

NETHERLANDS



AUSTRALIA



FRANCE
OVERT 7/7



NEW ZEALAND



BELGIUM

Half Year Results to 2 January 2011

Executive Team

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Agenda

- 1. Highlights**
- 2. Results Detail**
- 3. Achievements & Innovation**
- 4. Outlook**



1. HIGHLIGHTS



DOMINO'S PIZZA ENTERPRISES LIMITED



Result Highlights

- NPAT up 16.9% to \$10.2m; NPAT H1 CAGR FY07-10 is 30.7%
- Strong SSS across the system; ANZ +10.9% and Europe +4.7%
- EBITDA growth of 18.5% to \$18.8m
- Strong NPBT growth of 22.9% to \$14.3m
- Free cash flow +98.6% to \$9.6m
- Interim dividend 10.4c (fully franked), up 73.3% on H1 10. Dividend has been increased to a 70% payout ratio
- Net Debt further reduced by \$2.6m (cash positive \$4.9m)
- Tax rate 28.8% vs 25.1% H1 10
- EPS 14.9c, up 16.4% on H1 10

	H1 09 \$ mil	H1 10 \$ mil	H1 11 \$ mil	+/(-) H1 10 %
Network Sales	328.6	353.5	364.5	3.1%
Same Store Sales %	4.2%	2.9%	9.1%	
Revenue	113.4	119.4	120.9	1.2%
EBITDA	12.8	15.9	18.8	18.5%
NPBT	8.8	11.7	14.3	22.9%
NPAT	6.3	8.7	10.2	16.9%
EPS (basic)	9.4	12.8	14.9	16.4%
Dividend per Share	4.4	6.0	10.4	73.3%



Australia/NZ Highlights

- SSS growth in Australia/NZ +10.9%, with Australia achieving its strongest SSS in the last 8 years
- Customer counts are following the same growth trends as sales
- Strong focus on quality, value and choice
- Very successful marketing support for new product rollouts has contributed to the sales growth
- Innovative new product launches including Square Puff pizza, new prawn pizza range and the new Popping Chocolate ice cream
- Hugely popular coverage after featuring in the premiere episode of Undercover Boss Australia
- Relaunch of Pizza subs
- Domino's corporate and franchise stores have provided over 6,000 free pizzas to emergency services personnel and those affected by the recent natural disasters across Australia



DMP Europe Highlights

- Core operating profits up 52.3% (like for like vs H1 10 excluding non-recurring items)
- Total network sales up 18.8% (constant currency & time frame) on H1 10
- SSS continue to be strong, exceeding H2 10 +3.68% to finish the half year +4.73%
- Addition of 10 new stores in H1
- Online ordering has grown to 38% of orders in The Netherlands
- Over 150,000 facebook fans in France



