**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, DC 20549**

**FORM 10-Q**

(Mark One)
(X) Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934
**For the quarterly period ended April 30, 2011**

OR

( ) Transition report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

**Commission File Number: 0-25464**

**DOLLAR TREE, INC.**
(Exact name of registrant as specified in its charter)

| **Virginia** | **26-2018846** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**500 Volvo Parkway**
**Chesapeake, Virginia 23320**
(Address of principal executive offices)

**Telephone Number (757) 321-5000**
(Registrant's telephone number, including area code)

Indicate by check mark whether 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 whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files).
Yes (X) No ( )

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | |
|---|---|
| Large accelerated filer (X) | Accelerated filer ( ) |
| Non accelerated filer ( ) | Smaller reporting company ( ) |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ( ) No (X)

As of May 12, 2011, there were 122,277,013 shares of the Registrant's Common Stock outstanding.

**DOLLAR TREE, INC.**
**AND SUBSIDIARIES**

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**PART I-FINANCIAL INFORMATION**



**PART II-OTHER INFORMATION**

**Part I. FINANCIAL INFORMATION**

**Item 1. FINANCIAL STATEMENTS**.

**DOLLAR TREE, INC.**
**AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED INCOME STATEMENTS**
**(Unaudited)**

| (In millions, except per share data) | 13 Weeks Ended April 30, 2011 | 13 Weeks Ended May 1, 2010 |
|---|---|---|
| Net sales | $ 1,545.9 | $ 1,352.6 |
| Cost of sales, excluding non-cash beginning inventory adjustment | 1,005.1 | 876.1 |
| Non-cash beginning inventory adjustment | - | 26.3 |
| Gross profit | 540.8 | 450.2 |
| Selling, general and administrative expenses | 379.1 | 347.6 |
| Operating income | 161.7 | 102.6 |
| Interest expense, net | 0.9 | 1.4 |
| Other income, net | (0.7) | (0.9) |
| Income before income taxes | 161.5 | 102.1 |
| Provision for income taxes | 60.5 | 38.5 |
| Net income | $ 101.0 | $ 63.6 |
| Net income per share: | | |
| Basic | $ 0.82 | $ 0.49 |
| Diluted | $ 0.82 | $ 0.49 |

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**
**AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**

| (In millions) | April 30, 2011 | January 29, 2011 | May 1, 2010 |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 371.3 | $ 311.2 | $ 338.6 |
| Short-term investments | 139.0 | 174.8 | 51.5 |
| Merchandise inventories | 771.2 | 803.1 | 707.7 |
| Other current assets | 44.0 | 44.2 | 47.0 |
| Total current assets | 1,325.5 | 1,333.3 | 1,144.8 |
| Property, plant and equipment, net | 760.2 | 741.1 | 719.4 |
| Goodwill | 175.0 | 173.1 | 133.3 |
| Deferred tax assets | 25.1 | 38.0 | 43.5 |
| Other assets, net | 95.5 | 95.0 | 101.7 |
| Total Assets | $ 2,381.3 | $ 2,380.5 | $ 2,142.7 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Current liabilities: | | | |
| Current portion of long-term debt | $ 16.5 | $ 16.5 | $ 17.5 |
| Accounts payable | 276.0 | 261.4 | 258.6 |
| Other current liabilities | 170.6 | 190.5 | 154.4 |
| Income taxes payable | 41.6 | 64.4 | 37.7 |
| Total current liabilities | 504.7 | 532.8 | 468.2 |
| Long-term debt, exluding current portion | 250.0 | 250.0 | 250.0 |
| Income taxes payable, excluding current portion | 15.4 | 15.2 | 15.0 |
| Other liabilities | 124.5 | 123.5 | 116.5 |
| Total liabilities | 894.6 | 921.5 | 849.7 |
| Commitments and contingencies | | | |
| Shareholders' equity | 1,486.7 | 1,459.0 | 1,293.0 |
| Total Liabilities and Shareholders' Equity | $ 2,381.3 | $ 2,380.5 | $ 2,142.7 |
| Common shares outstanding | 122.3 | 123.4 | 127.2 |

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**
**AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| | 13 Weeks Ended | |
|---|---|---|
| (In millions) | April 30, 2011 | May 1, 2010 |
| Cash flows from operating activities: | | |
| Net income | $ 101.0 | $ 63.6 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 39.2 | 39.3 |
| Other non-cash adjustments to net income | 23.8 | 26.3 |
| Changes in operating assets and liabilities | (7.7) | (93.4) |
| Net cash provided by operating activities | 156.3 | 35.8 |
| Cash flows from investing activities: | | |
| Capital expenditures | (58.3) | (45.1) |
| Purchase of short-term investments | (6.0) | (29.0) |
| Proceeds from sales of short-term investments | 41.8 | 5.4 |
| Purchase of restricted investments | - | (36.4) |
| Proceeds from sales of restricted investments | - | 36.4 |
| Other | 0.4 | - |
| Net cash used in investing activities | (22.1) | (68.7) |
| Cash flows from financing actvities: | | |
| Payments for share repurchases | (88.6) | (220.8) |
| Proceeds from stock issued pursuant to stock-based compensation plan | 3.9 | 13.3 |
| Tax benefit of stock-based compensation | 9.8 | 7.5 |
| Other | (0.1) | (0.1) |
| Net cash used in financing activities | (75.0) | (200.1) |
| Effect of exchange rate changes on cash and cash equivalents | 0.9 | - |
| Net increase(decrease) in cash and cash equivalents | 60.1 | (233.0) |
| Cash and cash equivalents at beginning of period | 311.2 | 571.6 |
| Cash and cash equivalents at end of period | $ 371.3 | $ 338.6 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for: | | |
| Interest | $ 1.4 | $ 1.6 |
| Income taxes | $ 59.5 | $ 49.4 |

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**
**AND SUBSIDIARIES**
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Dollar Tree, Inc. and its wholly-owned subsidiaries (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and are presented in accordance with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended January 29, 2011 contained in the Company’s Annual Report on Form 10-K filed March 17, 2011. The results of operations for the 13 weeks ended April 30, 2011 are not necessarily indicative of the results to be expected for the entire fiscal year ending January 28, 2012.

