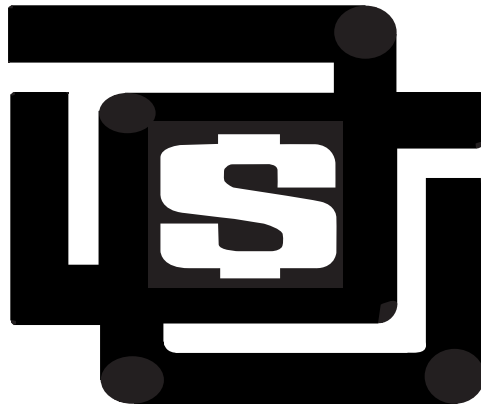

**DOLLAR
GENERAL
CORPORATION**

**DIRECT STOCK
PURCHASE PLAN**



DOLLAR GENERAL DIRECT STOCK PURCHASE PLAN

This document describes the Dollar General Direct Stock Purchase Plan (the “Plan”). The Plan promotes long-term ownership in Dollar General Corporation (“Dollar General” or the “Company”) by offering:

- A simple, cost-effective method for purchasing shares of Dollar General stock;
- A way to increase your holdings in Dollar General by reinvesting your cash dividends; and
- The opportunity to purchase additional shares by making optional cash investments.

You do not have to be a current shareholder of Dollar General to participate in the Plan. You can purchase your first shares of Dollar General stock through the Plan by making an initial investment of \$50.00 or more, which includes an enrollment fee of \$5.00.

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DOLLAR GENERAL CORPORATION

Dollar General is a leading discount retailer of quality general merchandise at everyday low prices through its conveniently located stores. The Company's stores offer a focused assortment of consumable basic merchandise, including health and beauty aids, packaged food products, cleaning supplies, housewares, stationery, seasonal goods, non-fashion apparel and domestics. Through convenient neighborhood locations, Dollar General Stores primarily serve low, middle and fixed income families. As of May 3, 2002, the Company operated 5,731 stores located in 27 states, primarily in the midwestern and southeastern United States. Its principal executive offices are located at 100 Mission Ridge, Goodlettsville, TN, 37072 and its telephone number is (615) 855-4000.

SUMMARY OF THE PLAN

- **Enrollment:** Non-shareholders may join by submitting a completed Enrollment Form and making an initial investment of at least \$50.00, but not more than \$7,500.00, which includes an enrollment fee of \$5.00. Existing Dollar General shareholders, whose common stock is registered in their names, can participate by submitting a completed Enrollment Form along with a \$5.00 check or money order for the Enrollment Fee payable to Registrar and Transfer Company (the "Administrator"). If your shares are held in a brokerage account, you may participate directly by registering some or all of your shares in your name or becoming a shareholder of record by enrolling in the Plan in the same way as a non-shareholder.
- **Reinvestment Of Dividends:** You can reinvest all or a portion of your cash dividends toward the purchase of additional shares of Dollar General stock. Dividends will be automatically reinvested unless you indicate on the Enrollment Form that you want to have dividend checks mailed to you. You may select a partial dividend reinvestment of 25%, 50% or 75% of the dividends received from the shares held by you and receive a check for the remainder.
- **Optional Cash Investments:** After you are enrolled in the Plan, you can buy additional shares of Dollar General stock. There is no minimum optional cash investment amount. The maximum purchase amount is \$7,500.00 per month. You can pay by check, or money order or have your payment automatically withdrawn from your bank account.
- **Full Investment:** Full investment of your dividends is possible because the Administrator will credit your account with both whole and fractional shares. Dollar General pays dividends on both whole shares and fractional shares.
- **Safekeeping of Certificates:** You may deposit your Dollar General common stock certificates with the Administrator for safekeeping at no cost to you. A certificate for your shares will be sent to you, free of charge, upon request.
- **Gifts or Transfers of Shares:** Once enrolled in the Plan, you can give or transfer your Dollar General shares to others by completing the bottom portion of your account statement (or writing a letter) indicating the number of shares that you wish to transfer.
- **Sell Shares Conveniently:** You may sell the Dollar General stock held in your Plan account. A transaction fee of \$10.00, plus broker commission, will be charged for each sale.
- **Tracking Your Investment:** You will receive a statement detailing year-to-date account activity at the end of any month in which there was activity in your account. You will also receive a statement at year end, detailing all activity during that calendar year. Please retain your statements to establish the cost basis of shares purchased and under the Plan for income tax and other purposes.