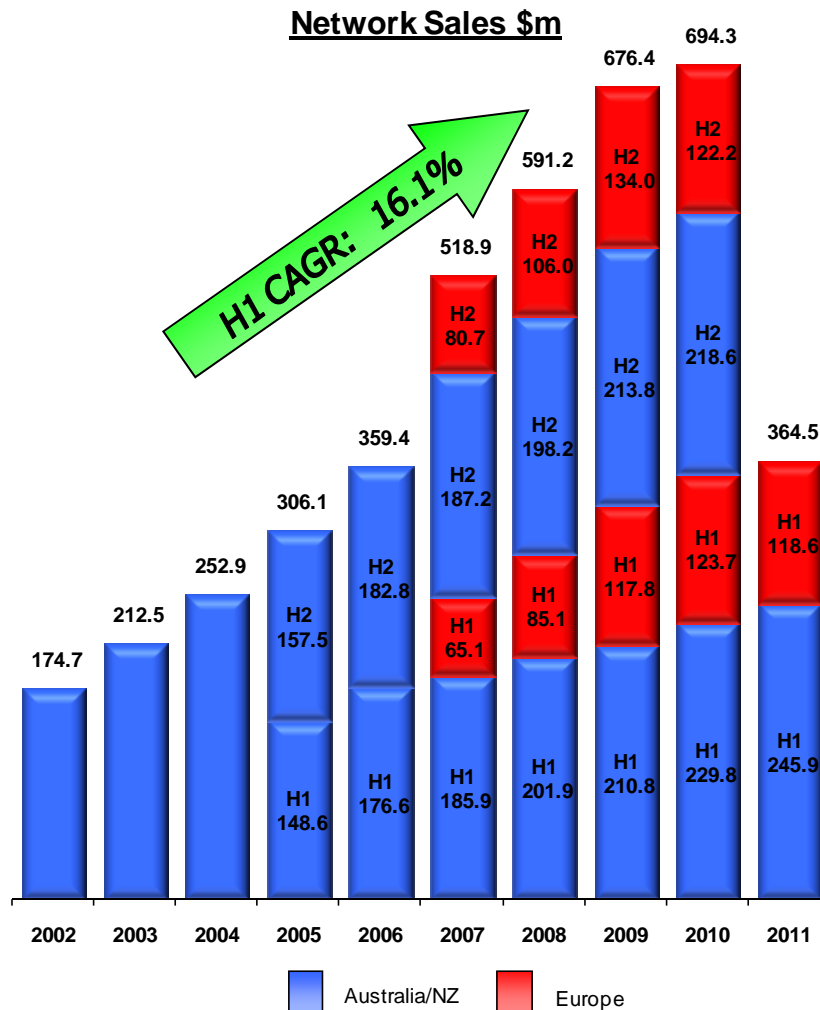
2. RESULTS DETAIL



DOMINO'S PIZZA ENTERPRISES LIMITED



Network Sales Growth



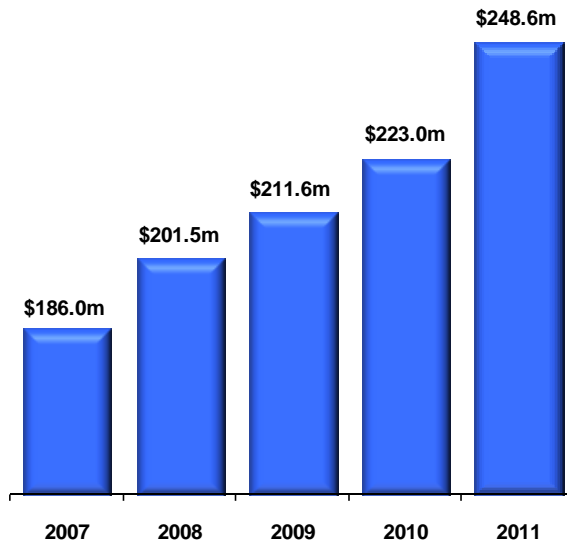
	<u>Total Sales</u>	<u>Same Store Sales</u>
Australia/NZ	7.0%	10.9%
Europe (€)	14.4%	4.7%

- Strong ANZ SSS – benefitting from new menu initiatives and focus on quality, value and choice
- A stronger AUD has resulted in lower reported Network Sales for DMP Europe (effect: approx \$22.9m or 19.3%)
- A continued positive sales trend in H1 11 has resulted in SSS growth in DMP Europe of +4.73%