In the Company’s opinion, the unaudited condensed consolidated financial statements included herein contain all adjustments (consisting of those of a normal recurring nature) considered necessary for a fair presentation of its financial position as of April 30, 2011 and May 1, 2010 and the results of its operations and cash flows for the periods presented. The January 29, 2011 balance sheet information was derived from the audited consolidated financial statements as of that date.

## 2. MERCHANDISE INVENTORIES

The Company assigns cost to store inventories using the retail inventory method, determined on a weighted average cost basis. Since inception through fiscal 2009, the Company used one inventory pool for this calculation. Over the years, the Company has invested in retail technology systems, that have allowed it to refine the estimate of inventory cost under the retail method. On January 31, 2010, the first day of fiscal 2010, the Company began using approximately thirty inventory pools in its retail inventory calculation. As a result of this change, the Company recorded a non-cash charge to gross profit and a corresponding reduction in inventory, at cost, of $26.3 million in the first quarter of 2010. This was a prospective change and did not have any effect on prior periods. This change in estimate to include thirty inventory pools in the retail method calculation is preferable to using one pool in the calculation as this will give the Company a more accurate estimate of cost of store level inventories.

## 3. FUEL DERIVATIVE CONTRACTS

In order to manage fluctuations in cash flows resulting from changes in diesel fuel costs, the Company entered into fuel derivative contracts with third parties in 2010 for approximately 0.6 million gallons of diesel fuel or approximately 20% of the Company’s fuel needs from February 2011 through April 2011. In March 2011, the Company entered into fuel derivative contracts for approximately 2.8 million gallons of diesel fuel, or approximately 50% of the Company’s fuel needs from August 2011 through January 2012. Under these contracts, the Company pays the third party a fixed price for diesel fuel and receives variable diesel fuel prices at amounts approximating current diesel fuel costs, thereby creating the economic equivalent of a fixed-rate obligation. These derivative contracts do not qualify for hedge accounting and therefore all changes in fair value for these derivatives are included in “Other income, net” on the accompanying condensed consolidated income statements. The fair value of these contracts at April 30, 2011 was an asset of $0.9 million.

**4. FAIR VALUE MEASUREMENTS**

The Company's cash and cash equivalents, short-term investments, restricted investments and diesel fuel swaps represent the financial assets and liabilities that were accounted for at fair value on a recurring basis as of April 30, 2011. As required, financial assets and liabilities are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The fair value of the Company's cash and cash equivalents, short-term investments and restricted investments was $371.3 million, $139.0 million and $72.7 million, respectively at April 30, 2011. These fair values were determined using Level 1 measurements in the fair value hierarchy. The fair value of the diesel fuel swaps as of April 30, 2011 was an asset of $0.9 million and was estimated using Level 2 measurements in the fair value hierarchy. The estimate used discounted cash flow calculations based upon diesel fuel cost curves.

The carrying value of the Company's long-term debt approximates its fair value because the debt's interest rates vary with market interest rates.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). There were no changes in fair value related to these assets during the 13 weeks ended April 30, 2011.

**5. INCOME TAXES**

During the first quarter of 2011, the Company adjusted its balance of unrecognized tax benefits primarily as a result of recording accrued interest on uncertain tax liabilities and additional reserves. Accordingly, "Income taxes payable long-term" was increased by $0.2 million. The total amount of unrecognized tax benefits as of April 30, 2011, that, if recognized would affect the effective tax rate was $10.2 million (net of federal tax benefit).

**6. NET INCOME PER SHARE**

The following table sets forth the calculation of basic and diluted net income per share:

| | 13 Weeks Ended | |
|---|---|---|
| (In millions, except per share data) | April 30, 2011 | May 1, 2010 |
| Basic net income per share: | | |
| Net income | $ 101.0 | $ 63.6 |
| Weighted average number of shares outstanding | 122.6 | 129.3 |
| Basic net income per share | $ 0.82 | $ 0.49 |
| | | |
| Diluted net income per share: | | |
| Net income | $ 101.0 | $ 63.6 |
| Weighted average number of shares outstanding | 122.6 | 129.3 |
| Dilutive effect of stock options and restricted stock units (as determined by applying the treasury stock method) | 0.9 | 1.0 |
| Weighted average number of shares and dilutive potential shares outstanding | 123.5 | 130.3 |
| Diluted net income per share | $ 0.82 | $ 0.49 |

For the 13 weeks ended April 30, 2011 and May 1, 2010, substantially all of the stock options outstanding were included in the calculation of the weighted average number of shares and dilutive potential shares outstanding.

## 7. STOCK-BASED COMPENSATION

The Company's stock-based compensation expense includes the fair value of granted stock options and restricted stock units (RSUs) and employees' purchase rights under the Company's Employee Stock Purchase Plan. Stock-based compensation expense was $9.0 million and $7.1 million, during the 13 weeks ended April 30, 2011 and May 1, 2010, respectively.

The Company granted approximately 0.4 million service-based RSUs from the Equity Incentive Plan (EIP) and the Executive Officer Equity Incentive Plan (EOEP) to employees and officers in the 13 weeks ended April 30, 2011. The estimated $22.1 million fair value of these RSUs is being expensed ratably over the three-year vesting periods, or a shorter period based on the retirement eligibility of certain grantees. The fair value was determined using the Company's closing stock price on the date of grant. The Company recognized $2.1 million of expense related to these RSUs during the 13 weeks ended April 30, 2011.

In fiscal 2011 the Company granted 0.1 million RSUs from the EIP and the EOEP to certain officers of the Company, contingent on the Company meeting certain performance targets in fiscal 2011. If the Company meets these performance targets in fiscal 2011, then the RSUs will vest ratably over three years, ending April 1, 2014. The Company recognized $0.4 million of expense related to these RSUs in the 13 weeks ended April 30, 2011.

The Company recognized $5.5 million of expense related to RSUs granted prior to fiscal 2011 in the 13 weeks ended April 30, 2011. For the 13 weeks ended May 1, 2010, the Company recognized $3.4 million of expense related to RSUs.

