



**19 August 2009**

**CORRECTION TO FY09 ANNUAL RESULTS PRESENTATION**

Earlier today, Domino's Pizza Enterprises Limited (**DMP**) released its FY09 Annual Results Presentation (the **Presentation**). Since releasing the Presentation, it has come to DMP's attention that there was an error on page 8 in the graph entitled "Impact of Royalties paid to US on EBITDA (€'000s)". The amounts represented in that graph were incorrectly converted to Euros from the EBITDA Europe amounts specified for F/Y08 and F/Y09 as shown in the table on page 12 of the Presentation. This error has been corrected in the attached version of the Presentation, which supercedes and replaces the version of the Presentation released earlier today.

The error has no bearing on the Preliminary Final Report for the Financial Year Ended 28 June 2009 or the FY09 Annual Results Media Release which were also released earlier today.

DMP apologises for the error.

A handwritten signature in blue ink, appearing to read "Craig Ryan", with a horizontal line extending to the right.

**Craig Ryan**  
**Company Secretary**



# DOMINO'S PIZZA ENTERPRISES LTD.

Full Year Results to 28 June 2009  
Australia New Zealand France Belgium Netherlands



# Executive Team

## **Don Meij**

Chief Executive Officer/  
Managing Director

## **Andrew Rennie**

Chief Executive Officer France/Belgium

## **Richard Coney**

Group Chief Financial Officer



# Agenda

1. **Highlights**
2. **Results Detail**
3. **New Dawn at Domino's**
4. **Outlook and Conclusion**





# 1. Highlights

# Result Highlights

- NPAT up 29.7% to \$15.4m
- Strong Network Sales growth +14.4% over FY08
- Solid Group SSS growth + 4.6% over FY08
- Australia strong SSS H2 +7.2%
- Strong Europe EBITDA of \$6.0m +90% over FY08
- Final dividend 8.0c (fully franked) bringing full year dividend to 12.4c
- Net Debt reduced by 77% to A\$3.6m, down from A\$15.9m FY08
- Suspension of DRP

	F/Y 07 \$ mil	F/Y 08 \$ mil	F/Y 09 \$ mil	+ /(-) FY 08 %
Network Sales	518.9	591.2	676.4	14.4%
Same Store Sales %	3.0%	6.8%	4.6%	
Revenue	230.1	229.6	239.0	4.1%
<b>EBITDA</b>	<b>22.0</b>	<b>25.3</b>	<b>28.3</b>	<b>11.5%</b>
NPBT (excl non-recurring)	12.3	17.4	21.3	22.1%
NPBT	12.3	17.0	20.3	19.1%
<b>NPAT</b>	<b>9.1</b>	<b>11.8</b>	<b>15.4</b>	<b>29.7%</b>
EPS (basic)	14.8	18.4	22.6	22.8%
Dividend per Share	10.9	10.9	12.4	13.8%



# ANZ Highlights

- New menu delivers best SSS growth in 6 years for Australia since launch, H2 +7.2%
- Online ordering now over 22.5% of sales in Australia, and over 17.5% of sales in New Zealand
- Domino's website ranked No 1 for Australian "Food and Beverage – Restaurants and Catering" category (Source: Hitwise Benchmark Report June 2009)
- New record trading week (standard) for individual store of +\$60k
- Continued to expand Domino's 2Go in Stadiums
- Significant growth coming from Delivery Sales in terms of both average ticket and orders
- Average Delivery Time has dropped 21%