ADMINISTRATOR OF THE PLAN

Dollar General has designated Registrar and Transfer Company to administer the Plan and to act as agent for the participants. The Administrator will purchase and hold shares of stock for Plan participants, keep records, send statements, and perform other duties required by the Plan.

The Administrator May Be Contacted As Detailed Below

INQUIRIES: For information about the Dollar General Direct Stock Purchase and Dividend Reinvestment Plan:

Call the Administrator: (800) 368-5948

Fax the Administrator: (908) 497-2312

Written requests and notices should be mailed as follows:

Registrar and Transfer Company
Direct Purchase/DRP Department
10 Commerce Drive
Cranford, New Jersey 07016-3572

Please include your daytime telephone number with all correspondence.

Participants in the Plan may also access their accounts online at www.rtco.com.

ENROLLMENT

You are eligible to participate in the Plan if you meet the requirements outlined below. If you live outside the United States, you should first determine if there are any governmental regulations that would prohibit your participation in the Plan.

- **If you do not currently own any Dollar General stock**, you can join the Plan by making an initial investment of at least \$50.00, but not more than \$7,500.00. You can get started in the Plan by returning a completed Enrollment Form to the Administrator along with your check or money order payable to Registrar and Transfer Company. A \$5.00 enrollment fee will be deducted from your initial investment. The Administrator will arrange for the purchase of shares for your account but will not pay interest on amounts held pending investment.

- **If you already own Dollar General stock and the shares are registered in your name**, you may join the Plan by returning to the Administrator a completed Enrollment Form and a \$5.00 check or money order for the enrollment fee.

- **If your shares are held in a brokerage, bank or other intermediary account**, and you wish to participate directly in the Plan, you should direct your broker, bank, or trustee to register at least one (1) of your Dollar General shares directly in your name or become a shareholder of record by enrolling in the Plan in the same way as a non-shareholder. You can then get started in the Plan by returning a completed Enrollment Form and the enrollment fee to the Administrator.

INVESTMENT OPTIONS

Once enrolled in the Plan, you have the following choices:

- **Dividend Reinvestment:** You can choose to reinvest all or a portion of the regular cash dividend paid on the shares held by you. If you elect to invest only a portion of your dividend, you will receive a check for the remainder of the cash dividend on your shares. You can change your dividend reinvestment election at any time by notifying the Administrator. For a particular dividend to be reinvested, your notification must be received prior to the record date for that dividend. (The record date is normally 14 days prior to the payment date.)

If you elect to reinvest your dividends, you must choose one of the following when completing the Dividend Reinvestment section of the Enrollment Form:

Full Dividend Reinvestment: Purchase additional shares by reinvesting all of your cash dividends.

Partial Dividend Reinvestment: Reinvest a cash dividend payment based on the percentage of certificated shares you specify. Receive the dividends on all remaining shares held by you in certificate form. This option allows you to receive a fixed amount of cash each quartertime a dividend is paid (assuming the dividend stays the same).

If you do not select a dividend reinvestment option, all dividends paid on shares held in the Plan will be automatically reinvested.

Optional Cash Investments: You can purchase additional shares of Dollar General common stock by using the Plan's optional cash investment feature. You cannot invest more than \$7,500.00 per month. Interest will not be paid on amounts held pending investment.

By Check Or Money Order: You may make optional cash investments by sending a check or money order payable to Registrar and Transfer Company. Do not send cash. To facilitate processing of your investment, please use the transaction stub located on the bottom of your statement. Mail your investment and transaction stub to the address specified on the statement. You may not sell or withdraw shares purchased by check for a period of 14 days from the receipt of the check by the Plan. A \$40.00 fee will be assessed for a check that is returned for insufficient funds.

