

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

INDEX

PART I-FINANCIAL INFORMATION

	<u>Page</u>
Item 1. Financial Statements:	
Condensed Consolidated Income Statements for the 13 Weeks and 26 Weeks Ended August 4, 2007 and July 29, 2006	3
Condensed Consolidated Balance Sheets as of August 4, 2007, February 3, 2007 and July 29, 2006	4
Condensed Consolidated Statements of Cash Flows for the 26 Weeks Ended August 4, 2007 and July 29, 2006	5
Notes to Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3. Quantitative and Qualitative Disclosures About Market Risk	16
Item 4. Controls and Procedures	16

PART II-OTHER INFORMATION

Item 1. Legal Proceedings	16
Item 1A. Risk Factors	18
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3. Defaults Upon Senior Securities	19
Item 4. Submission of Matters to a Vote of Security Holders	19
Item 5. Other Information	19
Item 6. Exhibits	20
Signatures	21

**DOLLAR TREE STORES, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS**

(In millions, except per share data)	13 Weeks Ended		26 Weeks Ended	
	August 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Net sales	\$ 971.2	\$ 883.6	\$ 1,946.2	\$ 1,740.1
Cost of sales	644.6	590.3	1,294.3	1,160.7
Gross profit	326.6	293.3	651.9	579.4
Selling, general and administrative expenses	273.2	245.1	536.2	477.7
Operating income	53.4	48.2	115.7	101.7
Interest expense, net	1.6	1.9	3.2	2.8
Income before income taxes	51.8	46.3	112.5	98.9
Provision for income taxes	19.2	17.3	41.8	37.0
Net income	\$ 32.6	\$ 29.0	\$ 70.7	\$ 61.9
Net income per share:				
Basic	\$ 0.33	\$ 0.28	\$ 0.72	\$ 0.59
Diluted	\$ 0.33	\$ 0.28	\$ 0.71	\$ 0.59

See accompanying Notes to Condensed Consolidated Financial Statements.

**DOLLAR TREE STORES, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

(In millions)	August 4, 2007	February 3, 2007	July 29, 2006
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 43.5	\$ 85.0	\$ 49.0
Short-term investments	144.0	221.8	131.4
Merchandise inventories	651.7	605.0	671.0
Other current assets	53.6	56.1	23.5
Total current assets	<u>892.8</u>	<u>967.9</u>	<u>874.9</u>
Property, plant and equipment, net	725.4	715.3	710.5
Intangibles, net	148.9	146.6	145.6
Other assets, net	<u>69.9</u>	<u>52.4</u>	<u>44.3</u>
TOTAL ASSETS	<u>\$ 1,837.0</u>	<u>\$ 1,882.2</u>	<u>\$ 1,775.3</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 18.5	\$ 18.8	\$ 18.8
Accounts payable	230.7	198.1	211.8
Other current liabilities	138.5	132.0	105.3
Income taxes payable	0.7	43.3	5.0
Total current liabilities	<u>388.4</u>	<u>392.2</u>	<u>340.9</u>
Long-term debt, excluding current portion	250.0	250.0	250.0
Other liabilities	<u>95.3</u>	<u>72.3</u>	<u>70.6</u>
Total liabilities	<u>733.7</u>	<u>714.5</u>	<u>661.5</u>
Shareholders' equity	1,103.3	1,167.7	1,113.8
Commitments and contingencies			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 1,837.0</u>	<u>\$ 1,882.2</u>	<u>\$ 1,775.3</u>
Common shares outstanding	<u>97.0</u>	<u>99.6</u>	<u>102.0</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**DOLLAR TREE STORES, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)	26 Weeks Ended	
	August 4, 2007	July 29, 2006
Cash flows from operating activities:		
Net income	\$ 70.7	\$ 61.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78.3	74.1
Other non-cash adjustments to net income	4.1	(7.9)
Changes in working capital	(58.0)	(22.7)
Net cash provided by operating activities	95.1	105.4
Cash flows from investing activities:		
Capital expenditures	(88.9)	(88.6)
Purchase of short-term investments	(790.5)	(346.8)
Proceeds from sales of short-term investments	868.3	489.3
Purchase of Deal\$ assets, net of cash acquired of \$0.3	-	(54.1)
Acquisition of favorable lease rights	(4.8)	(1.1)
Net cash used in investing activities	(15.9)	(1.3)
Cash flows from financing activities:		
Principal payments under capital lease obligations	(0.4)	(0.5)
Payments for share repurchases	(198.0)	(136.4)
Proceeds from stock issued pursuant to stock-based compensation plans	65.3	14.7
Tax benefit of stock options exercised	12.4	1.3
Net cash used in financing activities	(120.7)	(120.9)
Net decrease in cash and cash equivalents	(41.5)	(16.8)
Cash and cash equivalents at beginning of period	85.0	65.8
Cash and cash equivalents at end of period	\$ 43.5	\$ 49.0
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ 9.3	\$ 5.9
Income taxes	\$ 66.3	\$ 86.5

See accompanying Notes to Condensed Consolidated Financial Statements.

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

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Dollar Tree Stores, 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 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 February 3, 2007 contained in the Company's Annual Report on Form 10-K (Form 10-K) filed April 4, 2007. The results of operations for the 13 and 26 weeks ended August 4, 2007 are not necessarily indicative of the results to be expected for the entire fiscal year ending February 2, 2008.

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 August 4, 2007 and July 29, 2006 and the results of its operations and cash flows for the periods presented. The February 3, 2007 balance sheet information was derived from the audited consolidated financial statements as of that date. The balance sheet at February 3, 2007 presented herein reflects an immaterial correction which increased other current assets and accounts payable by \$8.9 million.

2. INCOME TAXES

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). This Interpretation clarifies accounting for income tax uncertainties recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." FIN 48 prescribes a recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. Under the guidelines of FIN 48, an entity should recognize a financial statement benefit for a tax position if it determines that it is more likely than not that the position will be sustained upon examination.

The Company adopted the provisions of FIN 48 on February 4, 2007. As a result, the Company recognized a \$0.6 million decrease to retained earnings. The balance for unrecognized tax benefits at February 4, 2007, was \$20.4 million. The total amount of unrecognized tax benefits at February 4, 2007, that, if recognized, would affect the effective tax rate was \$14.1 million (net of the federal tax benefit). The Company does not expect a significant change in its unrecognized tax benefits between now and the end of fiscal year 2007.

The Company recognizes potential interest and penalties related to unrecognized tax benefits in "Provision for income taxes." At February 4, 2007, the balance of interest accrued on unrecognized tax benefits and penalties related to tax matters was \$3.3 million and \$0.1 million, respectively.

The Internal Revenue Service completed its examination of the 1999 to 2003 consolidated federal income tax returns during 2006. Several states are auditing the Company's prior years' tax returns. In general, fiscal years 2004 and forward are within the statute of limitations for federal and state tax purposes. The statute of limitations is still open prior to 2004 for several states.

3. NET INCOME PER SHARE

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

(In millions, except per share data)	13 Weeks Ended		26 Weeks Ended	
	August 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Basic net income per share:				
Net income	\$ 32.6	\$ 29.0	\$ 70.7	\$ 61.9
Weighted average number of shares outstanding	98.2	103.7	98.7	105.0
Basic net income per share	\$ 0.33	\$ 0.28	\$ 0.72	\$ 0.59
Diluted net income per share:				
Net income	\$ 32.6	\$ 29.0	\$ 70.7	\$ 61.9
Weighted average number of shares outstanding	98.2	103.7	98.7	105.0
Dilutive effect of stock options and restricted stock units (as determined by applying the treasury stock method)	0.5	0.4	0.7	0.4
Weighted average number of shares and dilutive potential shares outstanding	98.7	104.1	99.4	105.4
Diluted net income per share	\$ 0.33	\$ 0.28	\$ 0.71	\$ 0.59

For the 13 weeks ended August 4, 2007, substantially all of the stock options outstanding are included in the calculation of the weighted average number of shares. For the 13 weeks ended July 29, 2006, approximately 2.0 million stock options are not included in the calculation of the weighted average number of shares and dilutive potential shares outstanding because their effect would be anti-dilutive. For the 26 weeks ended August 4, 2007 and July 29, 2006, approximately 0.2 million and 1.8 million stock options, respectively, are not included in the calculation of the weighted average number of shares and dilutive potential shares outstanding because their effect would be anti-dilutive.

4. STOCK-BASED COMPENSATION

Stock-based compensation expense was \$2.8 million and \$5.8 million, respectively, during the 13 and 26 weeks ended August 4, 2007. Total stock-based compensation expense was \$2.5 million and \$3.5 million, respectively, during the 13 and 26 weeks ended July 29, 2006.