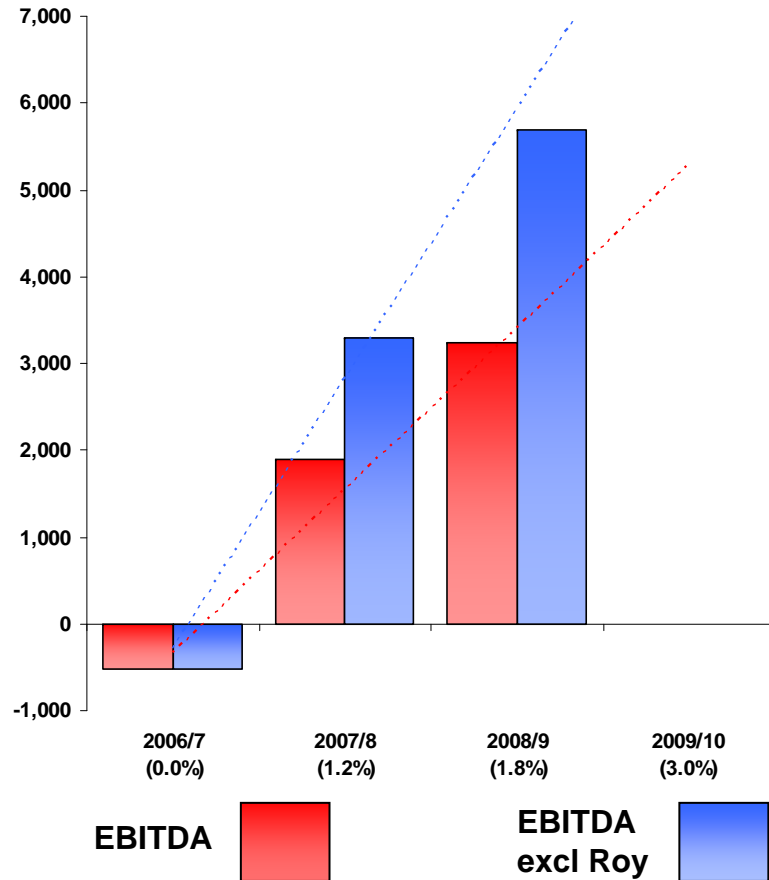
# Europe Highlights

- Strong SSS +4.3% despite rolling over 2.5 years of double digit growth
- Record opening week for a new store +A\$74k
- Significant EBITDA earnings continue; +90% over FY08
- France celebrated 150<sup>th</sup> store opening
- France has converted 33% of stores to online ordering
- 50% of stores are now on Image 2020 in France (launched since entering the market)
- Brand awareness in France soared with a 35% increase in unassisted recognition
- Considerable commodity savings passed through have resulted in improved store margins



# Europe Highlights

Impact of Royalties paid to US  
on EBITDA (€000s)



- Underlying earnings reflect strong scalability and management initiatives
- Chart illustrates magnified earnings uplift when US royalty payments removed (like-for-like comparison)
- Royalties increase by a further 1.2% (67%) in FY10 to reach a cap of 3%
- Despite above increase in European royalties, management confident in FY10 group guidance





## 2. Results Detail

Domino's Pizza Enterprises Limited



# Network Store & Sales Growth

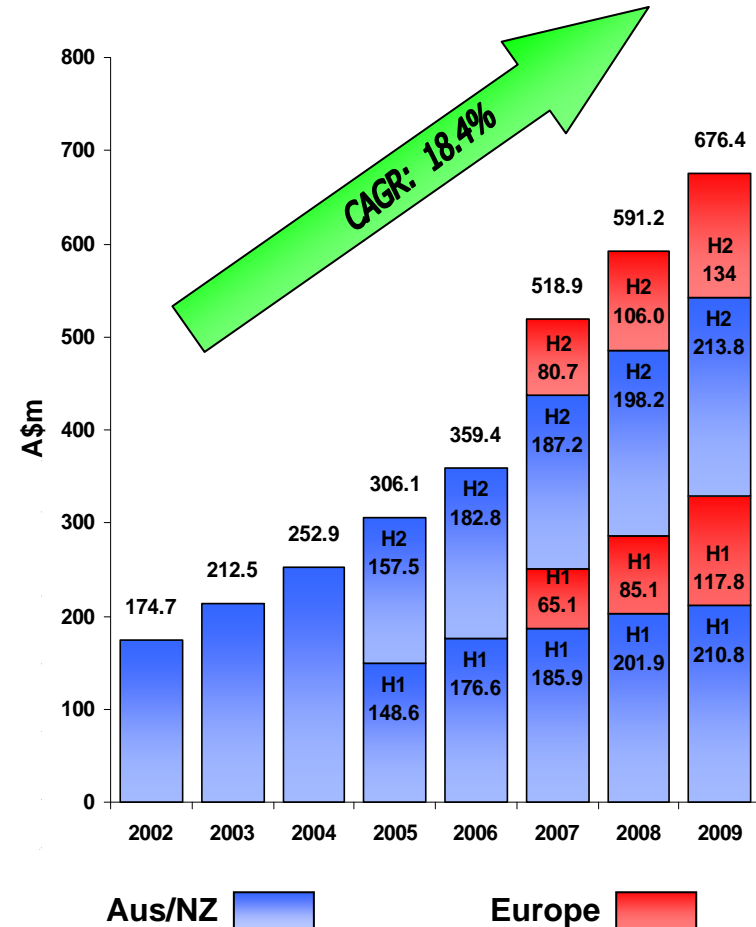
- ANZ store count predominantly impacted by Pinky's integration (conflict in store territories)
- Strong network sales partly assisted by stronger Euro
- Forecasting net 40-50 new stores to open in FY10