By Automatic Withdrawal From Your Bank Account: If you wish to make regular monthly purchases, you can authorize an automatic monthly withdrawal from your bank account. To initiate monthly bank drafts, simply complete the "Automatic Investment" portion of the Enrollment Form and return the completed form, along with a canceled check to Registrar and Transfer Company. This feature enables you to make ongoing investments without writing a check. Funds will be deducted from your account on or about the 10th day of each month. If this date falls on a bank holiday or weekend, funds will be deducted on the next business day. Please allow four to six weeks for the first automatic monthly withdrawal to be initiated. You must notify the Administrator in writing to change or terminate automatic withdrawal.

By Payroll Deduction: Employees wishing to initiate or make changes to payroll deductions to purchase shares through the Plan should complete the Enrollment Form and forward it to the Stock Services Department at Dollar General. The initial minimum investment and enrollment fee will be waived for Dollar General employees who enroll using this option.

PURCHASE OF SHARES FOR THE PLAN

Purchase Intervals: The Administrator will make arrangements to use initial and optional cash investments to purchase Dollar General shares of common stock at least once each month. The Administrator will use reinvested dividends to purchase shares as promptly as practical after the dividend payment date, normally within one week. Purchases may be made over a number of days to meet the requirements of the Plan.

In the unlikely event that, as a result of unusual market conditions, the Administrator is unable to invest the funds within 30 days, the Administrator will return the funds to participants by check.

Source of Shares: Common stock needed to meet the requirements of the Plan will be purchased in the open market.

Shares Purchased in the Open Market: Your price per share will be the weighted average price of all shares purchased by the Administrator's broker for each aggregate order placed by the Administrator. All fractional shares are calculated to four decimals and are credited to your account.

Timing and Control: Because the Administrator will arrange for the purchase of shares on behalf of the Plan, neither Dollar General Corporation nor any participant in the Plan has the authority or power to control either the timing or pricing of shares purchased or the selection of the broker making the purchases. Therefore, you will not be able to precisely time your purchases through the Plan, and will bear the market risk associated with fluctuations in the price of Dollar General's stock. That is, if you send in an initial or optional cash investment, it is possible that the market price of Dollar General stock could go up or down before the broker purchases common stock with your funds. In addition, you will not earn interest on initial or optional cash investments for the period before the shares are purchased.

SALE OF SHARES FOR THE PLAN

You can sell any number of shares held in your Plan account by notifying the Administrator, in writing, by delivery of the request to Registrar and Transfer Company. The Administrator will arrange for sales to be made at least weekly. Sales may be made more frequently if volume dictates. The sale price will be the weighted average price of all shares sold by the Administrator's broker for each aggregate order placed by the Administrator. You will receive the proceeds of the sale less a \$10.00 sales transaction fee, a brokerage commission, and any required tax withholdings.

You may choose to sell your shares through a stockbroker of your choice, in which case you should request a certificate for your shares from the Administrator. (See "ISSUANCE OF CERTIFICATES.")

Please note that if your total holdings fall below one share, the Administrator may liquidate the fractional share, remit the proceeds to you, less any applicable fees, and close your Plan account.

Timing and Control: Because the Administrator will sell the shares on behalf of the Plan, neither Dollar General nor any participant in the Plan has the authority or power to control the timing or pricing of shares sold or the selection of the broker making the sales. Therefore, you will not be able to precisely time your sales through the Plan, and will bear the market risk associated with fluctuation in the price of Dollar General's common stock. That is, if you send in a request to sell shares, it is possible that the market price of Dollar General common stock could go down or up before the broker sells your shares. In addition, you will not earn interest on a sales transaction.

SAFEKEEPING OF YOUR STOCK CERTIFICATES AND BOOK ENTRY

Shares of Dollar General stock that you buy under the Plan will be maintained in your Plan account for safekeeping in book entry form. You will receive a periodic statement detailing the status of your holdings. (See "TRACKING YOUR INVESTMENTS.") Any Dollar General shareholder may use the Plan's "safekeeping" service to deposit their Dollar General stock certificates at no cost. Safekeeping is beneficial, because you no longer bear the risk and cost associated with the loss, theft, or destruction of stock certificates. With safekeeping, you have the option of reinvesting your dividends or taking advantage of the sale of shares feature of the Plan. Certificates will be issued only upon written request to the Administrator. (See "ISSUANCE OF CERTIFICATES.")