In the 13 weeks ended April 30, 2011, approximately 0.7 million RSUs vested and approximately 0.4 million shares, net of taxes, were issued. During the 13 weeks ended May 1, 2010, approximately 0.7 million RSUs vested and approximately 0.5 million shares, net of taxes, were issued.

## 8. SHAREHOLDERS' EQUITY

### Comprehensive Income

The Company's comprehensive income reflects the effects of foreign currency translation adjustments and recording the interest rate swaps entered into in March 2008 at fair value. The following table provides a reconciliation of Net income to Total comprehensive income:

| (In millions) | 13 Weeks Ended April 30, 2011 | 13 Weeks Ended May 1, 2010 |
|---|---|---|
| Net income | $ 101.0 | $ 63.6 |
| Foreign currency translation adjustments | $ 4.9 | $ - |
| Fair value adjustment-derivative cash flow hedging instrument, net of tax | 0.4 | 0.5 |
| Total comprehensive income | $ 106.3 | $ 64.1 |

### Share Repurchase Program

The Company repurchased on the open market, approximately 1.7 million shares of common stock for approximately $88.6 million during the 13 weeks ended April 30, 2011. As of April 30, 2011, the Company has $257.4 million remaining under the June 2010 repurchase authorization.

## 9. LITIGATION MATTERS

In 2006, a former store manager filed a collective action against the Company in Alabama federal court. She claims that she and other store managers should have been classified as non-exempt employees under the Fair Labor Standards Act and received overtime compensation. The Court preliminarily allowed nationwide (except California) certification. At present, approximately 265 individuals are included in the collective action. The Company's motion to decertify the collective action has been dismissed without prejudice to refile at a later date. Additional discovery, pursuant to the Court's direction, is presently ongoing. There is no scheduled trial date.

In 2007, two store managers filed a class action against the Company in California federal court, claiming they and other California store managers should have been classified as non-exempt employees under California and federal law. Following a partial decertification order, plaintiffs filed a Petition for Reconsideration of the Decertification Order alleging the existence of new facts relevant to the ruling. That motion is scheduled to be argued on May 27, 2011. A pretrial conference has been set for June 2011 at which time a new trial date will be established. The class size is now 185 members. It is anticipated the case will go to trial in calendar year 2011.

In 2008, the Company was sued under the Equal Pay Act in Alabama federal court by two female store managers alleging that they and other female store managers were paid less than male store managers. Among other things, they seek monetary damages and back pay. On March 31, 2011 the Court granted in part the company's motion to decertify the class finding that plaintiffs could not maintain a nationwide collective action against the company. Instead, only those plaintiffs, believed to be four in number, who were employed by Dollar Tree in its district where the court is located, may proceed with the case. The company anticipates that plaintiffs will appeal the decertification ruling to the U.S Court of Appeals for the 11th Circuit.

In October 2009, 34 plaintiffs, most of whom were opt-in plaintiffs in the Alabama action, filed a class action Complaint in a federal court in Virginia, alleging gender pay and promotion discrimination under Title VII. On March 11, 2010, the case was dismissed with prejudice. Plaintiffs have filed an appeal to the U.S. Court of Appeals for the Fourth Circuit. It is anticipated the Court will hand down a decision in 2011.

In 2010, two former assistant store managers filed a collective action against the Company in a Florida federal court. Their amended claim is that they were required to work off the time clock without compensation in violation of the Fair Labor Standards Act. An additional 22 party plaintiffs have joined the suit. The Company's motion to transfer venue to the U.S. District Court for the Eastern District of Virginia was recently overruled without prejudice pending future case developments. There is no trial date.

In April of this year, an assistant store manager, on behalf of himself and all store managers and assistant managers employed by the Company in the state of California for the past four years, instituted a class action in a California state court, primarily alleging that the Company failed to reimburse him and others similarly situated for mileage expense incurred in the use of their personal vehicles for Company business. The Company has just commenced its investigation of the allegations and will respond appropriately.

Also in April of this year, a former assistant store manager, on behalf of himself and those similarly situated, instituted a class action in a California state court primarily alleging a failure by the Company to provide meal breaks, to compensate for all hours worked, and to pay overtime compensation. The Company has just commenced its investigation of the allegations and will respond appropriately.

The Company will vigorously defend itself in these matters. The Company does not believe that any of these matters will, individually or in the aggregate, have a material adverse effect on its business or financial condition. The Company cannot give assurance, however, that one or more of these lawsuits will not have a material adverse effect on its results of operations for the period in which they are resolved.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

**INTRODUCTORY NOTE:** Unless otherwise stated, references to "we," "our" and "us" generally refer to Dollar Tree, Inc. and its direct and indirect subsidiaries on a consolidated basis.

**A WARNING ABOUT FORWARD-LOOKING STATEMENTS**: This document 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," "view," "target" or "estimate." For example, our forward-looking statements include statements regarding:

- our anticipated sales, including comparable store net sales, net sales growth, earnings growth and new store growth;
- costs of pending and possible future legal claims;
- the average size of our stores and their performance compared with other store sizes;
- the effect of the continued shift in merchandise mix to include more consumables and the continued roll-out of frozen and refrigerated merchandise on gross profit margin and sales;
- the possible effect of the current economic downturn, inflation and other economic changes on our costs and profitability, including future changes in domestic and foreign freight costs, shipping rates, fuel costs and wage and benefit costs;
- our cash needs, including our ability to fund our future capital expenditures and working capital requirements; and,
- the future reliability of, and cost associated with, our sources of supply, particularly imported goods such as those sourced from China and Hong Kong.

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 summarized below and the more detailed discussions in the "Risk Factors" and "Business" sections in our Annual Report on Form 10-K filed March 17, 2011. Also see section 1A. "Risk Factors" in Part II of this Quarterly Report on Form 10-Q.

- Our profitability is vulnerable to cost increases.
- Litigation may adversely affect our business, financial condition and results of operations.
- Changes in federal, state or local law, or our failure to comply with such laws, could increase our expenses and expose us to legal risks.
- We could encounter disruptions or additional costs in obtaining and distributing merchandise.
- We may be unable to expand our square footage as profitably as planned.
- Sales below our expectations during peak seasons may cause our operating results to suffer materially.
- Our sales and profits rely on imported merchandise, which may increase in cost or become unavailable.
- A downturn in economic conditions could adversely affect our sales.