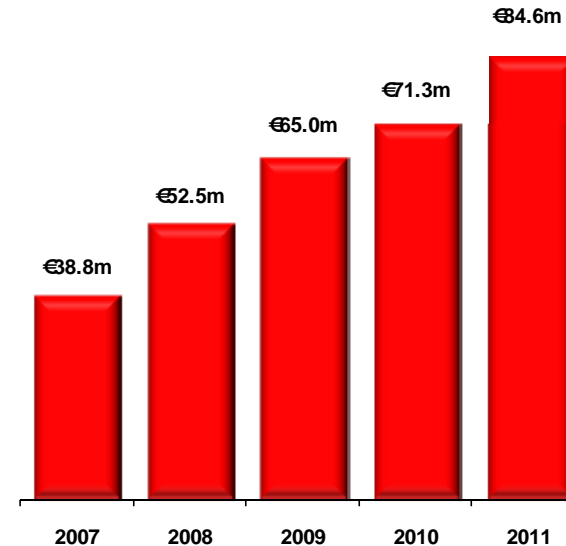
Network Sales by Segment

Australia/NZ H1 Network Sales A\$



- Sales have grown 11.5% on a normalised basis over H1 10
- This has been the biggest year on year sales growth we have seen in the last 5 years
- A heavy focus on core activities, operations, and driving customer benefits has been the key driver of this growth

European H1 Network Sales €



- Sales have grown 18.8% on a normalised basis over H1 10 and store numbers have grown 14.9%
- SSS continue to improve, going from +3.68% in H2 10 to +4.73% in H1 11

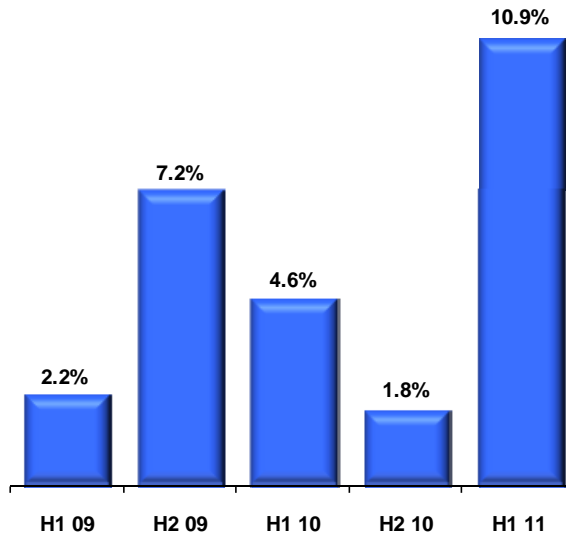


- *FY10 has been normalised to remove the effects of the 27 week half year*
- *ANZ has also been held in constant currency from FY07*



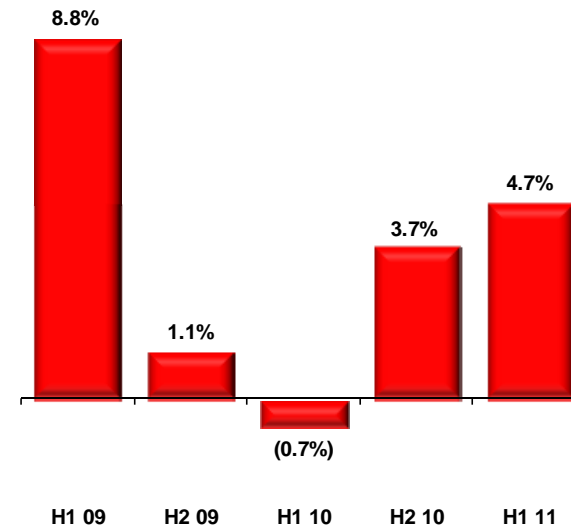
Same Store Sales by Segment

ANZ SSS Growth



- Exceptional SSS growth observed this half and the trend is continuing into H2
- This has been the biggest year on year sales growth we have seen in the last 5 years
- Strong marketing support for new products and promotions has further enhanced SSS growth

European SSS Growth



- SSS continue to improve, going from +3.68% in H2 10 to +4.73% in H1 11
- H1 10 was impacted by unusual weather conditions and softer trading conditions in The Netherlands



