



media release

THURSDAY 23 AUGUST 2007

Domino's Pizza full year sales increase by 44.4%

Australian owned and operated pizza maker Domino's Pizza Enterprises Limited ("Domino's Pizza") today announced a 44.4% increase in network sales, largely due to the Company's European acquisition.

The full year net profit after tax (NPAT) was \$9.1m, 8% ahead of the re-forecast given by the Company in February 2007.

This year's result is the first to include the Company's European acquisition with Domino's Pizza stores in Belgium, France and the Netherlands joining the group on 3 July 2006.

The 2006-07 profit was generated from total network sales of \$518.9m. Same store sales for the year grew 3.0%, while revenue climbed 33.1% to \$230.1m.

During the 12 months, Domino's Pizza increased its store network by 51%, adding 225 stores to its network including 155 in Europe by acquisition, 41 new openings in Europe, and 29 new openings in Australia and New Zealand.

As at 23 August 2007, Domino's Pizza operates 667 stores including 404 in Australia, 65 in New Zealand, 110 in France, 12 in Belgium and 76 in the Netherlands.

The Company will pay shareholders a fully-franked final dividend of 6.8 cents per share. The dividend will be paid on 28 September 2007 with a record date of 10 September 2007.

This results in a fully-franked full year dividend of 10.9 cents per share, which is a 75% payout ratio.

The Company expects the 2007-08 dividend payout ratio will return to the Company's policy level of 50% to 60% in the coming year (as per the IPO forecast).

In the next 12 months, Domino's Pizza is forecasting NPAT to be approximately 25% to 30% up on the previous year, with an additional 60 stores (35 in Europe and 25 in Australia / New Zealand) expected to be added to the network.

	FY2007	FY2006	+ / -
Store count	663	438	+51%
Total Network Sales	\$518.9m	\$359.4m	+44.4%
Same Store Sales	3.0%	4.3%	
Revenue	\$230.1m	\$172.9m	+33.1%
EBITDA	\$22.0m	\$24.7m	-10.9%
NPBT	\$12.3m	\$17.2m	-28.5%
Net Profit After Tax	\$9.1m*	\$13.0m	-30.0%

*2007 NPAT re-forecast was \$8.4m



Domino's Pizza CEO Don Meij said the full year result reflected the forecasted impact of the European expansion and the weaker trading performance in Australia as announced in February 2007.

However, he said the Company had subsequently experienced a significant improvement in trading, with second half EBITDA and NPAT up 29.2% and 60% respectively over the first half, well ahead of the Company's forecasted guidance.

"In New Zealand, Domino's Pizza continues to go from strength to strength, with its EBITDA contribution up 80% during the year.

"Europe also delivered a maiden operating profit of \$500,000 (EBITDA) in the second half – one year ahead of schedule, exceeding all expectations. International growth is set to become a significant part of our business in the years ahead."

As previously forecast, Domino's Pizza has also begun reducing the proportion of corporate stores in Australia and New Zealand from 30% to around 15-20%, resulting in one-off restructuring costs.

Mr Meij said Domino's Pizza remained focused on innovation to drive sales.

"Our point-of-sale system PULSE is now in 93% of Australian and New Zealand stores which has helped to increase efficiencies. PULSE also allows for internet ordering to be provided in 73.5% of Australian and New Zealand stores, with this number growing each week," he said.

"Connecting our stores through PULSE has enabled us to start our internal "Store Wars" measurement program, where individual stores can track their performance and compete live against other stores in the system to increase their sales.

"At the same time, our new in-house equipment maintenance and supply department, Domino's Service and Supply, is now operating and marginally profitable."

Mr Meij said plans were underway to strengthen the Domino's Pizza brand across all five countries, with maiden television advertising in France, a growing television presence in the Netherlands and a new brand campaign in Australia and New Zealand.

"In Australia and New Zealand, customers will notice a revitalised Domino's Pizza with an increased number of new-look stores, new uniforms, new packaging and the launch of a new brand campaign by the end of the year."

Domino's Pizza Enterprises Ltd is Australia's only publicly-listed pizza company and is the largest master franchise for the Domino's Pizza brand in the world, operating in Australia, New Zealand, France, Belgium and the Netherlands. Across these markets, the Company and its franchisees operate 667 stores, employing more than 14,000 full-time and casual staff and making more than 60 million pizzas each year.

ENDS. For further information, interviews or images contact:

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***Don Meij will hold a media teleconference on Thursday 23 August 2007 at 9am (AEST).
Participant dial in No: 1800 097 137 (AUS) or 0800 603 458 (NZ)
Confirmation code: 620 1718***