- Our profitability is affected by the mix of products we sell.
- Pressure from competitors may reduce our sales and profits.
- Certain provisions in our Articles of Incorporation and Bylaws could delay or discourage a takeover attempt that may be in a shareholder's best interest.

Our forward-looking statements could be wrong in light of these and other risks, uncertainties and assumptions. The future events, developments or results described in this report could turn out to be materially different. We have no obligation to publicly update or revise our forward-looking statements after the date of this quarterly report and you should not expect us to do so.

Investors should also be aware that while we do, from time to time, communicate with securities analysts and others, it is against our policy to selectively disclose to them any material nonpublic information or other confidential commercial information. Accordingly, shareholders should not assume that we agree with any statement or report issued by any analyst regardless of the content of the statement or report, as we have a policy against confirming information issued by others. Thus, to the extent that reports issued by securities analysts contain any financial projections, forecasts or opinions, such reports are not our responsibility.

**Overview**

Our net sales are derived from the sale of merchandise. Two major factors tend to affect our net sales trends. First is our success at opening new stores or adding new stores through mergers or acquisitions. Second is the performance of stores once they are open. Sales vary at our existing stores from one year to the next. We refer to this change as a change in comparable store net sales, because we include only those stores that are open throughout both of the periods being compared, beginning after the first fifteen months of operation. We include sales from stores expanded during the period in the calculation of comparable store net sales, which has the effect of increasing our comparable store net sales. The term "expanded" also includes stores that are relocated.

At April 30, 2011 we operated 4,089 stores in 48 states and the District of Columbia, as well as 88 stores in Canada, with a total of 36.0 million selling square feet compared to 3,874 stores with 33.0 million selling square feet at May 1, 2010. During the 13 weeks ended April 30, 2011, we opened 83 stores, expanded 41 stores and closed 7 stores, compared to 74 stores opened, 34 stores expanded and 6 stores closed during the 13 weeks ended May 1, 2010. In the 13 weeks ended April 30, 2011 and May 1, 2010, we added approximately 0.8 million and 0.7 million selling square feet, respectively, of which approximately 0.2 million and 0.1 million, respectively, was added through expanding existing stores. The average size of stores opened during the 13 weeks ended April 30, 2011 was approximately 8,500 selling square feet. We believe that this size store is in the range of our optimal size operationally and that this size also gives our customers a shopping environment which invites them to shop longer, buy more and make return visits, which increases our customer traffic.

For the 13 weeks ended April 30, 2011, comparable store net sales increased 7.1% due to increased traffic and increased average ticket. We believe comparable store net sales continue to be positively affected by a number of our initiatives, as debit and credit card penetration continued to increase in the 13 weeks ended April 30, 2011, and we continued the roll-out of frozen and refrigerated merchandise to more of our stores. At April 30, 2011, we had frozen and refrigerated merchandise in approximately 1,960 stores compared to approximately 1,560 stores at May 1, 2010. We believe that this has and will continue to enable us to increase sales and earnings by increasing the number of shopping trips made by our customers. In addition, we accept food stamps (under the Supplemental Nutrition Assistance Program ("SNAP")) in approximately 3,655 qualified stores compared to approximately 2,990 stores at May 1, 2010.

We continue to see increases in the demand for basic, consumable products in 2011. As a result, the mix of inventory carried in our stores continues to shift to more consumer product merchandise which we believe increases the traffic in our stores and helps to increase our sales. This shift in mix may impact our merchandise costs.

We assign cost to store inventories using the retail inventory method, determined on a weighted average cost basis. From our inception through fiscal 2009, we used one inventory pool for this calculation. Because of our investments over the years in our retail technology systems we were able to refine our estimate of inventory cost under the retail method and on January, 31, 2010, the first day of fiscal 2010, we began using approximately thirty inventory pools in our retail inventory calculation. As a result of this change, we recorded a non-recurring, non-cash charge to gross profit and a corresponding reduction in inventory, at cost, of $26.3 million in the first quarter of 2010. This was a prospective change and did not have any effect on prior periods. This change in estimate to include thirty inventory pools in the retail method calculation is preferable to using one pool in the calculation as it gives us a more accurate estimate of cost of store level inventories.

**Results of Operations**

**13 Weeks Ended April 30, 2011 Compared to the 13 Weeks Ended May 1, 2010**

***Net Sales***. Net sales increased 14.3%, or $193.4 million, over last year's first quarter resulting from a 7.1% increase in comparable store net sales and sales in our new stores. Comparable store net sales are positively affected by our expanded and relocated stores, which we include in the calculation, and are negatively affected when we open new stores or expand stores near existing stores.

***Gross Profit***. Gross profit margin increased to 35.0% in the current quarter compared to 33.3% for the same quarter last year, which included the $26.3 million non-cash beginning inventory adjustment. Without this charge, our gross profit margin for the 13 weeks ended April 30, 2011 decreased 20 basis points compared with the 35.2% gross profit margin, excluding the charge for the 13 weeks ended May 1, 2010. This decrease can be attributed to the following:

- Merchandise costs, including freight, increased approximately 30 basis points in the quarter due to higher freight costs compared to the prior year quarter resulting from higher ocean freight rates and diesel fuel costs partially offset by improved initial merchandise mark-on.
- Occupancy and distribution costs decreased approximately 15 basis points in the current year quarter resulting from the leveraging of the comparable store net sales increase.

***Selling, General and Administrative Expenses***. Selling, general, and administrative expenses for the current quarter decreased to 24.5%, as a percentage of net sales, compared to 25.7% for the same period last year. This decrease was primarily due to the following:

- Payroll-related expenses decreased approximately 75 basis points due primarily to the leverage associated with the comparable store sales increase and lower health insurance costs in the current quarter.
- Depreciation decreased approximately 35 basis points and store operating costs decreased approximately 15 basis points primarily due to the leveraging associated with the increase in comparable store net sales in the current quarter.