Stock Options

In the 26 weeks ended August 4, 2007, the Company granted a total of 0.4 million stock options from the Equity Incentive Plan (EIP), Executive Officer Equity Plan (EOEP) and the Deferred Directors Compensation Plan (DDCP). The fair value of the 2007 options was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected term in years	6.0
Expected volatility	28.4%
Annual dividend yield	-
Risk free interest rate	4.5%

The estimated fair value of these stock options granted approximated \$4.8 million, net of expected forfeitures and is being recognized over their three-year vesting period, or a shorter period based on the retirement eligibility of certain grantees. During the 13 and 26

weeks ended August 4, 2007, the Company recognized \$0.4 million and \$0.9 million, respectively, of expense related to these options. During the 13 and 26 weeks ended August 4, 2007, the Company recognized \$0.2 million and \$0.5 million, of expense related to options granted prior to 2007. The expected term of the awards granted was calculated using the "simplified method" in accordance with Staff Accounting Bulletin No. 107. Expected volatility is derived from an analysis of the historical and implied volatility of the Company's publicly traded stock.

The risk free rate is based on the U.S. Treasury rates on the grant date with maturity dates approximating the expected life of the option on the grant date.

During the 13 and 26 weeks ended August 4, 2007, approximately 1.0 million and 2.5 million stock options were exercised yielding \$26.7 million and \$63.5 million of cash proceeds and \$5.9 million and \$12.4 million of tax benefits recognized as additional paid in capital, respectively. During the 13 and 26 weeks ended July 29, 2006, approximately 0.1 million and 0.6 million stock options were exercised yielding \$3.5 million and \$13.2 million of cash proceeds and \$0.2 million and \$1.3 million of tax benefits recognized as additional paid in capital, respectively. The intrinsic value of options exercised during the 13 and 26 weeks ended August 4, 2007 was approximately \$13.0 million and \$30.4 million, respectively. The intrinsic value of options exercised during the 13 and 26 weeks ended July 29, 2006 was approximately \$0.6 million and \$3.4 million, respectively.

Restricted Stock Units (RSU)

The Company granted approximately 0.3 million RSUs, net of forfeitures in the 26 weeks ended August 4, 2007 from the EIP and the EOEP to employees and officers. The estimated \$12.8 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 \$1.0 million and \$1.8 million, respectively, of expense related to these RSUs for the 13 and 26 weeks ended August 4, 2007. During the 13 and 26 weeks ended August 4, 2007, the Company recognized \$1.0 million and \$2.1 million, respectively, of expense related to RSUs granted prior to 2007.

In the 13 and 26 weeks ended August 4, 2007, approximately 0.1 million and 0.2 million RSUs vested, respectively and approximately 0.1 million shares net of taxes were issued for both periods.

5. SHAREHOLDERS' EQUITY

Share Repurchase Program

On March 29, 2007, the Company entered into an agreement with Goldman Sachs to repurchase \$150.0 million of the Company's common shares under an Accelerated Share Repurchase Agreement (ASR). The entire \$150.0 million was executed under a "collared" agreement. Under this agreement, the Company initially received 3.6 million shares through April 12, 2007, representing the minimum number of shares to be received based on a calculation using the "cap" or high-end of the price range of the collar. The maximum number of shares that could have been received under the agreement was 4.1 million. The number of shares was determined based on the weighted average market price of the Company's common stock during the four months after the initial execution date. The calculated weighted average market price through July 30, 2007, net of a predetermined discount, as defined in the "collared" agreement, was \$40.78. Therefore, on July 30, 2007, the Company received an additional 0.1 million shares under the "collared" agreement.

During the 13 weeks ended August 4, 2007, the Company also repurchased an additional 1.6 million shares for approximately \$62.0 million. Approximately 0.4 million of these shares totaling \$17.2 million had not settled as of August 4, 2007, therefore these amounts have been accrued in the accompanying Condensed Consolidated Balance Sheet as of August 4, 2007. The Company purchased another 0.3 million shares during the first week of the third quarter of 2007 for approximately \$13.0 million.

On August 30, 2007, the Company entered into an agreement with Merrill Lynch to repurchase approximately \$100.0 million of the Company's common shares under an Accelerated

Share Repurchase Agreement. The entire \$100.0 million was executed under a “collared” agreement. Within two weeks of the August 30, 2007 execution date, the Company will receive the minimum number of shares to be received based on a calculation using the “cap” or high-end of the price range of the collar. Up to four and one-half months after the initial execution date, the Company will receive additional shares depending on the volume weighted average price of the Company’s common shares during that period, net of a predetermined discount, subject to the maximum share delivery provisions of the agreement.

Including the \$100.0 million in share repurchases from this agreement, as of August 31, 2007, the Company has approximately \$98.4 million remaining under the \$500.0 million share repurchase program authorized by the Board of Directors in November 2006.

6. LITIGATION MATTERS

In 2003, the Company was served with a lawsuit in a California state court by a former employee who alleged that employees did not properly receive sufficient meal breaks and paid rest periods, along with other alleged wage and hour violations. The suit requested that the California state court certify the case as a class action. The parties engaged in mediation and reached an agreement which will be presented to the Court for acceptance and certification of a class. The estimated settlement amount has been accrued in the accompanying condensed consolidated financial statements as of August 4, 2007.

In 2005, the Company was served with a lawsuit by former employees in Oregon who allege that they did not properly receive sufficient meal breaks and paid rest periods. They also allege other wage and hour violations. The plaintiffs requested the Court to certify classes for their various claims and the presiding judge recently did so with respect to two classes, one alleging that our Oregon employees, in violation of that state’s labor laws, were not paid for rest breaks and the other that upon termination of employment, employees were not tendered their final pay in a timely manner. Other claims of the plaintiffs were dismissed by an earlier Order of the Court and are being appealed by the plaintiffs. Discovery will ensue on the certified class issues; no trial is anticipated before the end of 2007.

In 2006, the Company was served with a lawsuit by a former employee in a California state court alleging that she was paid for wages with a check drawn on a bank which did not have any branches in the state, an alleged violation of the state's labor code; that she was paid less for her work than other similar employees with the same job title based on her gender; and that she was not paid her final wages in a timely manner, also an alleged violation of the labor code. The plaintiff requested the court to certify the case as a class action. The Company has been successful in removing the case from the state to the federal court level. The parties have reached a settlement and executed an Agreement which will be presented to the Court for its approval. The estimated settlement amount has been accrued in the accompanying condensed consolidated financial statements as of August 4, 2007 and February 3, 2007.

In 2006, the Company was served with a lawsuit filed in federal court in the state of Alabama by a former store manager. She claims that she should have been classified as a non-exempt employee under the Fair Labor Standards Act and, therefore, should have received overtime compensation and other benefits. She filed the case as a collective action on behalf of herself and all other employees (store managers) similarly situated. Plaintiff sought and received from the Court an Order allowing nationwide (except for the state of California) notice to be sent to all store managers employed by the Company now or within the past three years. Such notice has been mailed and each involved person will determine whether he or she wishes to opt-in to the class as a plaintiff. The Company intends at the appropriate time to challenge any effort by the opt-in plaintiffs to be certified as a class.

In 2007, the Company was served with a lawsuit filed in federal court in the state of California by one present and one former store manager. They claim they should have been classified as non-exempt employees under both the California Labor Code and the Fair Labor Standards Act. They filed the case as a class action on behalf of California based store managers. The Company responded with a motion to dismiss which has not yet been heard by the court. The Company was thereafter served with a second suit in a California state court which alleges essentially the same claims as those contained in the federal action and which likewise seeks class certification of all California store managers. The Company has removed the case to the same federal court as the first suits, answered it and asked the Court to consolidate the two actions.

In 2007, the Company was served with a lawsuit filed in federal court in California by two former employees who allege they were not paid all wages due and owing for time worked, that they were not paid in a timely manner upon termination of their employment and that they did not receive accurate itemized wage statements. They filed the suit as a class action and seek to include in the class all former company employees in the state of California. The Company responded with a motion to dismiss which has not yet been argued.

The Company will vigorously defend itself in these lawsuits. 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 Stores, 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;
- the average size of our stores to be added for the remainder of 2007 and their performance compared with other store sizes;
- the effect of a slight shift in merchandise mix to consumables and the roll-out of frozen and refrigerated merchandise on gross profit margin and sales;
- the effect of the increase in import purchases in the current year on profit margin;
- the possible effect of inflation and other economic changes on our future costs and profitability, including future changes in minimum wage rates, shipping rates and fuel costs;
- our cash needs, including our ability to fund our future capital expenditures and working capital requirements;
- the impact, capacity, performance and cost of our existing distribution centers;
- the future reliability of, and cost associated with, our sources of supply, particularly imported goods such as those sourced from China and Hong Kong;
- costs of pending and possible future legal and tax claims.

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 April 4, 2007. Also see section 1A. "Risk Factors" in Part II of this Quarterly Report on Form 10-Q.

