Company repurchased 1.4 million shares of its common stock for $69.3 million. Year-to-date, the company has repurchased 3.5 million shares for $154.6 million. At the end of the third quarter, $299.1 million remain under the $500 million share repurchase program authorized by the Board of Directors.

The Company continues to grow. During the third quarter, Dollar Tree opened 94 stores, closed 8 stores, and expanded or relocated 33 stores. For the year to-date, the Company has opened 233 new stores, closed 21 stores and expanded or relocated 74 stores. Retail selling square footage at the end of the third quarter was 32.3 million square feet, a 7.2% increase compared to a year ago.

The Company estimates sales for the fourth quarter of 2009 to be in the range of $1.49 - $1.53 billion, based on low-to-mid single digit positive comparable store sales. Diluted earnings per share are estimated to be in the range of $1.30 to $1.39.

Full year sales are now estimated to be in the range of $5.17 - $5.21 billion and diluted earnings per share are expected to be $3.34 - $3.43.

On Tuesday, November 24, 2009, the Company will host a conference call to discuss its earnings results at 9:00 a.m. EST. The telephone number for the call is 888-812-8534. A recorded version of the call will be available until midnight Tuesday, December 2, and may be accessed by dialing 888-203-1112, and the access code is 7588042. International callers may dial 719-457-0820 and the access code is 7588042. A webcast of the call will be accessible via Dollar Tree's website, www.dollartreeinfo.com/investors/news/events.

Dollar Tree, a Fortune 500 Company operated 3,803 stores in 48 states as of October 31, 2009, with total retail selling square footage of 32.3 million. To learn more about the Company, visit www.DollarTree.com.

A WARNING ABOUT FORWARD LOOKING STATEMENTS: This press release contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward looking statements address future events, developments or results and typically use words such as believe, anticipate, expect, intend, plan, forecast, or estimate. For example, our forward-looking statements include statements regarding fourth-quarter and full year sales and fourth-quarter and full year diluted earnings per share. For a discussion of the risks, uncertainties and assumptions that could affect our future events, developments or results, you should carefully review the "Risk Factors," "Business," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in our Annual Report on Form 10-K filed March 26, 2009 and our Quarterly Report on Form 10-Q filed August 26, 2009. In light of these risks and uncertainties, the future events, developments or results described by our forward looking statements in this document could turn out to be materially and adversely different from those we discuss or imply. We are not obligated to release publicly any revisions to any forward looking statements contained in this press release to reflect events or circumstances occurring after the date of this report and you should not expect us to do so.

DOLLAR TREE, INC.

Condensed Consolidated Income Statements

(Dollars in millions, except per share data)

(Unaudited)

| | Third Quarter Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | Oct. 31, 2009 | Nov. 1, 2008 | Oct. 31, 2009 | Nov. 1, 2008 |
| Net sales | $ 1,248.7 | $ 1,114.0 | $ 3,672.6 | $ 3,258.4 |
| Cost of sales | 807.5 | 734.6 | 2,394.2 | 2,159.4 |
| Gross profit | 441.2 | 379.4 | 1,278.4 | 1,099.0 |
| | 35.3% | 34.1% | 34.8% | 33.7% |
| Selling, general & administrative expenses | 333.6 | 310.1 | 984.0 | 898.4 |
| | 26.7% | 27.8% | 26.8% | 27.6% |

| | | | | |
|---|---|---|---|---|
| Operating income | 107.6 | 69.3 | 294.4 | 200.6 |
| | 8.6% | 6.2% | 8.0% | 6.2% |
| Interest expense, net | 1.6 | 2.3 | 3.7 | 5.8 |
| Income before income taxes | 106.0 | 67.0 | 290.7 | 194.8 |
| | 8.5% | 6.0% | 7.9% | 6.0% |
| Income tax expense | 37.8 | 23.9 | 105.2 | 70.5 |
| Income tax rate | 35.7% | 35.7% | 36.2% | 36.2% |
| Net income | $ 68.2 | $ 43.1 | $ 185.5 | $ 124.3 |
| | 5.5% | 3.9% | 5.1% | 3.8% |
| Net earnings per share: | | | | |
| Basic | $ 0.76 | $ 0.48 | $ 2.07 | $ 1.38 |
| Weighted average number of shares | 89.3 | 90.5 | 89.8 | 90.2 |
| Diluted | $ 0.76 | $ 0.47 | $ 2.05 | $ 1.37 |
| Weighted average number of shares | 89.9 | 91.0 | 90.4 | 90.6 |

DOLLAR TREE, INC.