***Operating Income.*** Operating income for the current quarter was 10.5% as a percentage of net sales compared to 7.6% for the same period last year. The increase reflects the $26.3 million non-cash charge to reduce beginning inventory on the first day of fiscal 2010. Excluding the charge, our operating income for the prior year quarter was 9.5% resulting in the operating income in the current year quarter increasing 100 basis points. This increase is the result of lower selling, general and administrative expenses, as a percentage of net sales, slightly offset by lower gross profit margin as noted above.

***Income Taxes.*** Our effective tax rate for the 13 weeks ended April 30, 2011 was 37.5% compared to 37.7% for the 13 weeks ended May 1, 2010.

**Liquidity and Capital Resources**

Our business requires capital to open new stores, expand our distribution network and operate our existing business. Our working capital requirements for our existing business are seasonal in nature and typically reach their peak in the months of September and October. Historically, we have satisfied our seasonal working capital requirements, funded our store opening and expansion programs and repurchased shares from internally generated funds and borrowings under our credit facilities.

The following table compares cash flow information for the 13 weeks ended April 30, 2011 and May 1, 2010:

| | 13 Weeks Ended | |
|---|---|---|
| (In millions) | April 30, 2011 | May 1, 2010 |
| Net cash provided by (used in): | | |
| Operating activities | $ 156.3 | $ 35.8 |
| Investing activities | (22.1) | (68.7) |
| Financing activities | (75.0) | (200.1) |

Net cash provided by operating activities increased $120.5 million due primarily to decreased inventory levels and increased earnings before depreciation and amortization. These increases were partially offset by decreased other non-cash adjustments resulting primarily from the $26.3 million adjustment to reduce beginning inventory in the prior year quarter.

Net cash used in investing activities decreased $46.6 million primarily due to an increase in short-term investment proceeds and reduced short-term investment purchases in the current year partially offset by increased capital expenditures. Capital expenditures for new and relocated stores increased in the current year and we made payments for the expansion of our distribution center in Savannah, GA.

Net cash used in financing activities decreased $125.1 million compared with the prior year, primarily due to decreased share repurchases in the current year.

At April 30, 2011, our long-term borrowings were $266.5 million, our capital lease commitments were $1.3 million and we had $300.0 million available on the revolving credit portion of our Unsecured Credit Agreement. We also have $121.5 million and $50.0 million Letter of Credit Reimbursement and Security Agreements, under which approximately $122.6 million was committed to letters of credit issued for routine purchases of imported merchandise as of April 30, 2011.

We repurchased approximately 1.7 million and 0.6 million shares of common stock for approximately $88.6 million and $18.4 million during the 13 weeks ended April 30, 2011 and May 1, 2010, respectively. We also expended $200.0 million in the first quarter of 2010 to repurchase 4.6 million shares under an Accelerated Share Repurchase Agreement. We had less than 0.1 million shares totaling $2.4 million that were accrued as share repurchases at January 30, 2010 that settled during the 13 weeks ended May 1, 2010. As of April 30, 2011, we had $257.4 million remaining under the June 2010 repurchase authorization.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to various types of market risk in the normal course of our business, including the impact of interest rate changes, fuel costs and foreign currency rate fluctuations. We may enter into interest rate swaps, fuel hedges and foreign currency forward contracts to manage our exposure to market risk. We do not enter into derivative instruments for any purpose other than cash flow hedging purposes.

In order to manage fluctuations in cash flows resulting from changes in diesel fuel costs, we entered into fuel derivative contracts with third parties in 2010 for approximately 0.6 million gallons of diesel fuel or approximately 20% of our fuel needs from February 2011 through April 2011. In March 2011, we entered into fuel derivative contracts for approximately 2.8 million gallons of diesel fuel, or approximately 50% of our fuel needs from August 2011 through January 2012. Under these contracts, we pay the third party a fixed price for diesel fuel and receive variable diesel fuel prices at amounts approximating current diesel fuel costs, thereby creating the economic equivalent of a fixed-rate obligation. These derivative contracts do not qualify for hedge accounting and therefore all changes in fair value for these derivatives are included in earnings. The fair value of these contracts at April 30, 2011 was an asset of $0.9 million.

**Item 4. CONTROLS AND PROCEDURES.**

Our management has carried out, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this report. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of April 30, 2011, the Company's disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended April 30, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. LEGAL PROCEEDINGS.**

From time to time, we are defendants in ordinary, routine litigation or proceedings incidental to our business, including allegations regarding:

- employment-related matters;
- infringement of intellectual property rights;
- product safety matters, which may include product recalls in cooperation with the Consumer Products Safety Commission or other jurisdictions;
- personal injury/wrongful death claims; and
- real estate matters related to store leases.

In addition, we are defendants in several class or collective action lawsuits. For a discussion of these lawsuits, please refer to "Note 9. Litigation Matters", included in "Part I. Financial Information, Item 1. Financial Statements" of this Form 10-Q.

We will vigorously defend ourselves in these lawsuits. We do not believe that any of these matters will, individually or in the aggregate, have a material adverse effect on our business or financial condition. We cannot give assurance, however, that one or more of these lawsuits will not have a material adverse effect on our results of operations for the period in which they are resolved.

**Item 1A. RISK FACTORS**

There have been no material changes to the risk factors described in Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K, filed with the SEC on March 17, 2011.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

The following table presents our share repurchase activity for the 13 weeks ended April 30, 2011:

| Period | Total number of shares purchased | Average price paid per share | Total number of shares purchased as part of publicly announced plans or programs | Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) |
|---|---|---|---|---|
| January 31, 2011 to February 26, 2011 | 402,000 | $ 50.52 | 402,000 | $ 325.6 |
| February 27, 2011 to April 2, 2011 | 1,250,800 | 51.54 | 1,250,800 | 261.2 |
| April 3, 2011 to April 30, 2011 | 67,000 | 56.73 | 67,000 | 257.4 |
| Total | 1,719,800 | $ 51.50 | 1,719,800 | $ 257.4 |

As of April 30, 2011, we had $257.4 million remaining under the June 2010 repurchase authorization.