## Network Store Count

	Actual at June 2008	Actual at June 2009	Change since June 2008
Australia/NZ	509	516	7 *
Europe	232	260	28
<b>Total Stores</b>	<b>741</b>	<b>776</b>	<b>35</b>

\* inclusive of 20 Stadium stores and Pinky's closures

## Network Sales

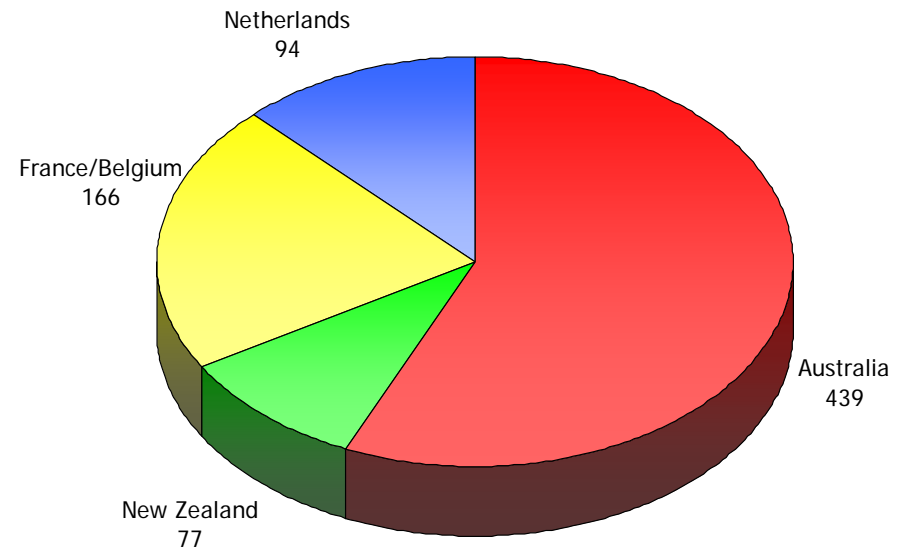


# Network Store & Sales Growth

	F/Y 07	F/Y 08	F/Y 09
<b>Total Network Sales (\$ mil)</b>	<b>518.9</b>	<b>591.2</b>	<b>676.4</b>
<b>Number of Aus/NZ stores</b>			
Franchised stores	343	402	410
Corporate stores	124	107	106
<b>Aus/NZ network stores</b>	<b>467</b>	<b>509</b>	<b>516</b>
Corporate store %	27%	21%	21%
Stores added in period	29	42	7
<b>Number of European stores</b>			
Franchised stores	190	227	259
Corporate stores	6	5	1
<b>European network stores</b>	<b>196</b>	<b>232</b>	<b>260</b>
Corporate store %	3%	2%	0%
Stores added in period	196	36	28
<b>Consolidated number of stores</b>			
Franchised stores	533	629	669
Corporate stores	130	112	107
<b>Total network stores</b>	<b>663</b>	<b>741</b>	<b>776</b>
Corporate store %	20%	15%	14%
Stores added in period	225	78	35

- Strong network sales growth in both Aus/NZ and Europe markets

**Store Numbers by Country**



# Revenue & EBITDA

- Corporate Revenue reduced due to conversion from Corporate to Franchise stores, as well as re-outsourced warehouse in Vic/SA
- ANZ EBITDA in line with expectations, consistent with conversion of Corporate stores to Franchise
- Benefits of the above changes are seen at a NPBT level with less depreciation and interest costs
- This alteration of our earnings mix will continue as we transfer more stores to Franchise this year