To use the safekeeping service, send your certificates to the Administrator by registered mail with written instructions to deposit them in safekeeping. DO NOT endorse the certificates or complete the assignment section.

GIFTS OR TRANSFERS OF SHARES

You can give or transfer Dollar General shares to anyone you choose by:

- Making an initial \$50.00 cash investment, but not more than \$7,500.00, to establish an account in the recipient's name; or
- Submitting an optional cash investment on behalf of an existing shareholder in the Plan in an amount not less than \$50.00 nor more than \$7,500.00; or
- Transferring shares from your account to the recipient's account. You must transfer a whole number of shares, unless you transfer your entire account.

You may transfer shares to new or existing shareholders. The Administrator will automatically place such new accounts in full dividend reinvestment status. New participants, at their discretion, may elect another option. If you participate in dividend reinvestment and your request to either transfer all of your shares or make a partial sale and transfer the balance of your shares is received between the ex-dividend and the dividend record date, the processing of your request may be held until after your account is credited with reinvested dividends. This hold period could be as long as four weeks.

You must have your signature guaranteed by a financial institution participating in the Medallion Guarantee program. The Medallion Guarantee program ensures that the individual signing the certificate is in fact the registered owner as it appears on the stock certificate or stock power.

If you need additional assistance, please call the Administrator at 1-800-368-5948.

ISSUANCE OF CERTIFICATES

You can withdraw all or some of the shares from your Plan account by notifying the Administrator in writing.

Certificates will be issued for whole shares only. In the event your request involves a fractional share, a check (less any applicable fees) for the value of the fractional share will be mailed to you. If all full shares held by the account are requested, the account will be terminated and a check for any fractional share will be issued to the participant. You should receive your certificate within two to three weeks of mailing your request.

Certificates will be issued in the name(s) in which the account is registered, unless otherwise instructed. If the certificate is issued in a name other than your Plan account registration, the signature on the instructions or stock power must be guaranteed by a financial institution participating in the Medallion Guarantee program, as described above.

CLOSING YOUR ACCOUNT

You may close your account at any time by notifying the Administrator. A \$5.00 termination fee will be assessed when the account is closed. When your account is closed, the Administrator will send you certificates representing all of the whole shares in your account and a check for any fractional share based on the current market value net of applicable sales fees. Alternatively, you may request that the shares be transferred to a brokerage firm designated by you.

You may also close your account by directing the Administrator to sell any or all of the shares in your account and send you a check for the proceeds, net of applicable sales fees. You will not receive interest on sales proceeds held pending disbursement.

To close an account on the death of a sole account holder, the executor should contact the Administrator for specific instructions.

If you end dividend reinvestment, notice must be received by the Administrator four days prior to a dividend record date to avoid reinvestment of the current dividend or a delay in receipt of your shares and/or cash.

After your account is closed, dividends on any shares of Dollar General common stock you hold will be sent to you at the address you provide, or automatically deposited in your bank account in accordance with your instructions.

PLAN SERVICE FEES

ENROLLMENT FEE:	\$5.00 per account enrollment
CASH INVESTMENTS:	\$1.00 each plus brokerage commissions, if applicable
SALE OF SHARES:	\$10.00 per transaction plus brokerage commissions
REINVESTMENT OF DIVIDENDS:	No charge
AUTOMATIC ACCOUNT DEBITING:	\$0.75 each plus brokerage commissions, if applicable
GIFT OR TRANSFER OF SHARES:	No charge
SAFEKEEPING OF STOCK CERTIFICATES . . .	No charge
CERTIFICATE ISSUANCE	No charge
RETURNED CHECK FEE	\$40.00 per check
DUPLICATE STATEMENTS	
Current year	\$ 5.00
Prior year(s)	\$ 10.00 flat fee per request
TERMINATION OF PLAN PARTICIPATION: . . .	\$ 5.00 per account terminated

The Administrator will deduct the applicable fees from either the initial investment or proceeds from a sale.