- Our profitability is especially vulnerable to cost increases.
- Our profitability is affected by the mix of products we sell.
- We may be unable to expand our square footage as profitably as planned.
- A downturn in economic conditions could adversely affect our sales.
- Our sales and profits rely on directly and indirectly imported merchandise which may increase in cost, become unavailable, or not meet U.S. product safety standards.
- We could encounter disruptions or additional costs in receiving and distributing merchandise.
- Sales below our expectations during peak seasons may cause our operating results to suffer materially.
- Pressure from competitors, including competition for merchandise, may reduce our sales and profits.
- The resolution of certain legal and tax matters could have a material adverse effect on our results of operations, accrued liabilities and cash.
- Certain provisions in our articles of incorporation and bylaws could delay or discourage a takeover attempt that may be in shareholders' best interests.

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, substantially all of which is at the point of sale. 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 August 4, 2007 we operated 3,334 stores in 48 states, with 27.5 million selling square feet compared to 3,156 stores with 25.4 million selling square feet at July 29, 2006. During the 26 weeks ended August 4, 2007, we opened 134 stores, expanded 53 stores and closed 19 stores, compared to 121 stores opened, 48 stores expanded and 13 stores closed during the 26 weeks ended July 29, 2006. In addition, we acquired 138 Deal\$ stores on March 25, 2006. As of the end of the second quarter, we are behind our internal plans for new store openings for the year, however we expect to make up this deficit during the year and are still expecting to achieve our approximate 10% square footage growth target for fiscal 2007. In the 13 and

26 weeks ended August 4, 2007, we added approximately 0.6 million and 1.3 million selling square feet, respectively, of which approximately 0.1 million and 0.3 million, respectively, was added through expanding existing stores. The average size of stores opened during the 26 weeks ended August 4, 2007 was approximately 8,400 selling square feet (or about 10,600 gross square feet). For the remainder of 2007, we continue to plan to open stores around 9,000 selling square feet (or about 11,000 gross square feet). We believe that this size store is our optimal size operationally and that this size also gives the customer an improved shopping environment that invites them to shop longer and buy more.

For the 13 and 26 weeks ended August 4 2007, comparable store net sales increased 4.4% and 5.2%. For the 13 weeks ended August 4, 2007, the comparable store net sales increase was the result of increases of 3.3% in the number of transactions and 1.1% in transaction size, compared to the 13 weeks ended July 29, 2006. The number of transactions and transaction size increased 3.0% and 2.2%, respectively, in the 26 weeks ended August 4, 2007, as compared to the same period last year. We believe comparable store net sales were positively affected by a number of our initiatives over the past year, including expansion of forms of payment accepted by our stores and the roll-out of frozen and refrigerated merchandise to more of our stores. During 2006 we completed the roll-out of pin-capture debit card acceptance to all of our stores, which has also enabled us to accept Electronic Benefit Transfer cards. We now accept food stamps in approximately 820 qualified stores. We believe the expansion of forms of payment accepted by our stores has helped increase the average transaction size in our stores.

We continued to experience a slight shift in the mix of merchandise sold to more consumables which we believe increases the traffic and the efficiency in our stores; however, this merchandise has lower margins. The negative impact from the planned shift toward more consumables was smaller in the second quarter 2007 than in 2006. The planned shift in mix to more consumables is partially the result of the roll-out of frozen and refrigerated merchandise to more stores in 2006 and 2007. At August 4, 2007 we had frozen and refrigerated merchandise in approximately 870 stores compared to approximately 360 at July 29, 2006. We plan to add frozen and refrigerated merchandise to approximately 60 more stores during 2007, which will continue to pressure margins for the remainder of the year. However, we believe that this will enable us to increase sales and earnings in the future by increasing the number of shopping trips made by our customers and increasing the average transaction size.

Even with the higher amount of basic, consumable products in the current year, we experienced a margin improvement in the second quarter of 2007 compared to the same period of 2006. We expected some margin improvement as we cycled through our planned shift to more basic, consumable products. However, we are seeing this margin improvement slightly ahead of schedule due to an increase in the product mix of higher margin import merchandise compared with last year. Import purchases in the prior year were approximately 36% of total purchases compared to almost 40% this year through August 4, 2007. We expect this level of import purchases to continue for the remainder of the year.

Our point-of-sale technology is now in all of our stores, and this technology provides us with valuable sales and inventory information to assist our buyers and improve merchandise allocation to the stores. We believe that it has enabled us to better control our inventory, resulting in more efficient distribution and store operations and increased inventory turnover. Using the data captured at the point of sale has enabled us to better plan and allocate our inventory purchases and helped us reduce our inventory investment per store by approximately 8.0% at August 4, 2007 compared to July 29, 2006.

On May 25, 2007, the President signed legislation that increased the Federal Minimum Wage from \$5.15 an hour to \$7.25 an hour over the next two years. We do not expect this legislation to have a material effect on our operations for fiscal 2007.

We estimate that sales for the third quarter of 2007 will be in the range of \$1.00 billion to \$1.02 billion and earnings per diluted share will be in the range of \$0.35 to \$0.38. For fiscal 2007, we estimate sales will be in the range of \$4.28 billion to \$4.35 billion and diluted earnings per share will be in the range of \$2.04 to \$2.14. Guidance for the third quarter of 2007 and full year fiscal 2007 is based on low to low-mid single digit comparable store net sales growth. The guidance for earnings per share for fiscal 2007 reflects the impact of approximately \$228 million of share repurchases, which includes share repurchases through the first week of the third quarter of 2007.

Results of Operations

13 Weeks Ended August 4, 2007 Compared to the 13 Weeks Ended July 29, 2006

Net sales. Net sales increased 9.9%, or \$87.6 million, over last year's second quarter resulting from sales in our new and expanded stores and a 4.4% increase in comparable store net sales in the current quarter. Comparable store net sales are positively affected by our expanded and relocated stores, which we include in the calculation, and, to a lesser extent, are negatively affected when we open new stores or expand stores near existing stores.

Gross Profit. For the 13 weeks ended August 4, 2007 the gross profit margin was 33.6% compared to the gross profit margin of 33.2% for the 13 weeks ended July 29, 2006. This increase can be attributed to the following:

- Merchandise costs, including inbound freight, decreased 50 basis points due to higher initial mark-up in many categories in the current year. Import purchases are up approximately 10% compared to last year, which has helped to increase merchandise margin in the current year.
- Buying and distribution costs decreased 10 basis points as a result of the leverage associated with the positive comparable store net sales during the quarter.
- The aforementioned improvement was partially offset by a 20 basis point increase in markdown expense due to markdowns accrued in the current quarter for the planned promotion of slower moving inventory items.

Selling, General and Administrative Expenses. Selling, general, and administrative expenses for the current quarter increased to 28.1%, as a percentage of net sales, compared to 27.7% for the same period last year. This increase was primarily due to the following:

- A 30 basis point increase resulting from a \$2.5 million charge incurred to settle certain employment related litigation, accompanied by related attorney fees.
- A 10 basis point increase in debit and credit fees due to increased debit transactions per store in the current year.
- A 10 basis point increase in advertising in the current year quarter due to reaching more markets with greater frequency using printed media.
- A 15 basis point increase in the selling, general and administrative component of occupancy costs due to higher utility costs resulting from higher rates and consumption in the current year.
- A 15 basis point decrease in the selling, general and administrative component of depreciation expense resulting from the leverage associated with the increase in comparable store net sales in the current quarter.

Operating Income. Operating income was 5.5% as a percentage of sales in both periods as a result of increased gross profit being offset by increased selling, general and administrative expenses.

Income Taxes. Our effective tax rate was 37.1% in the second quarter of 2007 compared to 37.4% for the same period last year. The decreased tax rate for 2007 was the result of work opportunity tax credits in the current year quarter and the expiration of statutes of limitations resulting in the reversal of certain state tax reserves.

26 Weeks Ended August 4, 2007 Compared to the 26 Weeks Ended July 29, 2006

Net sales. Net sales increased 11.8%, or \$206.1 million, for the first six months of fiscal 2007 resulting from sales in our new and expanded stores, including 138 Deal\$ stores acquired in March 2006, and a 5.2% increase in comparable store net sales in the current year. Comparable store net sales are positively affected by our expanded and relocated stores, which we include in the calculation, and, to a lesser extent, are negatively affected when we open new stores or expand stores near existing stores.

Gross Profit. For the 26 weeks ended August 4, 2007 the gross profit margin was 33.5% compared to 33.3% for the first six months of 2006. The increase is due to the following:

- Merchandise costs, including inbound freight, decreased 30 basis points due to higher initial mark-up in many categories in the current year. Import purchases are up approximately 10% compared to last year, which has helped to increase merchandise margin in the current year.
- Buying and distribution costs decreased 10 basis points as a result of the leverage associated with the positive comparable store net sales in the current year.
- The aforementioned improvement was offset by a 15 basis point increase in markdown expense due to markdowns accrued in the current year for the planned promotion of slower moving inventory items.

