PRESS RELEASE

DOLLAR TREE STORES, INC. REPORTS FOURTH-QUARTER 2001 EARNINGS PER SHARE OF \$0.67

CHESAPEAKE, Va. – January 24, 2002 -- Dollar Tree Stores, Inc. (Nasdaq: DLTR), the nation's leading \$1.00 discount variety store chain, reported fourth-quarter 2001 earnings per common share of \$0.67 compared to \$0.57 in the fourth quarter of 2000. Net earnings increased 17.6% to \$76.1 million in the fourth quarter of 2001, compared to \$64.7 million for the same period in 2000.

Sales for the fourth quarter of 2001 increased 19.3% to \$714.8 million from \$599.2 million for the same period in 2000. Comparable store net sales increased 1.5% for the quarter. Sales were aided by the long holiday selling season. Gross margin for the quarter decreased as a percentage of net sales to 38.2% compared to 39.1% in 2000 primarily as a result of an increase in markdowns and loss of leverage on occupancy costs. Operating expenses decreased as a percentage of net sales to 18.6% from 19.0%, due to improved payroll-related costs.

Macon Brock, Jr., Chairman and CEO, remarked, "We are pleased to end the year on a positive note with these fourth-quarter results. I am particularly proud of how our management team handled our growth, controlled costs, and improved inventory in this year's difficult economic environment. Among our many 2001 accomplishments, we replaced our Philadelphia distribution center with a larger, more efficient facility in Briar Creek, Pennsylvania. 2001 also marked the start of our point-of-sale rollout and Dollar Tree's entry into Washington state, our 37th state. And, more recently, we successfully completed the expansion and automation of our Stockton, California distribution center, which will enable us to serve our West Coast markets with greater efficiency."

Net earnings in 2001 increased to \$123.1 million compared to \$121.6 million in 2000 (\$125.1 million in 2000 excluding merger-related and extraordinary items). Earnings per common share increased to \$1.09 in 2001 compared to \$1.08 in 2000 (\$1.11 in 2000 excluding merger-related and extraordinary items). Sales increased 17.7% to \$1,987.3 million in 2001 compared to \$1,688.1 million in 2000. As previously reported, comparable store net sales for the year increased 0.1%.

For 2001, gross margin was 36.0% compared to 37.0% for 2000, excluding merger-related costs in 2000. The decrease in gross margin resulted primarily from a loss of leverage on occupancy costs and increased shrink in the now-closed Philadelphia distribution facilities. Operating expenses, as a percentage of net sales, were 23.1% in 2001 compared to 22.2% in 2000, excluding merger-related expenses. The increase is primarily due to increases in payroll-related costs, including insurance; certain store operating expenses; and charges recorded in connection with our closed distribution facilities.

Dollar Tree's preliminary growth plans for 2002 call for approximately 300 net new stores, as well as the expansion of approximately 100 existing stores. The company expects the average size of a new store to be approximately 9,250 square feet. Comparisons in the first and second quarters of 2002 will be affected by the shift of Easter into the first quarter. Last year, Easter fell on April 15; this year, it falls on March 31.

With respect to 2002, Brock commented: "We plan to add approximately 25% in gross square footage by expanding Dollar Tree in underserved markets and strategically increasing our presence in existing markets. As we finalize the implementation of our new supply chain management systems and refine our

merchandise mix, we remain committed to improving and expanding our business. We are enthusiastic about the opportunities we see in 2002."

On Thursday, January 24, 2002, Dollar Tree will host a conference call to discuss its quarterly earnings results at 4:45 p.m. EST. The telephone number for the call is (712) 257-3640, pass code DLTR. A recorded version of the call will be available until midnight Tuesday, January 29 and may be accessed by dialing (402) 998-0975, pass code DLTR. In addition, the webcast of the call is accessible through Dollar Tree's website, www.DollarTree.com, as well as at Vcall's website, www.Vcall.com, and will remain online until midnight Tuesday, January 29.

Dollar Tree Stores, Inc. is the nation's leading \$1.00 discount variety store chain. Dollar Tree Stores operates 1,975 stores in 37 states as of December 31, 2001. The Company opened 276 stores, closed 30 stores and expanded or relocated 111 stores in 2001, expanding gross retail square footage by 3.0 million square feet to approximately 12.8 million square feet at the end of the year.

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 or estimate. For example, our forward-looking statements include statements regarding our planned 2002 increase in gross square footage, store growth, market penetration, implementation of our supply-chain initiatives, expansion of our distribution system, and the calendar shift in Easter sales.

For a discussion of the risks, uncertainties and assumptions that could affect our future events, developments or results, you should carefully review the "Business" section in our Annual Report on Form 10-K filed March 30, 2001, and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section in that Annual Report and in our Quarterly Report on Form 10-Q filed November 14, 2001. Also, carefully review "Risk Factors" in our most recent prospectuses filed November 15, 2000 and August 3, 2000. 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 or to reflect the occurrence of future events and you should not expect us to do so.

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DOLLAR TREE STORES, INC.

