FORM 8-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: January 28, 2003

Date of Earliest Event Reported: January 23, 2003

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

COMMISSION FILE NUMBER: 0-25464

VIRGINIA	54-1387365
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

Registrant's telephone number, including area code: (757) 321-5000

Item 9. Regulation FD Disclosure

The following summarizes information discussed in Dollar Tree Stores, Inc.'s (the Company's) publicly available telephone conference call on January 23, 2003, regarding its fourth quarter 2002 earnings results. In addition, the Company's fourth quarter earnings press release dated January 23, 2003 is attached as Exhibit 99.1. The Company is filing this Form 8-K pursuant to the Securities and Exchange Commission's Regulation FD.

On January 6, 2003, the Company's Board of Directors approved a switch from a calendar year to a traditional retail fiscal calendar, effective for the fiscal year beginning February 2, 2003. The Company has filed a Form 8-K that presents the first three quarters of 2002 on the new fiscal calendar basis; later this year, the Company expects to file a Form 8-K presenting its fiscal fourth quarter of 2002.

2003 Outlook

Net Sales and Earnings
Based on our plans for a 22% selling square footage growth, we expect net sales and earnings to increase 15% or more in fiscal year 2003 compared to fiscal year 2002. We are also planning a modest increase in underlying comparable store net sales of no more than 1%. We anticipate that new store growth will provide the majority of our sales increase; most of our stores will open in the first three quarters of the fiscal year. Our sales seasonality is expected to be similar to fiscal year 2002.

As disclosed in our sales release, we expect net sales of $590-$610 million for the first fiscal quarter of 2003. The first fiscal quarter includes Easter, which falls three weeks later this year, on April 20, 2003.

Gross Margin
We will strive to maintain gross margin as high as possible but there is pressure on it, as a result of increased domestic merchandise in our mix. Our domestic merchandise, including consumable goods, generally costs more than our imported merchandise.

Operating Expenses
In fiscal year 2003, we will incur additional expense in testing a program to improve brand awareness in selected markets. The results of this program should provide us with information on how to proceed in the future, to reach the most customers and to generate the highest sales increase.

Depreciation will remain relatively high in fiscal year 2003 and 2004 as we continue to invest in technology-related assets. We will continue to convert existing stores to point-of-sale, add enhancements to our supply chain systems and update our store hardware. We anticipate that in fiscal year 2005, at the earliest, we will begin to reduce the growth of our technology assets to be more in line with overall company growth. Depreciation

expense will also increase as a result of higher costs associated with building larger stores.

To offset increased costs discussed above, we have put into place a number of cost-saving programs to reduce operating expenses. We expect to leverage workers compensation in fiscal year 2003 and address other cost-saving measures related to bank-related fees, store supplies, repairs and maintenance and store utility usage. In addition, we will continue to use systems to improve labor management. We are developing new models for store openings and leasing costs, and we are finding ways to reduce our tax burdens. We plan to use the money saved in these areas to invest in areas that will directly increase sales.

Operating Margin
Given our sales, gross margin and operating expense outlook, it will be difficult to improve operating margin.

Capital Expenditures
Capital expenditures for fiscal year 2003 are expected to be $160-$170 million, excluding any new distribution center costs. Generally, approximately 80% of our capital expenditures are store related. In addition, as we previously disclosed, we have over $113 million in a synthetic lease facility for three of our distribution centers. We are evaluating the new Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities and will decide our course of action in the coming weeks. If our distribution centers are included on our balance sheet, depreciation expense will increase approximately $5 million annually, which amount is not included in our planned 15% earnings increase. Additional details regarding our synthetic lease are available in our most recent Form 10-K and Form 10-Q.

Real Estate
New stores opened in calendar 2002 averaged 7,800 selling square feet. We expect new stores opening in fiscal year 2003 to average nearly 9,000 selling square feet. We plan to add approximately the same amount of total selling square footage in fiscal year 2003 as we did in fiscal year 2002, with larger stores and more expansions. Our stores opened in calendar year 2001, most of which are large format stores, have a cash contribution margin percentage that is better than the corporate average. We will focus on increasing sales per selling square foot while reducing costs per selling square foot in our stores.