TRACKING YOUR INVESTMENTS

The Administrator will mail statements showing all transactions (shares, amounts invested, purchase prices) for your account, including year-to-date and other account information. Confirmation notices will be sent when you make an initial or optional cash investment.

Please retain your statements to establish the cost basis of shares purchased under the Plan for income tax and other purposes.

You should notify the Administrator promptly of any change in address, since all notices, statements and reports will be mailed to your address of record.

U.S. FEDERAL INCOME TAX INFORMATION

Cash dividends reinvested under the Plan will be taxable as having been received by you, even though you have not actually received them in cash. You will receive an annual statement (Form 1099-DIV or such successor form) from the Administrator indicating the amount of reinvested dividends reported to the U.S. Internal Revenue Service as dividend income.

You will not realize gain or loss for U.S. Federal income tax purposes upon the transfer of shares to the Plan or the withdrawal of whole shares from the Plan. You will, however, generally realize gain or loss upon the sale of shares (including the receipt of cash for fractional shares) held in the Plan.

Plan participants who are non-resident aliens or non-U.S. corporations, partnerships or other entities generally are subject to a withholding tax on dividends paid on shares held in the Plan. The Administrator is required to withhold from dividends paid the appropriate amount determined in accordance with U.S. Treasury regulations. Any applicable withholding tax may be determined by treaty between the U.S. and the country in which such participant resides. Accordingly, the amount of any dividends, net of the applicable withholding tax, will be credited to participant Plan accounts for the investment in additional common stock.

THE ABOVE SUMMARY IS NOT A COMPREHENSIVE SUMMARY OF ALL OF THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A PARTICIPANT IN THE PLAN. THEREFORE, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS REGARDING THE CONSEQUENCES OF PARTICIPATION IN THE PLAN.

AVAILABLE INFORMATION

Dollar General files annual, quarterly and other reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any of these reports, statements or other information Dollar General files at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Dollar General's SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC and located at www.sec.gov.

STOCK SPLITS, STOCK DIVIDENDS AND OTHER DISTRIBUTIONS

In the event dividends are paid in Dollar General common stock, or if Dollar General common stock is distributed in connection with any stock split or similar transaction, each account will be adjusted to reflect the receipt of the common stock so paid or distributed.

VOTING OF PROXIES

Dollar General will mail you proxy materials including a proxy card representing both the shares for which you hold certificates and the shares, full and fractional, in your Plan account. The proxy will be voted as indicated by you. If you do not return the proxy card or if you return it unsigned, none of your shares will be voted.

RESPONSIBILITY OF ADMINISTRATOR AND DOLLAR GENERAL CORPORATION

Neither Dollar General nor the Administrator will be liable for any act they do in good faith or for any good faith omission to act. This includes, without limitation, any claims of liability for: failure to terminate your account upon your death prior to receiving written notice of such death; or relating to purchases or sales prices reflected in your Plan account or the dates of purchases or sales of your Plan shares; or for any fluctuation in the market value after purchase or sale of shares.

The payment of dividends is at the discretion of Dollar General's Board of Directors and will depend upon future earnings, the financial condition of Dollar General Corporation and other factors. Dollar General's Board of Directors may change the amount and timing of dividends at any time without notice.

Neither Dollar General nor the Administrator can assure you a profit or protect you against a loss on the shares you purchase under the Plan.

PLAN MODIFICATION OR TERMINATION

The Administrator reserves the right to suspend, modify or terminate the Plan at any time. You will receive notice of any such suspension, modification or termination. The Administrator also reserves the right to change any administrative procedures of the Plan.

CHANGE OF ELIGIBILITY; TERMINATION

The Administrator reserves the right to deny, suspend or terminate participation by a shareholder who is using the Plan for purposes inconsistent with the intended purpose of the Plan. In such event, the Administrator will notify you in writing and will continue to safekeep your shares but will no longer accept optional cash investments or reinvest your dividends. The Administrator will issue a certificate to you upon written request.

FOREIGN PARTICIPATION

If you live outside of the U.S., you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. The Administrator reserves the right to terminate participation of any shareholder if it deems it advisable under any foreign laws or regulations.

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