Condensed Consolidated Balance Sheets

(Dollars in millions)

(Unaudited)

| | Oct. 31, 2009 | Jan. 31, 2009 | Nov. 1, 2008 |
|---|---|---|---|
| Cash and cash equivalents | $ 342.1 | $ 364.4 | $ 78.6 |
| Merchandise inventories | 846.2 | 675.8 | 836.5 |
| Other current assets | 32.4 | 33.0 | 45.6 |
| Total current assets | 1,220.7 | 1,073.2 | 960.7 |
| Property and equipment, net | 705.1 | 710.3 | 725.8 |
| Goodwill | 133.3 | 133.3 | 133.3 |
| Deferred tax assets | 34.4 | 33.0 | 22.9 |
| Other assets, net | 87.0 | 85.9 | 79.0 |
| Total assets | $ 2,180.5 | $ 2,035.7 | $ 1,921.7 |

| | | | |
|---|---|---|---|
| Current portion of long-term debt | $ 17.5 | $ 17.6 | $ 17.6 |
| Accounts payable | 261.4 | 192.9 | 238.4 |
| Other current liabilities | 178.2 | 152.5 | 152.8 |
| Income taxes payable, current | 11.5 | 46.9 | 3.1 |
| Total current liabilities | 468.6 | 409.9 | 411.9 |
| Long-term debt, excluding current portion | 250.0 | 250.0 | 250.0 |
| Income taxes payable, long-term | 15.4 | 14.7 | 19.6 |
| Other liabilities | 121.6 | 107.9 | 100.1 |
| Total liabilities | 855.6 | 782.5 | 781.6 |
| Shareholders' equity | 1,324.9 | 1,253.2 | 1,140.1 |
| Total liabilities and shareholders' equity | $ 2,180.5 | $ 2,035.7 | $ 1,921.7 |
| STORE DATA: | | | |
| Number of stores open at end of period | 3,803 | 3,591 | 3,572 |
| Total selling square footage (in millions) | 32.3 | 30.3 | 30.1 |

DOLLAR TREE, INC.

Condensed Consolidated Statements of Cash Flows

(Dollars in millions)

(Unaudited)

| | Nine Months Ended | |
|---|---|---|
| | Oct. 31, 2009 | Nov. 1, 2008 |
| Cash flows from operating activities: | | |
| Net income | $ 185.5 | $ 124.3 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 116.5 | 119.8 |
| Other non-cash adjustments | 19.2 | 47.6 |
| Changes in working capital | (98.6 ) | (205.2 ) |
| Total adjustments | 37.1 | (37.8 ) |

| | | |
|---|---|---|
| Net cash provided by operating activities | 222.6 | 86.5 |
| Cash flows from investing activities: | | |
| Capital expenditures | (113.8 ) | (104.2 ) |
| Purchase of short-term investments | - | (34.7 ) |
| Proceeds from maturities of short-term investments | - | 75.2 |
| Purchase of restricted investments | (10.5 ) | (16.2 ) |
| Proceeds from maturities of restricted investments | 6.4 | 15.5 |
| Other | - | (0.4 ) |
| Net cash used in investing activities | (117.9 ) | (64.8 ) |
| Cash flows from financing activities: | | |
| Proceeds from stock issued pursuant to stock-based compensation plans | 24.1 | 16.0 |
| Payments for share repurchases | (154.6 ) | - |
| Tax benefit of stock-based compensation | 3.8 | 1.5 |
| Other | (0.3 ) | (1.2 ) |
| Net cash provided by (used in) financing activities | (127.0 ) | 16.3 |
| Net increase (decrease) in cash and cash equivalents | (22.3 ) | 38.0 |
| Cash and cash equivalents at beginning of period | 364.4 | 40.6 |
| Cash and cash equivalents at end of period | $ 342.1 | $ 78.6 |

Source: Dollar Tree, Inc.