	F/Y 07 \$ mil	F/Y 08 \$ mil	F/Y 09 \$ mil	+ /(-) FY 08 %
<b>REVENUE</b>				
Australia/NZ	180.4	160.7	148.8	(7.4%)
Europe	49.7	68.9	90.2	30.9%
<b>Total Revenue</b>	<b>230.1</b>	<b>229.6</b>	<b>239.0</b>	<b>4.1%</b>
<b>EBITDA</b>				
Australia/NZ	22.9	22.2	22.3	0.4%
Europe	(0.9)	3.1	6.0	90.0%
<b>Total EBITDA</b>	<b>22.0</b>	<b>25.3</b>	<b>28.3</b>	<b>11.5%</b>
<b>EBITDA MARGIN %</b>				
Australia/NZ	12.7%	13.8%	15.0%	
Europe	N/A	4.6%	6.6%	
<b>Total EBITDA Margin %</b>	<b>9.6%</b>	<b>11.0%</b>	<b>11.8%</b>	

# Corporate, Franchise & Corporate Development

- \$1m FX gain included in Unallocated EBITDA
- FX gain offset by non-recurring costs of \$1.0m
- Expecting Corporate Development going forward to be closer to zero

	F/Y 07 \$ mil	F/Y 08 \$ mil	F/Y 09 \$ mil	+ / (-) FY 08 %
<b>REVENUE</b>				
Corporate	137.8	109.5	100.4	(8.3%)
Franchise	85.3	111.7	131.0	17.3%
Other	7.0	8.4	7.6	(9.8%)
<b>TOTAL REVENUE</b>	<b>230.1</b>	<b>229.6</b>	<b>239.0</b>	<b>4.1%</b>
EBITDA excl Unalloc	22.7	27.9	30.6	9.7%
EBITDA MARGIN % excl Unalloc	9.9%	12.2%	12.8%	
<b>TOTAL EBITDA</b>	<b>22.0</b>	<b>25.3</b>	<b>28.3</b>	<b>11.5%</b>
EBITDA MARGIN %	9.6%	11.0%	11.8%	



# Profit & Loss

- Depreciation and Amortisation up slightly, predominantly due to FX on translation of Europe, & increasing investment in IT.
- Financing costs down 26.9% as a result of debt reductions
- Tax rate 24.2% due to benefits generated out of Europe
- Earnings per share up 22.8%

	F/Y 07 \$ mil	F/Y 08 \$ mil	F/Y 09 \$ mil	+ / (-) FY 08 %
<b>Revenue</b>	<b>230.1</b>	<b>229.6</b>	<b>239.0</b>	<b>4.1%</b>
<b>EBITDA</b>	<b>22.0</b>	<b>25.3</b>	<b>28.3</b>	<b>11.5%</b>
Depreciation & Amortisation	6.8	6.2	6.4	(4.0%)
<b>EBIT</b>	<b>15.2</b>	<b>19.1</b>	<b>21.8</b>	<b>14.0%</b>
EBIT Margin	6.6%	8.3%	9.1%	
Interest	2.9	2.1	1.6	(26.9%)
<b>NPBT</b>	<b>12.3</b>	<b>17.0</b>	<b>20.3</b>	<b>19.1%</b>
<b>NPAT</b>	<b>9.1</b>	<b>11.8</b>	<b>15.4</b>	<b>29.7%</b>
<b>Performance Indicators</b>				
Interest Coverage (times)	5.3	9.0	14.1	
EPS (basic)	14.8	18.4	22.6	22.8%
Average exchange rate for New Zealand			1.2290	
Average exchange rate for Europe			0.5420	



# Cash Flow

- Cash from operations up 35% \$18.6m to \$25.2m (second half \$14.4m)
- Generated free cash flow of \$13.6m, up 36%
- Repayment of borrowings \$8.6m

