

Dollar General Responds to Moody's Downgrade

GOODLETTSVILLE, Tenn., Apr 10, 2002 /PRNewswire-FirstCall via COMTEX/ -- Officials at Dollar General Corporation (NYSE: DG) responded today to Moody's Investors Service's downgrade of Dollar General's long-term rating from Ba1 to Ba2.

"We are disappointed by Moody's decision," said Jim Hagan, Dollar General executive vice president and chief financial officer. "Based on the strength of our recent financial performance and our solid cash flow, we believe this downgrade by Moody's does not reflect the underlying strength of the Dollar General business model. For the year ended February 1, 2002, Dollar General generated \$497 million in earnings before interest, taxes, depreciation and amortization, and we earned net income of \$207.5 million. We expect continued earnings growth in Fiscal 2002. To us, those kinds of results and expectations are incompatible with the action taken by Moody's today.

"While we have candidly acknowledged that our infrastructure was strained by our growth during the last ten years, we believe that the necessary initiatives are underway to strengthen our infrastructure to support the continued growth of the Company," Hagan said. "These initiatives were outlined in detail during the company's March 26, 2002 analyst meeting and in the report on Form 8-K filed on the same date."

This press release contains historical and forward-looking information. The words "believe," "anticipate," "project," "plan," "expect," "estimate," "objective," "forecast," "goal," "intend," "will likely result," or "will continue" and similar expressions identify forward looking statements. 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. The factors that may result in actual results differing from such forward-looking information include, but are not limited to: the Company's ability to maintain adequate liquidity through its cash resources and credit facilities, including its ability to refinance or replace such facilities on favorable terms at the maturity thereof; the Company's ability to comply with the terms of the Company's credit facilities (or obtain waivers for non-compliance); general transportation and distribution delays or interruptions; inventory risks due to shifts in market demand; changes in product mix; interruptions in suppliers' businesses; fuel price and interest rate fluctuations; a deterioration in general economic conditions caused by acts of war or terrorism; temporary changes in demand due to weather patterns; delays associated with building, opening and operating new stores; the results of the Company's restatement and audit process; and the impact of the litigation and regulatory proceedings related to the restatement of the Company's financial statements, including the funding of the settlement of such litigation and the risk that the conditions to the effectiveness of such settlements, including the results of the plaintiffs' confirmatory discovery and the approval by the courts, may not be realized.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this release or to reflect the occurrence of unanticipated events.

SOURCE Dollar General Corporation

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