**Item 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**Item 4. REMOVED AND RESERVED.**

**Item 5. OTHER INFORMATION.**

None.

**Item 6. EXHIBITS.**

| | |
|---|---|
| 3.1 | Articles of Incorporation of Dollar Tree, Inc. (as amended, effective June 17, 2010) (Exhibit 3.1 to the Company's June 17, 2010 Current Report on Form 8-K, incorporated herein by this reference) |
| 3.2 | Bylaws of Dollar Tree, Inc., as amended (Exhibit 3.1 to the Company's June 17, 2010 Current Report on Form 8-K, incorporated herein by this reference) |
| 4.1 | Form of Common Stock Certificate (Exhibit 4.1 to the Company's March 13, 2008 Current Report on Form 8-K, incorporated herein by this reference) |
| 10.1 | Description of Dollar Tree, Inc. Management Incentive Compensation Plan (filed herewith) |
| 10.2 | Dollar Tree, Inc. Named Executive Officer Restricted Stock Unit Award Agreement (filed herewith) |
| 31.1 | Certification required under Section 302 of the Sarbanes-Oxley Act of Chief Executive Officer |
| 31.2 | Certification required under Section 302 of the Sarbanes-Oxley Act of Chief Financial Officer |
| 32.1 | Certification required under Section 906 of the Sarbanes-Oxley Act of Chief Executive Officer |
| 32.2 | Certification required under Section 906 of the Sarbanes-Oxley Act of Chief Financial Officer |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

## SIGNATURES

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

**DOLLAR TREE, INC.**

Date: May 19, 2011

By: /s/ Kevin S. Wampler
Kevin S. Wampler
Chief Financial Officer
(principal financial and accounting officer)

**EXHIBIT 10.1**

Description of Dollar Tree, Inc.
Management Incentive Compensation Plan

The following is a summary of the Management Incentive Compensation Plan (MICP) as applied to the named executive officers (Executives) of the Company:

Participants: Executives shall have the opportunity to earn annual cash bonuses and/or long-term cash bonuses as may be determined from time to time in the sole discretion of the Company under the MICP.

Purpose: The MICP is intended to provide cash incentives that are linked to performance goals. The amount of a cash incentive bonus will depend on the Executive's attaining targeted levels of the performance goal. The cash incentive bonus at each targeted level is intended to be reasonable and competitive relative to base salaries and overall compensation levels established for each Executive's position.

Selection of Goals: The Compensation Committee (Committee) shall determine performance goals at their discretion consistent with the performance measures in the 2004 Executive Officer Cash Bonus Plan (EOCBP), or any applicable successor cash bonus program. The targeted levels for each performance goal should be challenging but achievable, and serve to focus the Company's Executives on common goals while aligning efforts with shareholder interests.

Standard Bonuses: The following principles shall apply to the MICP bonuses, unless otherwise modified by the Committee:

1. The MICP bonus shall generally be expressed as a percentage of salary, but the Committee may, in its sole discretion, select a different formula or a fixed dollar amount for any MICP bonus. The bonus shall be weighted more heavily toward corporate performance goals. The MICP corporate performance goal shall generally be derived from the annual budget approved by the Board of Directors at the beginning of the fiscal year. Individual performance goals, if any, shall be based on the area over which the Executive has influence and may include items such as improvement in same-store sales, opening of new stores, development of new strategies, reduction in specified costs, etc.

2. The MICP bonuses for a given performance period shall be paid in the fiscal year when financial results become available after the applicable performance period and after the Committee has certified in writing the target level that the Executive has achieved for the applicable performance goal in the applicable performance period.

Section 162(m) Deduction: Generally, the bonuses described above will be paid as performance-based compensation through the EOCBP, or any applicable successor cash bonus program, in order to preserve the Company's deduction under Section 162(m) of the Internal Revenue Code (Code). In such event, the additional restrictions of the EOCBP, or any applicable successor cash bonus program, shall apply to the applicable payments. Notwithstanding the foregoing, this paragraph shall in no way be construed to preclude the Committee from awarding separate discretionary cash bonuses based on achievements by an Executive that are not related to the attainment of the performance goals upon which payment of the performance-based compensation is conditioned.

Code Section 409A: All payments under the MICP are intended to be exempt from Code Section 409A as short-term deferrals and the terms of the MICP and EOCBP shall be interpreted and construed consistent with such intent. To be eligible for payment of any MICP bonus, the employee must be employed by the Company or its subsidiaries on the date the MICP bonus is paid.

**EXHIBIT 10.2**

***---Only to be issued to Named Executive Officers---***

DOLLAR TREE, INC.
NAMED EXECUTIVE OFFICER
RESTRICTED STOCK UNIT AWARD AGREEMENT
(FOR TIME-VESTED AND PERFORMANCE-BASED AWARDS)

**NOTE: This document incorporates the accompanying Grant Letter, and together they constitute a single Agreement which governs the terms and conditions of your Award in accordance with the Company's 2003 Equity Incentive Plan or 2004 Executive Officer Equity Plan, as applicable.**

THIS AGREEMENT ("Agreement"), is effective as of the Grant Date specified in the accompanying Grant Letter, by and between the Participant and Dollar Tree, Inc. (together with its subsidiaries, "Company").

A. The Company maintains both the 2003 Equity Incentive Plan ("EIP") and the 2004 Executive Officer Equity Plan ("EOEP").

B. The Participant has been selected by the committee administering the EIP and EOEP ("Committee") to receive a Restricted Stock Unit Award under one of these plans.

C. Key terms and important conditions of the Award are set forth in the cover letter ("Grant Letter") which was delivered to the Participant at the same time as this document. This Agreement contains general provisions relating to the Award. The Grant Letter specifies whether the Award is issued under the EIP or the EOEP (whichever is applicable, the "Plan").

IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

(a) The "Participant" is the individual named in the Grant Letter.

(b) The "Grant Date" is the date stated in the Grant Letter.

(c) The "Units" means an award denominated in shares of the Company's Stock as specified in the Grant Letter.