	F/Y 08			F/Y 09		
	Aust/NZ \$'000	Europe \$'000	Group \$'000	Aust/NZ \$'000	Europe \$'000	Group \$'000
<b>Cash flows from operating activities</b>						
Receipts from customers	181,963	75,939	257,902	163,534	101,963	265,497
Payments to suppliers and employees	(157,713)	(77,968)	(235,681)	(144,002)	(94,324)	(238,326)
Interest received	731	159	890	1,277	363	1,640
Interest and other costs of finance paid	(2,063)	(23)	(2,086)	(360)	(1,192)	(1,552)
Income taxes paid	(2,380)	(52)	(2,432)	(1,752)	(347)	(2,099)
<b>Net cash provided by operating activities</b>	<b>20,538</b>	<b>(1,945)</b>	<b>18,593</b>	<b>18,697</b>	<b>6,463</b>	<b>25,160</b>
<b>Cash flows from investing activities</b>						
Payment for intangibles	(780)	(382)	(1,162)	(1,417)	(1,836)	(3,253)
Payment for property, plant and equipment	(3,812)	(4,791)	(8,603)	(4,238)	(1,561)	(5,799)
Proceeds from sale of PP&E & intangibles	16,536	1,442	17,978	3,791	5,884	9,675
Loans to Franchisees	(5,427)	(1,702)	(7,129)	(2,302)	(1,406)	(3,708)
Payments for investment/business operations	(8,304)	(1,335)	(9,639)	(7,003)	(1,463)	(8,466)
Other	-	-	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(1,787)</b>	<b>(6,768)</b>	<b>(8,555)</b>	<b>(11,169)</b>	<b>(382)</b>	<b>(11,551)</b>
<b>Cash after investing (free cash flow)</b>	<b>18,751</b>	<b>(8,713)</b>	<b>10,038</b>	<b>7,528</b>	<b>6,081</b>	<b>13,609</b>
<b>Cash flows from financing activities</b>						
Proceeds from issue of equity securities	3,915	-	3,915	4,541	-	4,541
Proceeds from borrowings	11,000	-	11,000	31	87	118
Repayment of borrowings	(16,579)	(54)	(16,633)	(8,566)	(65)	(8,631)
Dividends paid	(3,915)	-	(3,915)	(4,246)	-	(4,246)
<b>Cash used in financing activities</b>	<b>(5,579)</b>	<b>(54)</b>	<b>(5,633)</b>	<b>(8,240)</b>	<b>22</b>	<b>(8,218)</b>
<b>Net increase/(decrease) in cash held</b>	<b>13,172</b>	<b>(8,767)</b>	<b>4,405</b>	<b>(712)</b>	<b>6,103</b>	<b>5,391</b>



# Balance Sheet

- Cash up \$4.8m, repaid remainder of AUD\$ loans, \$3m post year end
- Decrease in Borrowings A\$7.4m relates to repayment of Borrowings A\$8.6m (plus FX movement on Euro Loan A\$1.2m)
- Net debt reduced by 77% to A\$3.6m
- Increase in Issued Capital A\$7.8m relates to capital issued through DRP and exercise of options
- Exch Rate FY09 Europe 0.5733; FY08 0.6103
- Exch Rate FY09 NZ 1.2520; FY08 1.2622

	F/Y 08 \$ mil	F/Y 09 \$ mil	+ / (-) F/Y 08 \$ mil
<b>Current assets</b>			
Cash assets	12.6	17.4	4.8
Trade & other receivables	24.7	23.2	(1.5)
Inventories	3.5	3.6	0.1
Other	6.6	3.0	(3.7)
Assets classified as held for sale	2.4	0.0	(2.4)
<b>Total current assets</b>	<b>49.9</b>	<b>47.3</b>	<b>(2.6)</b>
<b>Non-current assets</b>			
Other financial assets	16.4	21.2	4.8
Property, plant and equipment	30.4	30.5	0.1
Goodwill	41.1	43.8	2.7
Deferred tax assets	2.4	2.1	(0.3)
Other	1.9	4.4	2.5
<b>Total non-current assets</b>	<b>92.3</b>	<b>102.0</b>	<b>9.8</b>
<b>Total assets</b>	<b>142.2</b>	<b>149.3</b>	<b>7.1</b>
<b>Current liabilities</b>			
Trade & other payables	27.9	26.0	(1.9)
Borrowings	0.1	0.1	(0.0)
Other financial liabilities	0.2	0.9	0.7
Current tax payables	0.5	1.6	1.1
Provisions	2.1	2.0	(0.1)
<b>Total current liabilities</b>	<b>30.8</b>	<b>30.5</b>	<b>(0.3)</b>
<b>Non-current liabilities</b>			
Borrowings	28.4	21.0	(7.4)
Provisions	0.4	0.3	(0.1)
Other	3.3	2.6	(0.7)
<b>Total non-current liabilities</b>	<b>32.1</b>	<b>23.9</b>	<b>(8.2)</b>
<b>Total liabilities</b>	<b>62.9</b>	<b>54.3</b>	<b>(8.5)</b>
<b>Net assets</b>	<b>79.3</b>	<b>94.9</b>	<b>15.7</b>
<b>Equity</b>			
Issued capital & Reserves	55.8	63.6	7.8
Retained earnings	23.4	31.3	7.9
<b>Total equity</b>	<b>79.3</b>	<b>94.9</b>	<b>15.7</b>