Selling, General and Administrative Expenses. Selling, general, and administrative expenses for the 26 weeks ended August 4, 2007, increased to 27.6%, as a percentage of net sales, compared to 27.5% for the same period last year. This increase was primarily due to the following:

- A 20 basis point increase resulting from a \$3.0 million charge incurred to settle certain employment related litigation, accompanied by related attorney fees.
- A 10 basis point increase in debit and credit fees due to increased debit transactions in the current year.
- A 10 basis point increase in the selling, general and administrative component of occupancy costs due to higher utility costs resulting from higher rates and consumption in the current year.
- A 10 basis point decrease in the selling, general and administrative component of depreciation expense resulting from the leverage associated with the increase in comparable store net sales in the current quarter.
- A 10 basis point decrease in store supplies expense due to lower material costs in the current year.
- A 10 basis point decrease in advertising costs due to the increased use of lower cost print advertising and less high cost radio and television advertising in the current year.

Operating Income. Due to the reasons discussed above, operating income increased as a percentage of net sales to 5.9% during the first six months of fiscal 2007 compared to 5.8% in the same period of 2006.

Income Taxes. Our effective tax rate was 37.2% for the 26 weeks ended August 4, 2007 compared to 37.4% for the same period last year. The decreased tax rate for 2007 was the result of work opportunity tax credits in the current year and the expiration of statutes of limitations resulting in the reversal of certain state tax reserves.

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 and funded our store opening and expansion programs from internally generated funds and borrowings under our credit facilities.

The following table compares cash flow information for the 26 weeks ended August 4, 2007 and July 29, 2006:

(In millions)	26 Weeks ended	
	August 4, 2007	July 29, 2006
Net cash provided by (used in):		
Operating activities	\$ 95.1	\$ 105.4
Investing activities	(15.9)	(1.3)
Financing activities	(120.7)	(120.9)

The \$10.3 million decrease in cash provided by operating activities was primarily due to the increased payout of incentive compensation and profit sharing accrued at the end of last year and paid out in the first quarter as compared to the prior year. This use of operating cash was partially offset by improved earnings before depreciation and amortization in the current year.

The \$14.6 million increase in cash used in investing activities was primarily due to lower proceeds from short-term investment activity in the current year, partially offset by the use of \$54.1 million in the prior year to acquire Deal\$ assets.

The \$0.2 million decrease in cash used in financing activities resulted primarily from increased proceeds from stock option exercises in the current year resulting from the Company's higher stock price, offset by increased stock repurchases in the current year.

At August 4, 2007, our long-term borrowings were \$268.5 million and our capital lease commitments were \$0.6 million. As of August 4, 2007, we had \$200.0 million available under our revolving credit facility. We also have \$125.0 million and \$50.0 million Letter of Credit Reimbursement and Security Agreements, under which approximately \$153.1 million was committed to letters of credit issued for routine purchases of imported merchandise as of August 4, 2007.

On March 29, 2007, we entered into an agreement with Goldman Sachs to repurchase \$150.0 million of our common shares under an Accelerated Share Repurchase Agreement (ASR). The entire \$150.0 million was executed under a "collared" agreement. Under this agreement, we initially received 3.6 million shares through April 12, 2007, representing the minimum number of shares to be received based on a calculation using the "cap" or high-end of the price range of the collar. The maximum number of shares that could have been received under the agreement was 4.1 million. The number of shares was determined based on the weighted average market price of our common stock during the four months after the initial execution date. The weighted average market price through July 30, 2007, the termination date, net of a predetermined discount, as defined in the "collared" agreement was \$40.78. Therefore, we received an additional 0.1 million shares on July 30, 2007.

In addition, as of August 4, 2007 we have repurchased an additional 1.6 million shares for approximately \$62.0 million. Approximately 0.4 million of these shares for approximately \$17.2 million had not settled as of August 4, 2007. Therefore, these amounts have been accrued in our accompanying Condensed Consolidated Balance Sheet as of August 4, 2007. During the first week of the third quarter of 2007, we repurchased an additional 0.3 million shares for approximately \$13.0 million.

On August 30, 2007, we entered into an agreement with Merrill Lynch to repurchase approximately \$100.0 million of our common shares under an Accelerated Share Repurchase Agreement. The entire \$100.0 million was executed under a "collared" agreement. Within two weeks of the August 30, 2007 execution date, we will receive the minimum number of shares to be received based on a calculation using the "cap" or high-end of the price range of the collar. Up to four and one-half months after the initial execution date, we will receive additional shares from the third party depending on the volume weighted average price of our common shares during that period, subject to the maximum share delivery provisions of the agreement.

Including the \$100.0 million in share repurchases from this agreement, as of August 31, 2007, we have approximately \$98.4 million remaining under the \$500.0 million share repurchase program authorized by our Board of Directors in November 2006.

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 and foreign currency rate fluctuations. We may enter into interest rate swaps to manage our exposure to interest rate changes, and we may employ other risk management strategies, including the use of foreign currency forward contracts. We do not enter into derivative instruments for any purpose other than cash flow hedging purposes. Our remaining interest rate swap does not qualify for hedge accounting treatment under SFAS No. 133, as amended by SFAS No. 138, because it contains provisions that "knockout" the swap when the variable interest rate exceeds a predetermined rate. As of August 4, 2007, the fair value of this interest rate swap is not material to our financial position.

Item 4. CONTROLS AND PROCEDURES.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

During the quarter ended August 4, 2007, we upgraded our operating system used to perform accounting, payroll and reporting functions such as: Financial Statement creation, Accounts Payable, Human Resources, Payroll and Fixed Asset Accounting. Additionally, the application is now managed, supported and stored off-site by an application service provider. While the manual processes and controls that involve this system have not changed as a result of the upgrade, the system itself is now accessed via the internet and not on an internal network. We have reviewed the System Development Life Cycle process and tested all application controls associated with this operating system and no significant exceptions have been identified. We have also reviewed the Internal Controls Report from our third party provider, to ensure that all controls relevant to our operating system were addressed and were operating effectively.

There have been no other material changes in our internal control over financial reporting during the quarter ended August 4, 2007 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 2003, we were served with a lawsuit in a California state court by a former employee who alleged that employees did not properly receive sufficient meal breaks and paid rest periods, along with other alleged wage and hour violations. The suit requested that the California state court certify the case as a class action. The parties engaged in mediation and reached an agreement which will be present to the Court for acceptance and certification of a class. The estimated settlement amount has been accrued in the accompanying condensed consolidated financial statements as of August 4, 2007.

In 2005, we were served with a lawsuit by former employees in Oregon who allege that they did not properly receive sufficient meal breaks and paid rest periods. They also allege other wage and hour violations. The plaintiffs requested the Court to certify classes for their various claims and the presiding judge did so with respect to two classes, one alleging that our Oregon employees, in violation of that state's labor laws, were not paid for rest breaks and the other that upon termination of employment, employees were not tendered their final pay in a timely manner. Other claims of the plaintiffs were dismissed by an earlier Order of the Court and are being appealed by the plaintiffs. Discovery will ensue on the certified class issues; no trial is anticipated before the end of 2007.

In 2006, we were served with a lawsuit by a former employee in a California state court alleging that she was paid for wages with a check drawn on a bank which did not have any branches in the state, an alleged violation of the state's labor code; that she was paid less for her work than other similar employees with the same job title based on her gender; and that she was not paid her final wages in a timely manner, also an alleged violation of the labor code. The plaintiff requested the court to certify the case as a class action. We have been successful in removing the case from state to the federal court level. The parties have reached a settlement and executed an Agreement which will be presented to the Court for its approval. The estimated settlement amount has been accrued in the accompanying condensed consolidated financial statements as of August 4, 2007 and February 3, 2007.

In 2006, we were served with a lawsuit filed in federal court in the state of Alabama by a former store manager. She claims that she should have been classified as a non-exempt employee under the Fair Labor Standards Act and, therefore, should have received overtime compensation and other benefits. She filed the case as a collective action on behalf of herself and all other employees (store managers) similarly situated. Plaintiff sought and received from the Court an Order allowing nationwide (except for the state of California) notice to be sent to all store managers employed by us now or within the past three years. Such notice has been mailed and each involved person will determine whether he or she wishes to opt-in to the class as a plaintiff. We intend at the appropriate time, to challenge any effort by the opt-in plaintiffs to be certified as a class.

In 2007, we were served with a lawsuit filed in federal court in the state of California by one present and one former store manager. They claim they should have been classified as

non-exempt employees under both the California Labor Code and the Fair Labor Standards Act. They filed the case as a class action on behalf of California based store managers. We responded with a motion to dismiss which has not yet been heard by the court. We were thereafter served with a second suit in a California state court which alleges essentially the same claims as those contained in the federal action and which likewise seeks class certification of all California store managers. We have removed the case to the same federal court as the first suit, answered it and asked the Court to consolidate the two actions.