(d) A "Restricted Period" shall begin on the Grant Date and extend, with respect to successive installments of Units (if any), until the dates and/or events specified in the Grant Letter. The Award may have multiple concurrent Restricted Periods. With respect to an Award conditioned on the achievement of one or more performance objectives set forth in the Grant Letter, any applicable Restricted Period shall continue until the Committee issues its written determination that such performance objectives have been met.

Other terms used in this Agreement are defined pursuant to paragraph 8 or elsewhere in this Agreement.

2. Award. Subject to the terms and conditions of this Agreement, the Participant is hereby granted the number of Units set forth in the Grant Letter.

3. Settlement of Awards. The Company shall deliver to the Participant one share of Stock (or cash equal to the Fair Market Value of one share of Stock) for each vested Unit, as determined in accordance with the provisions of the Grant Letter, which forms a part of this Agreement. The Units payable to the Participant in accordance with the provisions of this paragraph 3 shall be paid solely in shares of Stock, solely in cash based on the Fair Market Value of the Stock (determined as of the first business day next following the last day of the Restricted Period), or in a combination of the two, as determined by the Committee in its sole discretion, except that cash shall be distributed in lieu of any fractional share of Stock.

4. Time of Payment. Except as otherwise provided in this Agreement, payment of Units vested in accordance with the provisions of paragraph 5 will be delivered as soon as practicable after the end of the applicable Restricted Period; provided that any cash payment or delivery of shares shall occur no later than the end of the calendar year during which the Restricted Period ends. To the extent required by Section 409A of the Code, in the event the Participant is a "specified employee" as provided in Section 409A(a)(2)(i) on the Date of Termination (as defined below), any amounts payable hereunder shall be paid no earlier than the first business day after the six month anniversary of the Date of Termination. Whether the Participant is a specified employee and whether an amount payable to the Participant hereunder is subject to Section 409A of the Code shall be determined by the Company. Notwithstanding any provision of the Agreement to the contrary, in the event the Participant is eligible for Retirement (without regard to any required approval of the Committee) and vesting of any portion of the Units is accelerated pursuant to a Change in Control under Section 5(b)(ii)(A) of this Agreement, then such vested Units shall be payable to the Participant within 90 days of (a) the end date of the applicable Restricted Period for such vested Units as if Section 5(b)(ii)(A) did not apply or (b) if earlier, on the Participant's Date of Termination that occurs after the Change in Control date. To the extent the preceding sentence applies, all applicable payment grace periods under Treasury Regulation § 1.409A-3 shall apply.

5. Vesting and Forfeiture of Units.

(a) If the Participant's Date of Termination does not occur during a Restricted Period with respect to any Units, then, at the end of the Restricted Period for such Units, the Participant shall become vested only in those Units provided any performance objective that may apply is also satisfied, and shall be entitled to settlement with respect to such Units free of all restrictions otherwise imposed by this Agreement.

(b) The Participant shall become vested in the Units prior to the end of the Restricted Period as follows:

(i) If the Participant's Date of Termination occurs prior to the date the Units would otherwise become vested, then the service requirement for vesting shall be satisfied if the Participant's Date of Termination occurs by reason of the Participant's death, Disability or Retirement. Notwithstanding the foregoing, if the Award is conditioned on the achievement of one or more performance objectives set forth in the Grant Letter, then the Participant shall become fully vested under this paragraph 5(b)(i) only at the end of the then-current Restricted Period and only if the performance objectives are satisfied.

(ii) The Participant shall satisfy the service requirement for vesting in Units either (A) as of the date of a Change in Control, if the Participant's Date of Termination does not occur before the Change in Control date and the Committee determines to accelerate such vesting, or (B) the conditions for vesting are satisfied on account of a "change in control" as defined in a retention agreement entered into between the Participant and the Company prior to the Grant Date. Notwithstanding the foregoing, if the Award is conditioned on the achievement of one or more performance objectives set forth in the Grant Letter, then the full vesting of the Units will not occur until the performance objectives are satisfied. If the Committee determines to accelerate vesting of such an Award in this manner, then the remainder of the Award shall be unaffected, with settlement of such Award at the end of the original Restricted Period (only if the performance objectives have been met). In the event a Change in Control is based on the liquidation or dissolution of the Company, vested Units shall be payable solely based on the form and time of payment permitted under Treasury Regulation § 1.409A-3(j)(4)(ix).

(c) The Participant shall forfeit all unvested Units, except as otherwise provided in this paragraph 5:

(i) as of the Participant's Date of Termination

(ii) as of the date on which the Committee determines the Participant materially violated (A) the provisions of paragraph 10 below or (B) any non-competition agreement which the Participant may have entered into with the Company, and

(iii) as of the date on which the Committee determines that one or more of the performance objectives identified in the Grant Letter, if any, were not achieved.

6. Withholding. All deliveries and distributions under this Agreement are subject to withholding of all applicable taxes. The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts due to Participant) or make other arrangements for the collection of all legally required amounts necessary to satisfy such withholding or (b) require the Participant promptly to remit such amounts to the Company. Subject to such rules and limitations as may be established by the Committee from time to time, the withholding obligations described in this Section 6 may be satisfied through the surrender of shares of Stock which the Participant already owns, or to which the Participant is otherwise entitled under the Plan, including shares of Stock to be settled under this Agreement.

7. Transferability. Units may not be sold, assigned, transferred, pledged or otherwise encumbered.

8. Definitions. For purposes of this Agreement, the terms used in this Agreement shall have the following meanings:

(a) Change in Control. Notwithstanding the definition of the term "Change in Control" contained in the Plan and as permitted by Article 5 of the Plan, for the purposes of this Agreement, the term "Change of Control" shall mean (i) the sale, exchange or other transfer of all or substantially all of the assets of the Company (in one transaction or in a series of related transactions) to a corporation that is not controlled by the Company, (ii) the liquidation or dissolution of the Company, (iii) a successful tender offer for the Common Stock of the Company, after which the tendering party holds more than 50% of the issued and outstanding Common Stock of the Company, or (iv) a merger, consolidation, share exchange, or other transaction to which the Company is a party pursuant to which the holders of all of the shares of the Company outstanding prior to such transaction do not hold, directly or indirectly, at least 50% of the outstanding shares of the surviving company after the transaction. To the extent any payment or settlement under this Agreement is subject to Section 409A of the Internal Revenue Code of 1986 (the "Code"), no event described above shall be considered a Change in Control unless such event also constitutes a permissible payment event under Treasury Regulation § 1.409A-3(a)(5) and (i)(v), (vi) and (vii).