Network Store Count

	H1 10	H2 10	H1 11
Australia/NZ stores			
Network Sales (\$ mil)	229.8	218.6	245.9
Franchised stores	419	421	439
Corporate stores	99	101	96
Aus/NZ Network Stores	518	522	535
<i>Stadium outlets incl in above</i>	22	23	30
Corporate store %	19%	19%	18%
Stores added in period	2	4	13
European stores			
Network Sales (€ mil)	74.0	82.2	84.6
Franchised stores	267	296	296
Corporate stores	1	5	12
European Network Stores	268	301	308
Corporate store %	0%	2%	4%
Stores added in period	8	33	7
Consolidated number of stores			
Franchised stores	686	717	735
Corporate stores	100	106	108
Total Network Stores	786	823	843
Corporate store %	13%	13%	13%
Stores added in period	10	37	20
Europe as % of Total Stores	34%	37%	37%

- Store count of 843 as at 2 Jan 2011
- Addition of 23 stores to the system during the first half consisting of 10 in DMP Europe and 13 in ANZ. 3 *Pizza Company* stores were removed from the network
- Store openings are on track to achieve 50-60 this financial year, however it will shift to 50% in ANZ and 50% in Europe



Geographic Summary

- ANZ EBITDA up 24.5% due to improved core operations and marketing activities
- A stronger AUD has resulted in lower reported revenue for DMP Europe (effect: approx \$7.9m). Local currency growth is 17.9%
- DMP Europe EBITDA affected by exchange rates and non-recurring items (refer next slide)

	H1 09 \$ mil	H1 10 \$ mil	H1 11 \$ mil	+ / (-) H1 10 %
REVENUE				
Australia/NZ	71.7	78.0	80.0	2.5%
Europe	41.7	41.4	40.9	(1.2%)
Total Revenue	113.4	119.4	120.9	1.2%
EBITDA				
Australia/NZ	10.9	14.1	17.6	24.5%
Europe	1.9	1.8	1.3	(28.5%)
Total EBITDA	12.8	15.9	18.8	18.5%
EBITDA MARGIN %				
Australia/NZ	15.2%	18.1%	21.9%	
Europe	4.6%	4.3%	3.1%	
Total EBITDA Margin %	11.3%	13.3%	15.6%	



DMP Europe Profitability

	Reported AUD			Local Currency €			Restated with add back of non-recurring items	
	H1 10 \$ mil	H1 11 \$ mil	+/- H1 10 %	H1 10 € mil	H1 11 € mil	+/- H1 10 %	H1 11 € mil	+/- H1 10 %
Network Sales	123.7	118.6	(4.1%)	74.0	84.6	14.4%	84.6	14.4%
Revenue	41.4	40.9	(1.2%)	24.8	29.2	17.9%	29.2	17.9%
EBITDA	1.8	1.3	(28.5%)	1.1	0.9	(14.8%)	1.6	52.3%
EBITDA Margin %	4.3%	3.1%		4.3%	3.1%		5.6%	

- A stronger AUD has resulted in lower reported Network Sales for DMP Europe (effect: approx \$22.9m). Local currency growth is 14.4%
- When viewed in local currency EBITDA is down 14.8%. This is due to costs associated with resolving some historical items in the French business (approx €0.7m)
- When the above non-recurring items are removed (refer yellow box above) EBITDA is up 52.3% on H1 10
- The seasonality in Europe in H2 provides for stronger profit results