In 2007, we were served with a lawsuit filed in federal court in California by two former employees who allege they were not paid all wages due and owing for time worked, that they were not paid in a timely manner upon termination of their employment and that they did not receive accurate itemized wage statements. They filed the suit as a class action and seek to include in the class all former company employees in the state of California. We responded with a motion to dismiss which has not yet been argued.

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 April 4, 2007.

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

The following table presents our share repurchase activity for the 13 weeks ended August 4, 2007.

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)
May 6, 2007 to June 2, 2007	-	\$ -	-	\$ 273.4
June 3, 2007 to July 7, 2007	-	-	-	273.4
July 8, 2007 to August 4, 2007	1,694,503	39.25	1,694,503	211.4
Total	<u>1,694,503</u>	\$ 39.25	<u>1,694,503</u>	\$ 211.4

In March 2007, we entered into an agreement with a third party to repurchase approximately \$150.0 million of our common shares under an Accelerated Share Repurchase Agreement (ASR). Under this agreement, we received an additional 114,803 shares during the second quarter to settle the ASR. The shares are included in the table above. See additional discussion of the ASR in the Liquidity and Capital Resource section of, "Management's Discussion and Analysis of Financial Condition and Results of Operations," found elsewhere in this report.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

At our Annual Meeting of Shareholders held on June 21, 2007, the following individuals were elected to the Board of Directors:

	Votes For	Votes Withheld
H. Ray Compton	87,326,823	2,744,778
Bob Sasser	87,396,142	2,675,459
Alan L. Wurtzel	87,055,372	3,016,229

In addition, our proxy contained a non-binding shareholder proposal that asked us to remove the supermajority vote requirements. The results were as follows:

Votes for the proposal – 62,579,786
 Votes against the proposal – 18,166,599
 Broker non-votes – 9,066,823
 Abstentions – 258,393

The non-binding proposal passed, but failed to receive a supermajority vote.

Item 5. OTHER INFORMATION.

None.

Item 6. EXHIBITS.

10. Material Contracts

- 10.1 Accelerated Share Repurchase Program Collared Master Confirmation dated August 30, 2007 (filed herewith)
- 10.2 Accelerated Share Repurchase Program Collared Supplemental Confirmation dated August 30, 2007 (filed herewith)
- 10.3 Post-Retirement Benefit Agreement between the Company and H. Ray Compton dated June 21, 2007 (filed herewith)

31. Certifications required under Section 302 of the Sarbanes-Oxley Act

- 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. Certifications required under Section 906 of the Sarbanes-Oxley Act

- 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

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 STORES, INC.

Date: September 12, 2007

By: /s/ Kent A. Kleeberger
Kent A. Kleeberger
Chief Financial Officer
(principal financial and accounting officer)



Master Confirmation of OTC Collared ASAP Minus

Date: August 30, 2007 ML Ref: _____

To: Dollar Tree Stores, Inc. ("Counterparty")

Attention: Kent Kleeberger

From: Merrill Lynch International ("MLI")

Merrill Lynch Financial Centre

2 King Edward Street

London EC1A 1HQ

This master confirmation (this "**Master Confirmation**"), dated as of August 30, 2007, is intended to supplement the terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Merrill Lynch International ("**MLI**") and Dollar Tree Stores, Inc. ("**Counterparty**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The terms of any particular Transaction shall be set forth in (i) a Supplemental Confirmation in the form of Exhibit A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation and (ii) a Trade Notification in the form of Exhibit B hereto (a "**Trade Notification**"), which shall reference the relevant Supplemental Confirmation and supplement, form a part of, and be subject to such Supplemental Confirmation. This Master Confirmation, each Supplemental Confirmation and the related Trade Notification together shall constitute a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation, each Supplemental Confirmation and the related Trade Notification evidence a complete binding agreement between Counterparty and MLI as to the subject matter and terms of each Transaction to which this Master Confirmation, such Supplemental Confirmation and Trade Notification relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation, each Supplemental Confirmation and each Trade Notification supplement, form a part of, and are subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency -Cross Border) (the "**Agreement**") as if MLI and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of Loss and Second Method, New York law (without regard to the conflicts of law principles) as the governing law and US Dollars ("**USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions, (iii) the replacement of the word "third" in the last line of Section 5(a)(i) with the word "first", (iv) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and MLI, with a "Threshold Amount" of USD50 million and (v) the amendment of Section 5(a)(vi) to delete the phrase "or becoming capable at such time of being declared" in the seventh line thereof). Notwithstanding the terms of Sections 5 and 6 of the Agreement, if at any time and so long as Counterparty has satisfied its payment obligations under Section 2(a)(i) of the Agreement in respect of all Transactions and has at the time no further payment obligations under such Section, then unless MLI is required pursuant to appropriate proceedings to return to Counterparty, or otherwise returns to Counterparty upon demand of Counterparty, any portion of any such payment, (a) the occurrence of an event described in Section 5(a) (excluding Section 5(a)(ii), Section 5(a)(iv) and Section 5(a)(vii)) of the Agreement with respect to Counterparty shall not constitute an Event of Default or a Potential Event of Default with respect to Counterparty as the Defaulting Party and (b) MLI shall be entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement only as a result of the occurrence of a Termination Event set forth in (i) Sections 5(b)(i) and 5(b)(ii) of the Agreement with respect to MLI as an Affected Party, (ii) Section 5(b)(iii) of the Agreement with respect to MLI as a Burdened Party and (iii) Section 5(b)(v) of the Agreement.

For each Transaction, all provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation, the Supplemental Confirmation and each Trade Notification relating to such Transaction except as expressly modified herein or in such Supplemental Confirmation or Trade Notification.

If, in relation to any Transaction to which this Master Confirmation, a Supplemental Confirmation and a Trade Notification relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation, any Trade Notification and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Trade Notification, (ii) such Supplemental Confirmation; (iii) this Master Confirmation; (iv) the Agreement; and (v) the Equity Definitions.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions which, together with the terms and conditions set forth in the related Supplemental Confirmation and Trade Notification (in respect of the relevant Transaction), shall govern each such Transaction.

General Terms:

Trade Date: For each Transaction, as set forth in the Supplemental Confirmation.

Buyer: Counterparty

Seller: MLI

Shares: Shares of common stock, \$1.00 par value, of Counterparty (Ticker: DLTR)

Forward Price: The arithmetic average of the VWAP Prices for each Exchange Business Day in the Calculation Period

VWAP Price: For any Exchange Business Day, as determined by the Calculation Agent based on the NASDAQ 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "DLTR.Q AQR_SEC" (or any successor thereto). For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (such trades, "**Rule 10b-18 eligible transactions**").

Forward Price Adjustment Amount: For each Transaction, as set forth in the Supplemental Confirmation.

Calculation Period:	The period from and including the first Exchange Business Day immediately following the Hedge Completion Date to and including the Termination Date (as adjusted in accordance with the provisions hereof).
Termination Date:	For each Transaction, the Scheduled Termination Date set forth in the Supplemental Confirmation (as the same may be postponed in accordance with the provisions hereof); <i>provided</i> that MLI shall have the right to designate any date (the “ Accelerated Termination Date ”) on or after the First Acceleration Date to be the Termination Date by providing notice to Counterparty of any such designation on such date.
First Acceleration Date:	For each Transaction, as set forth in the Supplemental Confirmation.
Hedge Period:	The period from and including the day immediately after the Trade Date to and including the Hedge Completion Date (as adjusted in accordance with the provisions hereof).
Hedge Completion Date:	For each Transaction, as set forth in the Trade Notification, to be the Exchange Business Day on which MLI finishes establishing its initial Hedge Positions in respect of such Transaction, as determined by MLI in its good faith and commercially reasonable discretion, which date shall be subject to any limitations set forth in the Supplemental Confirmation.
Hedge Period Reference Price:	For each Transaction, as set forth in the Trade Notification, to be the arithmetic average of the VWAP Prices for each Exchange Business Day in the Hedge Period.
Market Disruption Event:	The definition of “Market Disruption Event” in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words “at any time during the one-hour period that ends at the relevant Valuation Time” and inserting the words “at any time on any Scheduled Trading Day during the Hedge Period or Calculation Period or” after the word “material,” in the third line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs in the Hedge Period or the Calculation Period, the Calculation Agent may in good faith and acting in a commercially reasonable manner postpone the Hedge Completion Date or the Termination Date, as the case may be. In such event, the Calculation Agent must determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Hedge Period Reference Price or the Forward Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day effected before the relevant Market Disruption Event occurred and/or after the relevant Market Disruption Event ended, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Hedge Period or the Calculation Period, as the case may be, shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Hedge Period Reference Price or the Forward Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares.

If a Disrupted Day occurs during the Hedge Period or the Calculation Period, as the case may be, and each of the seven immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may either (i) deem such seventh Scheduled Trading Day to be an Exchange Business Day and determine the VWAP Price for such seventh Scheduled Trading Day using its good faith estimate of the value of the Shares on such seventh Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate or (ii) further extend the Hedge Period or the Calculation Period, as the case may be, as it deems necessary to determine the VWAP Price.