(b) Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant has a termination of employment from his Employer under Treasury Regulation § 1.409A-1(h)(1)(ii). Whether a termination of employment has occurred is determined based on whether the facts and circumstances indicate that the Employer and the Participant reasonably anticipate that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or an independent contractor) would permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or an independent contractor) by the Participant over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services for less than 36 months). A termination of employment will not be deemed to have occurred if the bona fide level of services performed for the Employer (whether as an employee or independent contractor) is at an annual rate that is fifty percent or more of the bona fide services performed for the Employer, on average, during the immediately preceding 36-month period (or the full period of employment for the Employer, if less than 36-months); provided, however, that a termination of employment will be deemed to have occurred if the level of bona fide services performed for the Employer (whether as an employee or an independent contractor) is reduced to an annual rate that is no more than twenty percent of the level of bona fide services provided to the Employer, on average, during the immediately preceding 36-month period (or the full period of service for the Employer, if less than 36-months). Notwithstanding the foregoing, a Participant shall not be treated as terminating employment during such period if the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains the right to reemployment with the Employer by contract or under applicable law; provided that if the period of leave exceeds six months and the Participant does not retain the right to reemployment with the Employer by contract or applicable law, then the Participant's employment shall be deemed terminated on the first day immediately following such six month period. For purposes of this paragraph only, the term "Employer" shall mean the Company and any entity that is also a "service recipient or employer" with respect to the Participant under Treasury Regulation § 1.409A-1(h)(3).

(c) Disability. The Participant shall be considered to have a "Disability" if he or she satisfies the definition contained in Code Section 409A(a)(2)(C) and any applicable guidance issued thereunder.

(d) Retirement. "Retirement" of the Participant shall mean, with the approval of the Committee, the occurrence of the Participant's Date of Termination on or after the date the Participant attains age fifty-nine (59) years, six (6) months, following at least seven (7) years of service.

(e) Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

9. Binding Effect; Heirs and Successors.

(a) The terms and conditions of this Agreement shall be effective upon delivery to the Participant, with or without execution by the Participant.

(b) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(c) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant. If a deceased Participant designates a beneficiary and the Designated Beneficiary survives the Participant but dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

10. Disclosure of Information. The Participant recognizes and acknowledges that the Company's trade secrets, confidential information, and proprietary information, including customer and vendor lists and computer data and programs (collectively "Confidential Information"), are valuable, special and unique assets of the Company's business, access to and knowledge of which are essential to the performance of the Participant's duties. The Participant will not, before or after his Date of Termination, in whole or in part, disclose such Confidential Information to any person or entity or make such Confidential Information public for any purpose whatsoever, nor shall the Participant make use of such Confidential Information for the Participant's own purposes or for the benefit of any person or entity other than the Company under any circumstances before or after the Participant's Date of Termination; provided that this prohibition shall not apply after the Participant's Date of Termination to Confidential Information that has become publicly known through no action of the Participant. The Participant shall consider and treat as the Company's property all memoranda, books, records, papers, letters, computer data or programs, or customer lists, including any copies thereof in human- or machine-readable form, in any way relating to the Company's business or affairs, financial or otherwise, whether created by the Participant or coming into his or her possession, and shall deliver the same to the Company on the Date of Termination or, on demand of the Company, at any earlier time.

11. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons. Such powers or decision-making may be delegated, to the extent permitted by the Plan, to one or more of Committee members or any other person or persons selected by the Committee.

12. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall wholly incorporate and be subject to the terms of the Plan, a copy of which may be obtained from the Chief People Officer of the Company (or such other party as the Company may designate); and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

13. No Implied Rights.

(a) The award of Units will not confer on the Participant any right with respect to continuance of employment or other service with the Company or any Member Company, nor will it interfere in any way with any right the Company or any Member Company would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time.

(b) The Participant shall not have any rights of a shareholder with respect to the Units until shares of Stock have been duly issued following settlement of the Award as provided herein.

14. Notices. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, at the Company's principal executive office.

15. Amendment. This Agreement may be amended by written agreement of the Participant and the Company, without the consent of any other person.

16. Governing Law; Jurisdiction. This Agreement shall be governed by the law of the Commonwealth of Virginia without giving effect to the choice-of-law provisions thereof. The Circuit Court of the City of Norfolk and the United States District Court, Eastern District of Virginia, Norfolk Division shall be the exclusive courts of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement. The parties hereby consent to the jurisdiction of such courts.

17. Code Section 409A. To the extent any payment under this Agreement is subject to Code Section 409A, this Agreement and the Grant Letter will be interpreted as necessary to comply with Code Section 409A. To the extent any provision of this Agreement violates Code Section 409A, such provision shall hereby be amended to comply or, if it cannot be so amended, such provision is void. The Company does not guarantee the tax treatment of any payment or transfer of shares under this Agreement and the Participant shall in all case be responsible for any and all taxes due.

**EXHIBIT 31.1**

<u>Chief Executive Officer Certification</u>

I, Bob Sasser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2011

<u>/s/ Bob Sasser</u>
Bob Sasser
Chief Executive Officer

EXHIBIT 31.2

Principal Financial Officer Certification

I, Kevin S. Wampler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2011

/s/ Kevin S. Wampler
Kevin S. Wampler
Chief Financial Officer

**EXHIBIT 32.1**

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Dollar Tree, Inc. (the "Company") on Form 10-Q for the quarter ending April 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bob Sasser, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| May 19, 2011 | /s/ Bob Sasser |
| Date | Bob Sasser |
| | Chief Executive Officer |

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Dollar Tree, Inc. (the "Company") on Form 10-Q for the quarter ending April 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin S. Wampler, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| May 19, 2011 | /s/ Kevin W. Wampler |
| Date | Kevin S. Wampler |
| | Chief Financial Officer |

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.