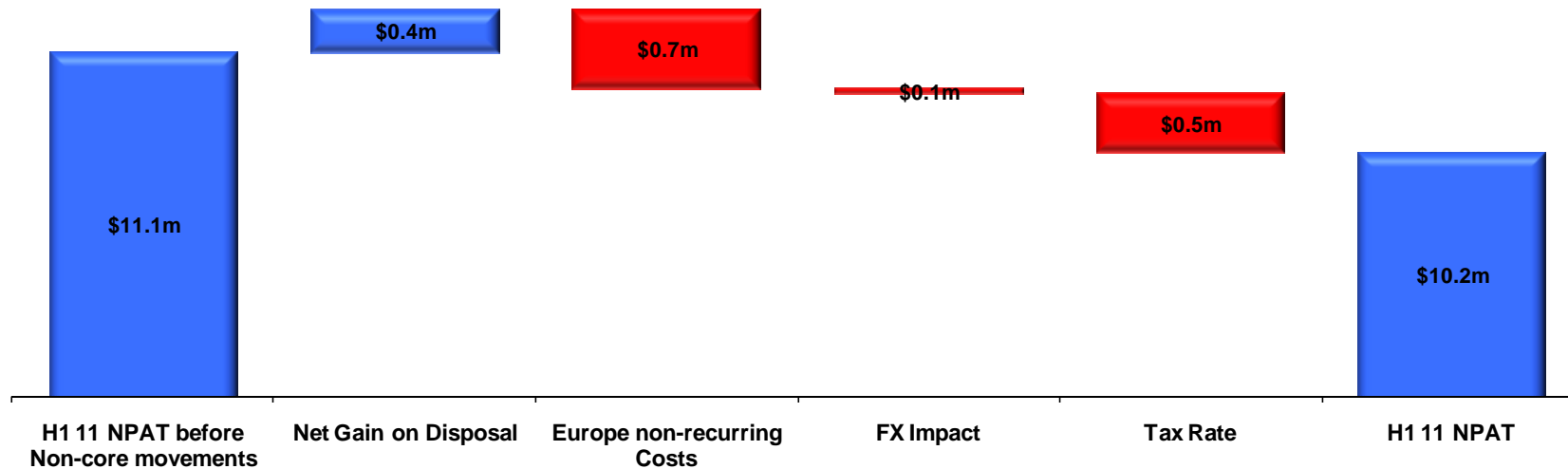
Profit & Loss

- EBITDA & NPAT in line with full year guidance
- Depreciation & Amortisation up 8.4% as a result of European infrastructure investment (Netherlands commissary)
- Tax rate 28.8% slightly ahead of forecast (30%)
- Earnings per Share up 16.4%

	H1 09 \$ mil	H1 10 \$ mil	H1 11 \$ mil	+/(-) H1 10 %
Revenue	113.4	119.4	120.9	1.2%
EBITDA	12.8	15.9	18.8	18.5%
Depreciation & Amortisation	(3.1)	(3.8)	(4.1)	8.4%
EBIT	9.7	12.1	14.7	21.7%
EBIT Margin	8.5%	10.1%	12.2%	
Interest	(0.9)	(0.4)	(0.4)	(12.4%)
NPBT	8.8	11.7	14.3	22.9%
NPAT	6.3	8.7	10.2	16.9%
Performance Indicators				
Interest Coverage (times)	11.2	28.8	40.0	
EPS (basic)	9.4	12.8	14.9	16.4%
Average exchange rate for New Zealand			1.2814	
Average exchange rate for Europe			0.7137	