Exchange: NASDAQ Global Select Market

Related Exchange(s): All Exchanges.

Prepayment\ Variable Obligation: Applicable

Prepayment Amount: For each Transaction, as set forth in the Supplemental Confirmation.

Prepayment Date: Two (2) Exchange Business Day following the Trade Date.

Settlement Terms:

Physical Settlement: Applicable; *provided* that MLI does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by MLI to Counterparty under any Transaction.

Number of Shares to be Delivered: A number of Shares equal to (a) the Prepayment Amount *divided by* (b) the Forward Price minus the Forward Price Adjustment Amount; *provided* that the Number of Shares to be Delivered shall not be less than the Minimum Shares and not greater than the Maximum Shares. The Number of Shares to be Delivered on the Settlement Date shall be reduced, but not below zero, by (i) any Shares delivered pursuant to the Initial Share Delivery described below and (ii) any Shares delivered pursuant to the Minimum Share Delivery described below.

Excess Dividend Amount: For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date: Three (3) Exchange Business Days following the Termination Date.

Settlement Currency: USD

Initial Share Delivery: MLI shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.

Initial Share Delivery Date: Two (2) Exchange Business Day following the Trade Date.

Initial Shares: For each Transaction, as set forth in the Supplemental Confirmation.

Minimum Share Delivery:	MLI shall deliver a number of Shares equal to the excess, if any, of the Minimum Shares over the Initial Shares on the Minimum Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Minimum Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.
Minimum Share Delivery Date:	Three (3) Exchange Business Days following the Hedge Completion Date.
Minimum Shares:	For each Transaction, as set forth in the Supplemental Confirmation.
Maximum Shares:	For each Transaction, as set forth in the Supplemental Confirmation.
	Share Adjustments:
Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event.
Extraordinary Dividend:	For any calendar quarter occurring (in whole or in part) during the period from and including the first day of the Calculation Period to and including the Termination Date, any dividend or distribution on the Shares with an ex-dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) or (B) of the Equity Definitions).
Method of Adjustment:	Calculation Agent Adjustment
Consequences of Merger Events and Tender Offers:	
(a) Share for Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment
(c) Share-for-Combined:	Component Adjustment
Determining Party:	MLI
Tender Offer:	Applicable
Nationalization, Insolvency or Delisting:	Cancellation and Payment; <i>provided</i> that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of a Merger Event, a Tender Offer, a Nationalization, an Insolvency or a Delisting, Cancellation and Payment applies to one or more Transactions hereunder (whether in whole or in part), an Additional Termination Event (with the Transactions (or portions thereof) to which Cancellation and Payment applies being the Affected Transactions, Counterparty being the sole Affected Party and the Early Termination Date being the date on which such Transactions would be cancelled pursuant to Article 12 of the Equity Definitions) shall be deemed to occur, and, in lieu of Sections 12.7 and 12.8 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transactions.

Additional Disruption Events:

- (a) Change in Law: Applicable
- (b) Failure to Deliver: Applicable
- (c) Insolvency Filing: Applicable
- (d) Loss of Stock Borrow: Applicable; *provided* that Sections 12.9(a)(vii) and 12.9(b)(iv) of the Equity Definitions shall be amended by deleting the words “at a rate equal to or less than the Maximum Stock Loan Rate” and replacing them with “at a rate of return equal to or greater than zero”.
- Hedging Party: MLI
- Determining Party: MLI

Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Additional Disruption Event, any Transaction is cancelled or terminated, an Additional Termination Event (with such terminated Transaction(s) being the Affected Transaction(s), Counterparty being the sole Affected Party and the Early Termination Date being the date on which such Transaction(s) would be cancelled or terminated pursuant to Article 12 of the Equity Definitions) shall be deemed to occur, and, in lieu of Sections 12.7 and 12.8 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s).

Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:

Applicable

Transfer: Notwithstanding anything to the contrary in the Agreement, MLI may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of MLI under any Transaction, in whole or in part, to an affiliate of MLI whose obligations are guaranteed by Merrill Lynch & Co., Inc. without the consent of Counterparty.

Counterparty's Contact Details for Purpose of Giving Notice:

Kent Kleeberger, 500 Volvo Parkway, Chesapeake, VA 23320

MLI's Contact Details for Purpose of Giving Notice:

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street, London EC1A 1HQ
Attention: Gary Rosenblum
Telephone No.: (212) 449-6309

With a copy to:

GMI Counsel
Merrill Lynch World Headquarters
4 World Financial Center, 5th Floor
New York, New York 10080
Attention: Global Equity Derivatives
Telephone No.: (212) 449-6309
Facsimile No.: (212) 449-6576

2. Calculation Agent: MLI; *provided* that any disagreement regarding any determination made by the Calculation Agent shall be resolved in accordance with Section 20 of this Master Confirmation.

3. Additional Mutual Representations, Warranties and Covenants of MLI and Counterparty. In addition to the representations and warranties in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. (i) It is an “eligible contract participant”, as defined in the U.S. Commodity Exchange Act (as amended), and (ii) is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the “**Securities Act**”), by virtue of Section 4(2) thereof and the provisions of Regulation D promulgated thereunder (“**Regulation D**”). Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an “accredited investor” as that term is defined under Regulation D, (iii) it will purchase each Transaction not with a view to the distribution or resale thereof in a manner that would violate the Securities Act and (iv) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of MLI In addition to the representations, warranties and covenants in the Agreement and those contained herein, MLI hereby represents, warrants and covenants to Counterparty that:

(a) with respect to (i) all purchases of Shares made by MLI during any relevant Hedge Period in respect of any Transaction and (ii) purchases during the related Relevant Period (as defined below) of a number of Shares equal to the Minimum Shares for such Transaction less the number of Shares so purchased during the related Hedge Period in respect of such Transaction, MLI will use good faith efforts to effect such purchases in a manner so that, if such purchases were made by Counterparty, they would meet the requirements of Rule 10b-18(b)(2), (3) and (4), and effect calculations in respect thereof, taking into account any applicable Securities and Exchange Commission no-action letters as appropriate and subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances beyond MLI’s control;

(b) it will conduct its purchases in connection herewith in a manner that would not be deemed to constitute a tender offer within the meaning of Section 14(d)(1) of the Exchange Act; and

(c) for the avoidance of doubt, MLI has implemented reasonable policies and procedures, taking into consideration the nature of its business, to ensure that individuals making investment decisions would not violate laws prohibiting trading on the basis of material nonpublic information. Such individuals shall not be in possession of material nonpublic information during all relevant times beginning on the date hereof and continuing through the Hedge Period and the Calculation Period for any Transaction.

5. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement and those contained herein, as of (i) the date hereof, (ii) the Trade Date for each Transaction hereunder and (iii) to the extent indicated below, each day during the Hedge Period and Calculation Period for each Transaction hereunder, Counterparty represents, warrants and covenants to MLI that:

(a) assuming the accuracy of the representations by MLI in Section 4(b) hereof, the purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act;

(b) it is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares);

(c) each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program;

(d) without limiting the generality of Section 13.1 of the Equity Definitions, it acknowledges that MLI is not making any representations or warranties with respect to the treatment of any Transaction under FASB Statements 128, 133 as amended, or 149, 150, EITF 00-19, 01-6 or 03-6 (or any successor issue statements) or under the Financial Accounting Standards Board's Liabilities & Equity Project;

(e) Counterparty is in compliance with its reporting obligations under the Exchange Act in all material respects and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) Counterparty shall report each Transaction as required under Regulation S-K and/or Regulation S-B under the Exchange Act, as applicable;

(g) Counterparty is not, and will not be, engaged in a "distribution" of Shares or securities that are convertible into, or exchangeable or exercisable for Shares for purposes of Regulation M promulgated under the Exchange Act ("**Regulation M**") at any time during the Hedge Period or the period commencing on the first day of the Calculation Period and ending on the last day of the Calculation Period or, in the event MLI designates an Accelerated Termination Date or either party designates an Early Termination Date or an Early Termination Date is deemed to occur, the 15th Exchange Business Day immediately following such Accelerated Termination Date or Early Termination Date, as the case may be, or such earlier day as elected by MLI and communicated to Counterparty on such day (the "**Relevant Period**") unless Counterparty has provided written notice to MLI of such distribution (a "**Regulation M Distribution Notice**") not later than the Scheduled Trading Day immediately preceding the first day of the relevant "restricted period" (as defined in Regulation M); Counterparty acknowledges that any such notice may cause the Hedge Period or the Calculation Period to be extended or suspended pursuant to Section 6 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 7 below;

(h) Counterparty acknowledges that each Transaction is a derivatives transaction in which it has granted MLI an option; MLI may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction;

(i) as of the Trade Date, the Prepayment Date, the Initial Share Delivery Date, the Minimum Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not and will not be "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares equal to the Maximum Shares in compliance with the laws of the jurisdiction of Counterparty's incorporation;

(j) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended; and

(k) Counterparty has not and, during the Hedge Period or Relevant Period for any Transaction, will not enter into agreements similar to the Transactions described herein where any initial hedge period (however defined), the calculation period (however defined) or the relevant period (however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period or relevant period as provided in the relevant agreements) with any Hedge Period or Relevant Period under this Master Confirmation. In the event that the initial hedge period, calculation period or relevant period in any other similar transaction overlaps with any Hedge Period or Relevant Period under this Master Confirmation as a result of an extension of the Termination Date pursuant to Section 6 herein, Counterparty shall promptly amend such transaction to avoid any such overlap.