Public Reporting
In the future, we will provide an interim quarter sales update, which will take place approximately 30 days before our sales release. The purpose of this update is to give our investors an additional communication during the quarter, between the previous quarter's earnings release and the current quarter's sales release. The update will take the form of a pre-recorded message that can be accessed by dialing (757) 321-5TRE and will be available for approximately four days. We will file the information on a Current Report on Form 8-K, so it will be accessible through our website and the SEC's website. The update will give an indication of whether we are above, below or on-plan for sales, as

well as other information, as appropriate. The first interim sales update is expected to be available the evening of April 7, 2003.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS:

This filing contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements address future events, developments or results and typically use words such as believe, anticipate, expect, intend, plan or estimate. For example, our forward-looking statements include statements regarding:

- future net sales and earnings, including comparable store net sales;
- seasonality of our sales and our merchandise mix;
- gross margin;
- future operating expenses and our efforts to control them;
- depreciation expenses related to our supply chain and technology initiatives;
- capital expenditure plans;
- the effect of our synthetic lease under new accounting interpretations;
- planned store-size growth; and
- selling square-footage growth.

These forward-looking statements are subject to numerous risks and uncertainties that may affect us including:

- adverse economic conditions, such as declining consumer confidence or spending, or bad weather;
- possible difficulties in meeting our net sales and other expansion goals and anticipated comparable store net sales results, which may result in loss of leverage of operating expenses;
- increase in the cost of or disruption of the flow of our imported goods;
- the difficulties in managing our aggressive growth plans, including opening stores on a timely basis;
- competition and possible increases in merchandise costs, shipping rates, freight costs, or other operating costs such as wage levels;
- the capacity and performance of our distribution network and our ability to expand its capacity in time to support our net sales growth; and
- changes in accounting standards.

For a discussion of the risks, uncertainties and assumptions that could affect our future events, developments or results, you should carefully review the "Management's Discussion and Analysis of Financial Condition and Results of Operations'' and "Business'' sections in our Annual Report on Form 10-K filed March 14, 2002. Also, carefully review "Risk Factors'' in our most recent prospectuses filed November 15, 2000

and August 3, 2000. In light of these risks and uncertainties, the future events, developments or results described by our forward-looking statements in this document could turn out to be materially and adversely different from those we discuss or imply.

We are not obligated to release publicly any revisions to any forward-looking statements contained in this filing to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of future events and you should not expect us to do so.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit #	Description
99.1	Dollar Tree Stores, Inc.'s press release regarding earnings results for the fourth quarter and annual year ended December 31, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DATE: January 28, 2003

DOLLAR TREE STORES, INC.

By:

Frederick C. Coble
Chief Financial Officer

Exhibit 99.1

PRESS RELEASE

DOLLAR TREE STORES, INC.
REPORTS RECORD FOURTH-QUARTER AND ANNUAL EARNINGS PER SHARE

CHESAPEAKE, Va. - January 23, 2003 - Dollar Tree Stores, Inc. (Nasdaq: DLTR), the nation's leading retailer of variety merchandise at the $1.00 price point, reported 2002 earnings per share of $1.35, a 24% increase compared to 2001. Fourth-quarter 2002 earnings per share were $0.76.

"Dollar Tree produced record sales and earnings in 2002, despite a challenging retail environment," said CEO Macon Brock, Jr. "Management's focus on the supply chain, inventory control, and efficiency served us well throughout the year. We improved our margins. We also exceeded our square footage growth target for the year, while growing our available cash by nearly $100 million. This provides us with the flexibility to continue our growth plans, and we foresee another year of continued profitable growth in 2003. Our management team's cost-conscious philosophy and conservative planning positions us well in these uncertain times."

For the year, gross margin increased to 36.4% compared to 36.0% in 2001, primarily due to improved shrink. Higher merchandise costs were partially offset by improvements in freight costs. Operating expenses, as a percentage of sales, were 25.6% compared to 25.9% in 2001, primarily due to improvements in payroll and related costs, which were somewhat offset by higher depreciation expense. Pursuant to the requirements of SFAS 142, the Company ceased amortizing goodwill effective January 1, 2002; prior year's operating expenses included $2.0 million of goodwill amortization. Operating margin increased to 10.9% in 2002, compared to 10.3% in 2001.