Non-core movements in NPAT



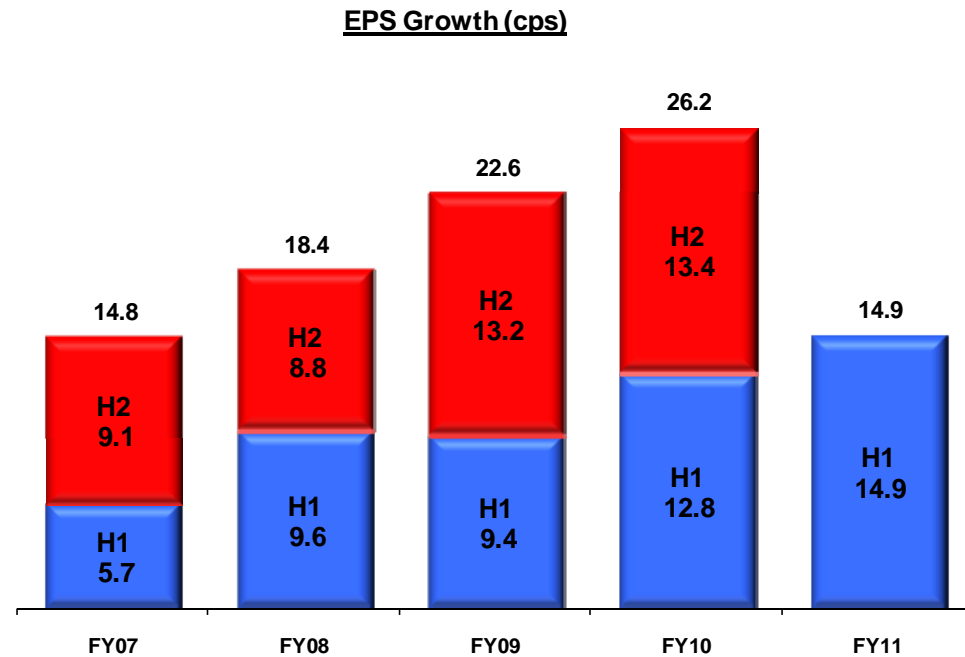
- DPE made an NPAT of approx \$11.1m before non-core losses of approx \$0.9m during H1 11
- Gains on disposal of PP&E of \$0.5m reduces to \$0.4m after tax
- Offsetting this gain were other items including Europe one-off costs, FX impacts and changes in tax rate

NB. FX impacts and tax rate variances are compared with H1 10 rates



Earnings per Share

- EPS H1 CAGR of 27.2% since FY07
- In line with Management expectations underlying EPS growth in the 2nd half is expected to remain strong



Cash Flow

- Operating cash flow +25.3%
- Net capex in line with expectations (\$5.8m)
- Free cash flow +98.6% to \$9.6m
- Management expects the momentum to continue with a strong H2 cash flow

	H1 10 \$ mil	H1 11 \$ mil
EBIT	12.1	14.7
Depreciation & Amortisation	3.8	4.1
Change in Working Capital	0.3	1.4
Net Interest Paid	(0.4)	(0.4)
Income Taxes Paid	(2.1)	(3.4)
Other	(1.4)	(1.0)
Operating Cash Flow	12.4	15.5
Capital Expenditure	(13.6)	(11.4)
Proceeds from Sale of PP&E & Intangibles	2.9	4.3
Loans to Franchisees	3.2	1.2
Free cash flow	4.9	9.6
Dividends Paid	(5.4)	(8.1)
Debt Movement	(4.7)	2.5
Proceeds from Shares Issued	0.4	0.3
Net Cash Held	(4.9)	4.4



Capital Employed

- Cash and cash equivalents
+22.0%
- Working Capital
improvement, predominantly
due to timing benefits

	FY 10 \$ mil	H1 11 \$ mil	+ / (-) FY 10 \$ mil
Cash and cash equivalents	16.2	19.8	3.6
Working Capital	(0.0)	(2.4)	(2.4)
Property, Plant & Equipment	30.8	32.4	1.6
Intangible Assets	52.4	53.2	0.9
Deferred Tax Assets	1.8	1.7	(0.1)
Other Net Assets / (Liabilities)	16.5	14.7	(1.8)
Total Capital Employed	117.6	119.4	1.8