6. Suspension of Hedge Period or Calculation Period.

(a) If Counterparty concludes that it will be engaged in a distribution of the Shares for purposes of Regulation M, Counterparty agrees that it will, on a day no later than the Scheduled Trading Day immediately preceding the start of the relevant restricted period, provide MLI with a Regulation M Distribution Notice. Upon the effectiveness of such Regulation M Distribution Notice, MLI shall halt any purchase of Shares in connection with hedging any Transaction during the relevant restricted period (other than any purchases made by MLI in connection with dynamic hedge adjustments of MLI's exposure to any Transaction as a result of any equity optionality contained in such Transaction). If on any Scheduled Trading Day Counterparty delivers the Regulation M Distribution Notice in writing (and confirms by telephone) by 8:30 a.m. New York City time (the "Notification Time") then such notice shall be effective as of such Notification Time. In the event that Counterparty delivers such Regulation M Distribution Notice in writing and/or confirms by telephone after the Notification Time, then such notice shall be effective as of 8:30 a.m. New York City time on the following Scheduled Trading Day or as otherwise required by law or agreed between Counterparty and MLI. Upon the effectiveness of such Regulation M Distribution Notice, the Calculation Period or the Hedge Period, as the case may be, shall be suspended and the Termination Date or the Hedge Completion Date or both, as the case may be, shall be postponed for each Scheduled Trading Day in such restricted period; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 7 below, including, without limitation, the requirement that such notice be made at a time at which none of Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

(b) In the event that MLI reasonably concludes, in its good faith discretion, based on advice of outside legal counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by MLI), for it to refrain from purchasing Shares on any Scheduled Trading Day during the Hedge Period or the Calculation Period, MLI may by written notice to Counterparty (confirmed by telephone) elect to suspend the Hedge Period or the Calculation Period, as the case may be, for such number of Scheduled Trading Days as is specified in the notice; *provided* that MLI may exercise this right to suspend only in relation to events or circumstances that are unknown to it or any of its affiliates at the Trade Date of any Transaction, occur within the normal course of its or any of its affiliates' businesses, and are not the result of deliberate actions of it or any of its affiliates with the intent to avoid its obligations under the terms of any Transaction. The notice shall not specify, and MLI shall not otherwise communicate to Counterparty, the reason for MLI's election to suspend the Hedge Period or the Calculation Period, as the case may be. The Hedge Period or the Calculation Period, or both, as the case may be, shall be suspended and the Termination Date shall be extended for each Scheduled Trading Day occurring during any such suspension.

(c) In the event that the Calculation Period or the Hedge Period, as the case may be, is suspended pursuant to Section 6(a) or 6(b) above during the regular trading session on the Exchange, such suspension shall be deemed to be an additional Market Disruption Event, and the second and third paragraphs under "Market Disruption Event" shall apply.

(d) In the event that the Calculation Period is extended pursuant to any provision hereof (including, without limitation, pursuant to Section 10(d) below), the Calculation Agent, in its good faith and commercially reasonable discretion, shall adjust any relevant terms of the related Transaction if necessary to preserve as nearly as practicable the economic terms of such Transaction prior to such extension; *provided* that Counterparty shall not be required to make any additional cash payments or deliver any Shares in connection with any such adjustments.

7. 10b5-1 Plan. Counterparty represents, warrants and covenants to MLI that for each Transaction:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of Rule 10b5-1(c)(1)(i)(A) and (B) and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence MLI to make “purchases or sales” (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, MLI’s decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation, each Supplemental Confirmation and each Trade Notification under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation, the relevant Supplemental Confirmation or Trade Notification must be effected in accordance with the requirements for the amendment or termination of a “**plan**” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification, waiver or termination shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

8. Counterparty Purchases.

Counterparty (or any “affiliated purchaser” as defined in Rule 10b-18 under the Exchange Act (“**Rule 10b-18**”)) shall not, without the prior written consent of MLI, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Hedge Period or Relevant Period (as extended pursuant to the provisions hereof). During this time, any such purchases by Counterparty shall be made through MLI, or if not through MLI, with the prior written consent of MLI (which shall not be unreasonably withheld), and in compliance with Rule 10b-18 or otherwise in a manner that Counterparty and MLI reasonably believe is in compliance with applicable requirements. However, the foregoing shall not limit Counterparty’s ability, pursuant to its employee incentive plan, to re-acquire Shares in connection with the related equity transactions or to limit Counterparty’s ability to withhold shares to cover tax liabilities associated with such equity transaction or otherwise restrict Counterparty’s ability to repurchase Shares under privately negotiated transactions with any of its employees, officers, directors or affiliates, so long as any acquisition, withholding or repurchase does not constitute a “Rule 10b-18 purchase” (as defined in Rule 10b-18). Furthermore, this Section shall not restrict any purchase by Counterparty of Shares effected during any suspension of any Hedge Period or Calculation Period in accordance with Section 6(b).

9. Additional Termination Event. The declaration of any Extraordinary Dividend by the Issuer during the Calculation Period for any Transaction will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.

10. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions,

(a) Counterparty shall, prior to the opening of trading in the Shares on any day during any Hedge Period or Calculation Period on which Counterparty makes, or expects to be made, any public announcement (as defined in Rule 165(f) under the Securities Act of 1933, as amended) of any Merger Transaction, notify MLI of such public announcement;

(b) promptly notify MLI following any such announcement that such announcement has been made; and

(c) promptly provide MLI with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the Announcement Date that were not effected through MLI or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the Announcement Date. Such written notice shall be deemed to be a certification by Counterparty to MLI that such information is true and correct. In addition, Counterparty shall promptly notify MLI of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders. Counterparty acknowledges that any such notice may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 7; and

(d) MLI in its good faith and commercially reasonable discretion may (i) make adjustments to the terms of any Transaction, including, without limitation, the Termination Date, the Forward Price Adjustment Amount and the Maximum Shares to account for the number of Shares that could be purchased on each day during the Hedge Period or the Calculation Period in compliance with Rule 10b-18 following such public announcement, *provided* that Counterparty shall not be required to make any additional cash payments or deliver any Shares in connection with any such adjustments or (ii) treat the occurrence of such public announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions.

"Merger Transaction" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

11. Acknowledgments. The parties hereto intend for:

(a) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 555, 556, 560 and 561 of the Bankruptcy Code;

(b) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(c) a party's right to liquidate or terminate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code);

(d) any cash, securities or other property transferred as performance assurance, credit support or collateral with respect to each Transaction to constitute "margin payments" (as defined in the Bankruptcy Code); and

(e) all payments for, under or in connection with each Transaction, all payments for the Shares and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

12. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral.

13. Limitation on Set-off. (a) Notwithstanding anything to the contrary in the Agreement or the Equity Definitions, the calculation of any Settlement Amounts and Unpaid Amounts shall be calculated separately for (A) all Terminated Transactions in the Shares of the Issuer that qualify as equity under applicable accounting rules (collectively, the "**Equity Shares**") as determined by the Calculation Agent and (B) all other Terminated Transactions under the Agreement including, without limitation, Transactions in Shares other than those of the Issuer (collectively, the "**Other Shares**") and the netting and set-off provisions of the Agreement shall only operate to provide netting and set-off (i) among Terminated Transactions in the Equity Shares and (ii) among Terminated Transactions in the Other Shares. In no event shall the netting and set-off provisions of the Agreement operate to permit netting and set-off between Terminated Transactions in the Equity Shares and Terminated Transactions in the Other Shares.

(b) The parties agree that upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or an Affected Party (“X”), the other party (“Y”) will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 13.

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 13 shall be effective to create a charge or other security interest. This Section 13 shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(c) Notwithstanding anything to the contrary in the foregoing, MLI agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from MLI to Counterparty with respect to contracts or instruments that are not Equity Contracts. “**Equity Contract**” means any transaction or instrument that does not convey rights to MLI senior to claims of common stockholders in the event of Counterparty’s bankruptcy.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if MLI would owe any amount to Counterparty pursuant to Section 6(d)(ii) of the Agreement (calculated as if the Transactions being terminated on such Early Termination Date were the sole Transactions under the Agreement) (any such amount, a “**MLI Amount**”), then, in lieu of any payment of such MLI Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect for MLI to deliver to Counterparty a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an “**Alternative Delivery Unit**” and, the securities or property comprising such unit, “**Alternative Delivery Property**”) with a value equal to the MLI Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and the prices at which MLI purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.