For the fourth quarter, gross margin was 37.7% compared to 38.2% in last year's fourth quarter, primarily due to higher merchandise costs, including freight, and loss of leverage on occupancy costs. Operating expenses, as a percentage of sales, improved 14 basis points to 20.6%, primarily due to improvements in payroll and related costs, which were somewhat offset by higher depreciation expense.

During the quarter, the Company opened its first stores in Maine and South Dakota, bringing to 40 the number of states it serves. The Company also completed construction of its Marietta, Oklahoma distribution center, which it expects to begin operating in February, 2003.

As previously reported, the Company has adopted a fiscal calendar, and its new fiscal year begins February 2, 2003. For fiscal 2003, the Company's projected 22% selling square footage growth will be supported by a $160-170 million capital expenditure budget, excluding any new distribution centers. The Company expects the average new store it opens in 2003 to be nearly 9,000 selling square feet. Based on these plans, and assuming comparable-store sales remain subdued, the Company is targeting sales and earnings growth to exceed 15% in fiscal 2003.

Beginning this year, the Company will provide a pre-recorded interim sales update each quarter. Investors can access this information by dialing (757) 321-5TRE. The first interim update will be available the evening of Monday, April 7, 2003, and will remain on-line until Friday, April 11, 2003.

On Thursday, January 23, 2003, Dollar Tree will host a conference call at 4:45 p.m. EST to discuss its calendar year 2002 results. The telephone number for the call is (610) 769-8817, passcode DLTR. A recorded version of the call will be available through midnight Tuesday, January 28 and may be accessed by dialing (402) 220-0194, passcode DLTR. A webcast of the call is accessible through Dollar Tree's website, www.DollarTree.com, as well as at Vcall's website, www.Vcall.com, and will remain on-line until midnight Tuesday, January 28.

Dollar Tree Stores, Inc. operates 2,263 stores in 40 states as of December 31, 2002. In 2002, the Company opened 318 stores, closed 30, and expanded or relocated 111. At year-end 2002, the Company's retail selling square footage totaled approximately 13.0 million, up 2.9 million from December 31, 2001.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS: This press release contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements address future events, developments or results and typically use words such as believe, anticipate, expect, intend, plan or estimate. For example, our forward-looking statements include statements regarding capital expenditures, square footage, average store size, comparable-store sales assumptions, sales and earnings growth for 2003, as well as the date the Company expects its Oklahoma distribution center to commence operations.

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," "Business," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in our Annual Report on Form 10-K filed March 14, 2002 and in our Quarterly Report on Form 10-Q filed November 14, 2002. Also, carefully review "Risk Factors" in our most recent prospectuses filed November 15, 2000 and August 3, 2000. In light of these risks and uncertainties, the future events, developments or results described by our forward-looking statements in this document could turn out to be materially and

adversely different from those we discuss or imply.

We are not obligated to release publicly any revisions to any forward-looking statements contained in this press release to reflect events or circumstances occurring after the date of this report and you should not expect us to do so.

CONTACT: Dollar Tree Stores, Inc., Chesapeake
Erica Robb or Adam Bergman, 757/321-5000
www.DollarTree.com

DOLLAR TREE STORES, INC.
Condensed Consolidated Balance Sheets
(Dollars in thousands)
(Unaudited)

	December 31, 2002	December 31, 2001
Cash and cash equivalents	$ 292,192	$ 236,653
Short-term investments	43,780	-
Merchandise inventories (a)	357,665	296,473
Other current assets	22,503	27,653
Total current assets	716,140	560,779
Property and equipment, net	344,322	279,011
Goodwill, net	38,358	38,358
Other assets, net	17,557	23,900
Total assets	$ 1,116,377	$ 902,048
Current portion of long-term debt	$ 25,000	$ 25,000
Accounts payable	59,451	58,091
Income taxes payable	28,041	38,848
Other current liabilities	94,019	79,083
Total current liabilities	206,511	201,022
Long-term debt, excluding current portion	6,000	12,000
Other liabilities	48,462	37,290
Total liabilities	260,973	250,312
Shareholders' equity	855,404	651,736
Total liabilities and shareholders' equity	$ 1,116,377	$ 902,048

STORE DATA:

Number of stores open at end of period	2,263	1,975
Total selling square footage (in thousands)	13,042	10,127

Certain 2001 amounts have been reclassified for comparability with the 2002 financial statement presentation.