NB. Capital Employed = Total Assets - Current Liabilities

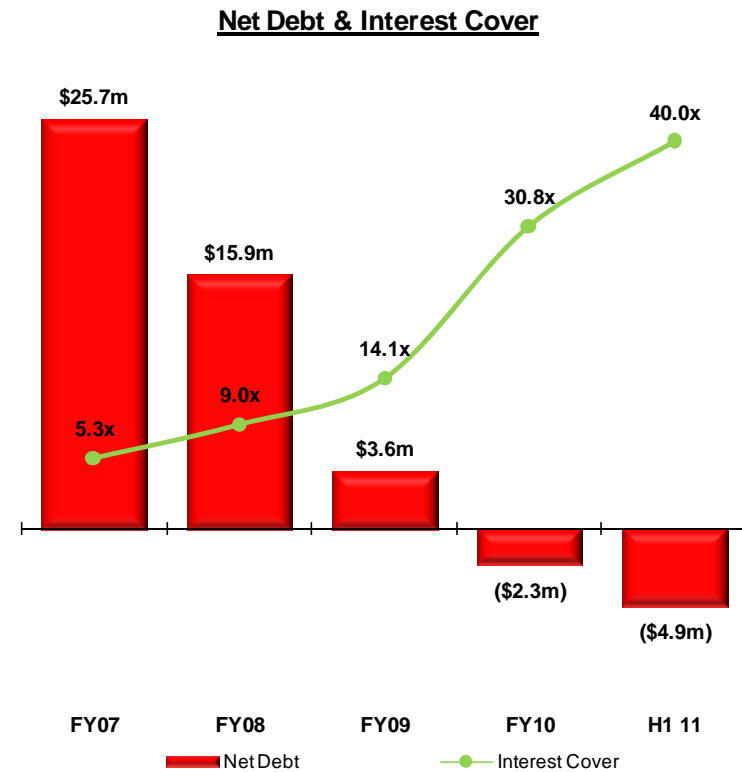


Key Financial Ratios

	H1 10	H1 11
Net Debt to Equity	3.0%	(4.9%)
Return on Equity	17.4%	20.4%
Return on Capital Employed	20.2%	24.7%

NB. Negative Net Debt equates to Cash Positive position

- DPE continues to grow surplus cash
- ROCE improving further with corporate store sell down



3. ACHIEVEMENTS & INNOVATION



DOMINO'S PIZZA ENTERPRISES LIMITED



Product Innovation

- Square Puff Pizza continued the momentum created by the relaunch of the Supreme, which included the new Double Beef & Bacon pizza
- Rajetarian – following the success of the Undercover Boss television show, the pizza inspired by our very own Rajg was released to the market
- Launch of the new popping chocolate ice-cream
- New Prawn pizza range including Prawn, Bacon & Feta and Satay Prawn
- New Satay pizza range
- Pizza Subs – all pizzas now available as Subs



Online Enhancement

- Continued strong growth with online and mobile orders and sales
- More advanced online ordering system was launched late 2010
- We have increased our social media activity
- Continued development of our mobile platforms including the NZ iPhone App, which has just been released
- Improved and refined email, search and display advertising activities have greatly enhanced the awareness and adoption of online ordering
- The development and innovation that has been so successful in Australia will be deployed in Europe over the next 12-18 months



Continued European Growth

- A number of key learnings in Australia are being translated into Europe
- There has been a strong focus on product and value
- Corporate stores have been leading the way in The Netherlands with SSS growth of +15.6%
- New product development – began with the “4 Fromages” pizza which was expanded to 5 cheeses at a €6.99 price point
- BBQ Mixed Grill featuring new meat and bacon at only €3.95 pick-up was very popular



Domino's Disaster Relief

- In response to the recent natural disasters all over the country, DPE and our franchisees have made significant contributions to those affected by these events
- Over \$120,000 was raised during our recent Doughraiser on Australia Day supporting flood affected communities throughout Qld, Vic and WA
- We donated more than 6,000 pizzas to flood victims, evacuation centres, SES workers and volunteers helping with the cleanup
- Domino's had 19 stores closed due to the floods but our teams worked quickly to have these up and running again as soon as it was safe
- Only three stores remain closed due to major flood damage and are expected to re-open within 120 days – Chinchilla, Goodna and Bundamba
- We managed to get food supplies into disaster affected regions by any means possible after normal supply routes were disrupted
- The Domino's Partners Foundation has provided support for team members who need assistance after the floods