15. Payment Date upon Early Termination. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14), such Shares or Alternative Delivery Property shall be delivered on a date selected by MLI as promptly as practicable.

16. Special Provisions for Counterparty Payments. The parties hereby agree that, notwithstanding anything to the contrary herein or in the Agreement, in the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction and, as a result, Counterparty owes to MLI an amount calculated under Section 6(e) of the Agreement (calculated as if the Transactions being terminated on such Early Termination Date were the sole Transactions under the Agreement), such amount shall be deemed to be zero. It is understood and agreed that once Buyer has paid the Prepayment Amount for any Transaction, it has no further obligations to deliver cash or securities upon the settlement of such Transaction or under Section 6(e) of the Agreement in respect of such Transaction.

17. Claim in Bankruptcy. MLI agrees that in the event of the bankruptcy of Counterparty, MLI shall not have rights or assert a claim that is senior in priority to the rights and claims available to the shareholders of the common stock of Counterparty.

18. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation, each Trade Notification and all matters arising in connection with the Agreement, this Master Confirmation, each Supplemental Confirmation and each Trade Notification shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine).

19. Offices.

(a) The Office of MLI for each Transaction is: Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ. The Office of Counterparty for each Transaction is: 500 Volvo Parkway, Chesapeake, Virginia 23320.

20. Arbitration. **The Agreement, this Master Confirmation, each Supplemental Confirmation and each Trade Notification are subject to the following arbitration provisions:**

(a) **All parties to this Confirmation are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**

(b) **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

(c) **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**

(d) **The arbitrators do not have to explain the reason(s) for their award.**

(e) **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry, unless Counterparty is a member of the organization sponsoring the arbitration facility, in which case all arbitrators may be affiliated with the securities industry.**

(f) **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**

(g) **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Confirmation.**

Counterparty agrees that any and all controversies that may arise between Counterparty and MLI, including, but not limited to, those arising out of or relating to the Agreement or any Transaction hereunder, shall be determined by arbitration conducted before The New York Stock Exchange, Inc. ("NYSE") or NASD Dispute Resolution ("NASD-DR"), or, if the NYSE and NASD-DR decline to hear the matter, before the American Arbitration Association, in accordance with their arbitration rules then in force. The award of the arbitrator shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) Counterparty is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Confirmation except to the extent stated herein.”

21. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Master Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

MERRILL LYNCH INTERNATIONAL

By: /s/ Tyler Mullin _____

Name: Tyler Mullin

Title: Equity Derivatives Documentation

Confirmed as of the date first above written:

DOLLAR TREE STORES, INC.

By: /s/ Kent A. Kleeberger _____

Name: Kent Kleeberger

Title: Senior Vice President, Chief Financial Officer

Acknowledged and agreed as to matters relating to the Agent:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

solely in its capacity as Agent hereunder

By: /s/ Fran Jacobson _____

Name: Fran Jacobson

Title: Vice President, Equity Derivatives Documentation

[Back to Form 10Q](#)
[Forward to Exhibit 10.2](#)

CONFIDENTIAL TREATMENT REQUESTED

Confidential material has been separately filed with the Securities and Exchange Commission under an application for confidential treatment. Terms for which confidential treatment has been requested have been omitted and marked with an asterisk [*].



Supplemental Confirmation of OTC Collared ASAP Minus

Date: August 30, 2007 **ML Ref:** _____

To: Dollar Tree Stores, Inc. ("**Counterparty**")

Attention: Kent Kleeberger

From: Merrill Lynch International ("**MLI**")

Merrill Lynch Financial Centre

2 King Edward Street

London EC1A 1HQ

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Merrill Lynch International ("**MLI**") and Dollar Tree Stores, Inc. ("**Counterparty**" and together with MLI, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between MLI and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of August 30, 2007 (the "**Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	August 30, 2007
Hedge Completion Date:	As set forth in the Trade Notification, but in no event later than September 11, 2007.
Scheduled Termination Date:	January 11, 2008, subject to MLI's right to accelerate the Termination Date to any date on or after the First Acceleration Date.
First Acceleration Date:	As set forth in the Trade Notification.
Initial Shares:	1,572,821
Prepayment Amount:	USD 100,000,000.00
Minimum Shares:	As set forth in the Trade Notification, to be a number of shares equal to (a) the Prepayment Amount <i>divided by</i> (b) 110% of the Hedge Period Reference Price.
Maximum Shares:	As set forth in the Trade Notification, to be a number of shares equal to (a) the Prepayment Amount <i>divided by</i> (b) 97.5% of the Hedge Period Reference Price.

Forward Price Adjustment

Amount: [*]

3. Counterparty represents and warrants to MLI that neither it nor any “affiliated purchaser” (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during the four full calendar weeks immediately preceding the Trade Date other than through MLI

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Supplemental Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

MERRILL LYNCH INTERNATIONAL

By: /s/ Tyler Mullin

Name: Tyler Mullin

Title: Equity Derivatives Documentation

Confirmed as of the date first above written:

DOLLAR TREE STORES, INC.

By: /s/ Kent A. Kleeberger

Name: Kent Kleeberger

Title: Senior Vice President, Chief Financial Officer

Acknowledged and agreed as to matters relating to the Agent:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

solely in its capacity as Agent hereunder

By: /s/ Fran Jacobson

Name: Fran Jacobson

Title: Vice President, Equity Derivatives Documentation

[Back to Form 10Q](#)

[Forward to Exhibit 10.3](#)

POST-RETIREMENT BENEFIT AGREEMENT

This POST-RETIREMENT BENEFIT AGREEMENT ("Agreement"), made this ____ day of June, 2007, by and between H. Ray Compton ("Mr. Compton") and Dollar Tree Stores, Inc., a Virginia Corporation ("Company").

WHEREAS, Mr. Compton has contributed greatly to the success of the Company as a stockholder, director and officer; and

WHEREAS, Mr. Compton has retired from employment with the Company but continues to serve as a director; and

WHEREAS, Company desires to reward Mr. Compton for his past services to the Company by providing him with a non-discretionary retirement benefit that does not depend on future service.

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Post-Retirement Benefit.** In consideration of the Mr. Compton's past services to the Company, the Company hereby agrees to pay a post-retirement benefit to Mr. Compton in the amount of \$30,000 per annum during his lifetime. Such amount shall be paid in equal quarterly installments. Mr. Compton acknowledges that taxes including, without limitation, state and federal income tax, social security and Medicare, will be withheld from this amount to the extent required by law. In addition, for each of their lifetimes, Mr. Compton and his spouse shall be fully eligible to participate in the group health insurance maintained by the Company, currently the Dollar Tree Stores, Inc. Group Health Benefit Plan or any successor group health insurance (the "Plan"); provided however, that the cost of such insurance shall be paid by Mr. Compton or his spouse.

2. **Termination.** This Agreement may only be terminated by the written agreement of all parties hereto.

3. **Successors in Interest.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company. The rights and interests of Mr. Compton and his spouse under this Agreement are personal and not assignable.

4. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The Consulting Agreement between the parties hereto dated February 1, 2005 is hereby terminated. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof. No amendment, modification, or supplement hereto shall be of any force or effect unless it is in writing and signed by all the parties hereto. Mr. Compton's spouse is an intended third party beneficiary of this Agreement.

WITNESS the following signatures and seals, effective as of the day and year first above written.

/s/ H. Ray Compton (SEAL)
H. Ray Compton

DOLLAR TREE STORES, INC.

By /s/ Bob Sasser (SEAL)

Bob Sasser, CEO

Chief Executive Officer Certification

I, Bob Sasser, certify that:

1. I have reviewed this quarterly report on [Form 10-Q](#) of Dollar Tree Stores, 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: September 12, 2007

/s/ Bob Sasser
Bob Sasser
Chief Executive Officer

[Forward to Exhibit 31.2](#)

Chief Financial Officer Certification

I, Kent A. Kleeberger, certify that:

1. I have reviewed this quarterly report on [Form 10-Q](#) of Dollar Tree Stores, 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: September 12, 2007

/s/ Kent A. Kleeberger
Kent A. Kleeberger
Chief Financial Officer

[Forward to 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 Stores, Inc. (the "Company") on [Form 10-Q](#) for the quarter ending August 4, 2007, 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.

September 12, 2007
Date

/s/ Bob Sasser
Bob Sasser
Chief Executive Officer

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

[Forward to 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 Stores, Inc. (the "Company") on [Form 10-Q](#) for the quarter ending August 4, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kent A. Kleeberger, 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.

September 12, 2007
Date

/s/ Kent A. Kleeberger
Kent A. Kleeberger
Chief Financial Officer

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

[Return to Form 10Q](#)