(a) In April 2002, the Company changed its method of accounting for inventories in its distribution centers from the first-in first-out method to the weighted average cost method. The change did not have a material effect on the Company's balance sheet or 2002 operating results.

DOLLAR TREE STORES, INC.
Condensed Consolidated Income Statements
For the Three Months and Twelve Months Ended December 31
(Dollars in thousands, except per share data)
(Unaudited)

	Fourth Quarter		Year-to-Date	
	2002	2001	2002	2001
Net sales	$ 827,481	$ 714,846	$ 2,329,188	$ 1,987,271
Cost of sales (a)	515,464	441,732	1,481,232	1,271,314
Gross profit	312,017	273,114	847,956	715,957
	37.7%	38.2%	36.4%	36.0%
Selling, general & administrative expenses (b)	170,435	148,253	594,035	512,092
	20.6%	20.7%	25.5%	25.8%
Operating income	141,582	124,861	253,921	203,865
	17.1%	17.5%	10.9%	10.3%
Interest expense, net	(292)	(1,311)	(993)	(1,891)
Other income (expense) (c)	142	251	(1,469)	(1,723)
Earnings before income taxes	141,432	123,801	251,459	200,251
	17.1%	17.3%	10.8%	10.1%
Income tax expense	54,452	47,713	96,812	77,170
Net earnings	86,980	76,088	154,647	123,081
	10.5%	10.6%	6.6%	6.2%
Net earnings per share:				
Basic	$ 0.76	$ 0.68	$ 1.36	$ 1.10
Weighted average number of shares	114,152	112,309	113,632	112,238
Diluted	$ 0.76	$ 0.67	$ 1.35	$ 1.09
Weighted average number of shares	114,621	113,108	114,543	112,990

(a) In April 2002, the Company changed its method of accounting for inventories in its distribution centers from the first-in first-out method to the weighted average cost method. The change did not have a material effect on the Company's balance sheet or 2002 operating results.

(b) The Company adopted the provisions of Statement of Financial Accounting Standards No. 142, which requires that goodwill amortization cease effective January 1, 2002. As a result, no goodwill amortization was recorded in 2002. Fourth quarter and year-to-date 2001 includes $0.5 million and $2.0 million of goodwill amortization, respectively. For the three months ended December 31, 2001, diluted earnings per share would have been $0.68 and for the twelve months ended December 31, 2001, basic and diluted earnings per share would have been $1.11 and $1.10, respectively, without the after-tax effect of goodwill amortization.

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

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

	Year ended December 31, 2002	Year ended December 31, 2001
Cash flows from operating activities:		
Net income	$ 154,647	$ 123,081
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	71,615	53,763
Other non-cash adjustments	30,517	893
Changes in working capital	(49,902)	989
Total adjustments	52,230	55,645
Net cash provided by operating activities	206,877	178,726
Cash flows from investing activities		
Capital expenditures	(136,129)	(121,566)
Purchase of short-term investments	(60,280)	-
Proceeds from maturities of short-term investments	16,500	-
Settlement of merger-related contingencies	6,688	-
Acquisition of favorable lease rights	(813)	-
Proceeds from sale of property and equipment	216	98
Net cash used in investing activities	(173,818)	(121,468)
Cash flows from financing activities:		
Repayment of long-term debt and facility fees	(6,025)	(6,239)
Principal payments under capital lease obligations	(3,971)	(3,562)
Proceeds from stock issued pursuant to stock-based compensation plans	32,476	11,805
Repurchase of common stock	-	(3,775)
Net cash provided by (used in) financing activities	22,480	(1,771)
Net increase in cash and cash equivalents	55,539	55,487
Cash and cash equivalents at beginning of year	236,653	181,166
Cash and cash equivalents at end of year	$ 292,192	$ 236,653