OUTLOOK

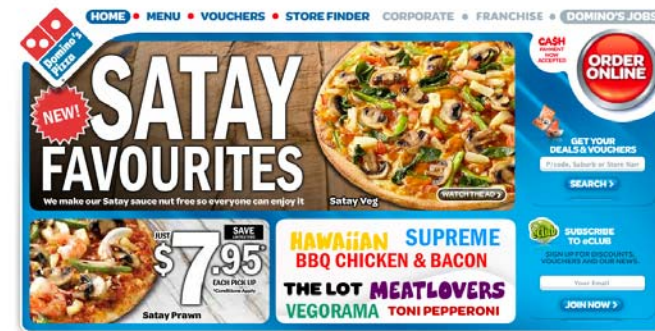


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Looking Forward – Australia/NZ

- Very well developed product rollout plan for 2011, including the Better Meatlovers which features rasher bacon, 100% Aussie ground beef and champagne ham
- Commodity prices are in our favour at this point until approx Aug/Sep due to strong Aussie dollar and favourable shift in business partners
- We saw a material increase in labour costs in January due to Award Modernisation. This is expected to continue over the next 2-3 years and is currently one of ANZ's biggest challenges
- As part of our ongoing focus on providing healthier and tastier products we have sourced a new mozzarella cheese which has 16% lower fat than our previous cheese. We have managed to source a product that is of the highest quality and also competitively priced
- Franchisee enquiry continues at historical records, driving the Corporate store sell down and new store openings
- The new online platform rollout in H1 11 will open doors for more aggressive digital investment in 2011-12



Looking Forward – DMP Europe

- SSS have lifted in Europe applying many of the same programs as ANZ. SSS for the last 3 months are +7.6%
- Management are feeling confident about the product pipeline for the 2nd half of the year
- Relocating the Paris commissary in 2012, with plans already underway to develop this
- Expect to open in excess of 25 new stores in H2 11
- The corporate stores in The Netherlands are driving that market, achieving over 15% SSS growth



Capital Management

- DPE has de-gearred significantly since 2007 and at end H1 11 has negative Net Debt of \$4.9m (cash positive)
- As a result, a decision has been made to increase the dividend payout ratio from 55% to 70%
- In addition, given the quality and consistency of our earnings, we will be moving from targeting a 40/60 to a 50/50 split between the interim and final dividends
- Interim dividend 10.4c (fully franked), up 73.3% on H1 10



FY11 Trading & Guidance Update

Measure	FY11 Guidance as at August 2010	Current FY11 Guidance
New Store Openings	50-60	towards 60
EBITDA Growth	15-20%	15-20%
NPAT Growth	10-15%	in the region of 15%
Estimated Tax Rate	30%	29%
Net Capex	\$8-12m	\$8-12m

Trading Update

- SSS continue to be strong as we move into H2
- Several new stores already opened since December with momentum gaining
- Corporate store sell down continues to progress



Conclusion

- ANZ continues to illustrate it is far from mature with significant SSS, profit and store growth
- SSS are performing well across both Australia/NZ and Europe, with Australia in particular experiencing its strongest SSS in the last 8 years
- Free cash flow +98.6% on H1 10 to \$9.6m
- Interim dividend 10.4c (fully franked), up 73.3% on H1 10. Dividend has been increased to reflect a 70% payout ratio, up from 55%
- Store openings are on track with forecast, however it will shift to 50% ANZ and 50% Europe
- Strong Aussie Dollar and long term contracts are supporting a good food commodity position for 2011
- Considerable focus on product quality, menu and technology innovation is expected to continue to drive future growth
- This strong growth and positive outlook has lead to the upgraded guidance in NPAT growth from 10-15% to in the region of 15%



Disclaimer

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- While due care has been taken in preparing these statements, no representation or warranty is made or given as to the accuracy, reliability or completeness of forecasts or the assumptions on which they are based.
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- A number of figures in the tables and charts in this presentation pack have been rounded to one decimal place. Percentages (%) have been calculated on actual figures.