Condensed Consolidated Income Statements For the Three Months and Year Ended December 31 (Dollars in thousands, except per share data)

	Fourth Quarter				Year-to-Date			
	2001		2000		2001		2000	
	(u	naudited)	(uı	naudited)				
Net sales	\$	714,846	\$	599,173	\$	1,987,271	\$	1,688,105
Cost of sales Merger-related costs (a)		441,732		365,092		1,271,314		1,063,416 1,100
Gross profit		273,114 38.2%		234,081 39.1%		715,957 36.0%		623,589 36.9%
Operating expenses		133,271 18.6%		113,935 19.0%		458,329 23.1%		375,316 22.2%
Merger-related expenses (a) Depreciation/amortization		- 14,982		13,084		53,763		3,266 41,971
Operating income		124,861 17.5%		107,062 17.9%		203,865 10.3%		203,036 12.0%
Interest expense, net Other expense (income) (b)		1,311 (251)		1,634		1,891 1,723		3,551
Earnings before income taxes		123,801 17.3%		105,428 17.6%		200,251 10.1%		199,485 11.8%
Income tax expense		47,713		40,756		77,170		77,476
Net earnings before extraordinary item		76,088		64,672		123,081		122,009
Loss on debt extinguishment, net of tax benefit of \$242		-		-		-		387
Net earnings		76,088 10.6%		64,672 10.8%		123,081 6.2%		121,622 7.2%
Net earnings available to common shareholders (c)		76,088 10.6%		64,672 10.8%		123,081 6.2%		120,209 7.1%
Net earnings per common share: Basic Weighted average number of shares	\$	0.68 112,309	\$	0.59 109,128	\$	1.10 112,238	\$	1.16 103,972
Diluted Weighted average number of shares	\$	0.67 113,108	\$	0.57 113,344	\$	1.09 112,990	\$	1.08 111,809

 $⁽a) \ Merger \ related \ costs \ and \ expenses, \ net \ of \ taxes, \ were \ \$3,134 \ for \ the \ year \ ended \ December \ 31,2000.$

⁽b) Amount represents the earnings impact of recording non-hedging interest rate swaps to market value in accordance with Statement of Financial Accounting Standards No. 133, which was effective January 1, 2001.

⁽c) Amounts include accretion of the cumulative preferred stock to redemption value, accrued preferred stock dividends and amortization of the discount on preferred stock. The amount deducted from net earnings available to common shareholders is \$1,413 for the year ended December 31, 2000.

DOLLAR TREE STORES, INC.

Condensed Consolidated Balance Sheets (Dollars in thousands)

	Dec	ember 31, 2001	December 31, 2000		
Cash and cash equivalents	\$	236,653	\$	181,166	
Merchandise inventories		296,473		258,687	
Other current assets		27,653		37,661	
Total current assets		560,779	-	477,514	
Property and equipment, net		279,011		211,632	
Goodwill, net		38,358		40,376	
Other assets, net		23,619		17,337	
Total assets	\$	901,767	\$	746,859	
Accounts payable	\$	68,653	\$	75,404	
Income taxes payable	Ψ	38,848	Ψ	23,448	
Other current liabilities		67,521		50,453	
Current portion of long-term debt		25,000		25,000	
Total current liabilities		200,022		174,305	
Long-term debt, excluding current portion		12,000		18,000	
Other liabilities		38,290		35,896	
Total liabilities		250,312		228,201	
Shareholders' equity		651,455		518,658	
Total liabilities and					
shareholders' equity	\$	901,767	\$	746,859	
STORE DATA: Number of stores open at					
end of period		1,975		1,729	
Total gross square footage		10.501		0.022	
(in thousands)		12,791		9,832	

DOLLAR TREE STORES, INC. Condensed Consolidated Statements of Cash Flows (Dollars in thousands)

	Year ended December 31, 2001		Year ended December 31, 2000		
Cash flows from operating activities:					
Net income	\$	123,081	\$	121,622	
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization		53,763		41,971	
Other non-cash adjustments		3,003		14,813	
Changes in working capital		(1,121)		(71,141)	
Total adjustments		55,645		(14,357)	
Net cash provided by operating activities		178,726		107,265	
Cash flows from investing activities:					
Capital expenditures		(121,566)		(95,038)	
Proceeds from sale of property and equipment		98		271	
Net cash used in investing activities		(121,468)		(94,767)	
Cash flows from financing activities:					
Net change in revolving credit facilities		-		(6,500)	
Repayment of long-term debt and facility fees		(6,239)		(27,708)	
Principal payments under capital lease obligations		(3,562)		(3,274)	
Proceeds from stock issued pursuant to stock-based					
compensation plans		11,802		24,563	
Repurchase of common stock (a)		(3,772)		(12.010)	
Net cash used in financing activities		(1,771)		(12,919)	
Net increase (decrease) in cash and cash equivalents		55,487		(421)	
Cash and cash equivalents at beginning of period	Ф.	181,166	Ф.	181,587	
Cash and cash equivalents at end of period	\$	236,653	\$	181,166	

⁽a) Represents the repurchase of 225,000 shares of outstanding common stock pursuant to the Securities and Exchange Commission's Emergency Relief Order, which has since expired.