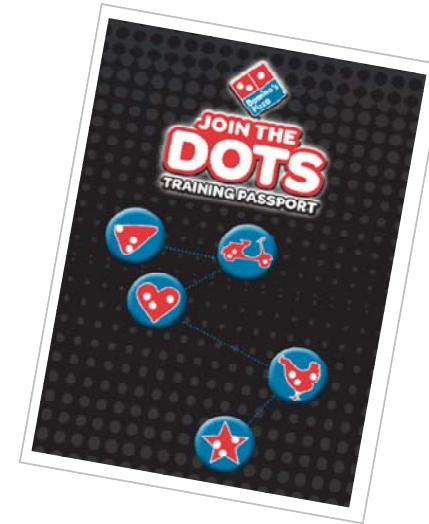
### 3. New Dawn at Domino's

Domino's Pizza Enterprises Limited



# Reinvigorate the way we do business

- Huge emphasis on training to “Delight the Customer” – closed all stores in November to implement ten new initiatives including gloves, hairnets, new training schedule, menu and pizza making improvements
- Focussed on improving our product, service and image to “WOW” the customer and create value
- Put strategies in place to significantly improve our estimated delivery times – as a result, average delivery time has dropped 21% in the last 6 months



# New Menu Launch

- Launched a new range of products to appeal to a wider audience
- Added six new Big Taste pizzas each bursting with new flavours including Chilli Prawn, Garlic Prawn and Creamy Chicken
- New Fresh Pastas – five new fresh to order pastas, served with or without a delicious flaky puff pastry bowl. Chicken Feta and Sundried Tomato, Beef Neapolitan, Chicken Primavera, Chicken Carbonara, Prawn Marinara



# New Menu Launch

- We have added new deserts that are baked fresh in store – our Choc Lava Cake and Sticky Date Pudding. Our Choc Lava Cake was a finalist in the Food Magazine Challenge Award
- New Puff Pastry Cheese Sticks and three extra dipping sauces - Chilli, Aioli and Ranch
- More delicious, low priced, high quality items – 50c dipping sauces, \$1.95 Cheese Sticks, \$3.30 Choc Lava Cake and \$3.95 Sticky Date Pudding
- New packaging for all products, showing the fresh ingredients in a contemporary design



# Fresh Ingredients

- We have introduced more fresh, premium ingredients to our menu including Australian Fetta, baby spinach, large prawns, and cherry tomatoes
- Our new added premium secret ingredient – restaurant quality, garlic-infused Australian Olive Oil
- Higher Quality Meats – improved beef, 100% chicken breast, shredded rasher bacon and Italian-style salami – used across all our range
- All commodity savings in ANZ put back into product



# Technology

- Continued to drive our online presence including exploring social networking sites such as Facebook, Twitter and YouTube
- Internet ordering has grown and we are seeing a significant increase in the number of visitors to our webpage. We have developed dedicated videos and over-the-page panels to communicate to online customers
- Our eClub database continues to grow significantly each month. We now send out twice-weekly electronic direct mails (EDM's)





## 4. Outlook & Conclusion



Domino's Pizza Enterprises Limited



# Looking Forward - ANZ

- Menu expansion to continue, tailored for the current economy and the environment beyond
- Continuing to invest in quality of core product to modernize our pizza
- Increase the roll out of new image for stores
- Focused on driving Delivery growth. Best in class of Delivery Service and Image
- Planned store growth in H2
- Impact of FY09 Government Stimulus Package on FY10 sales unknown



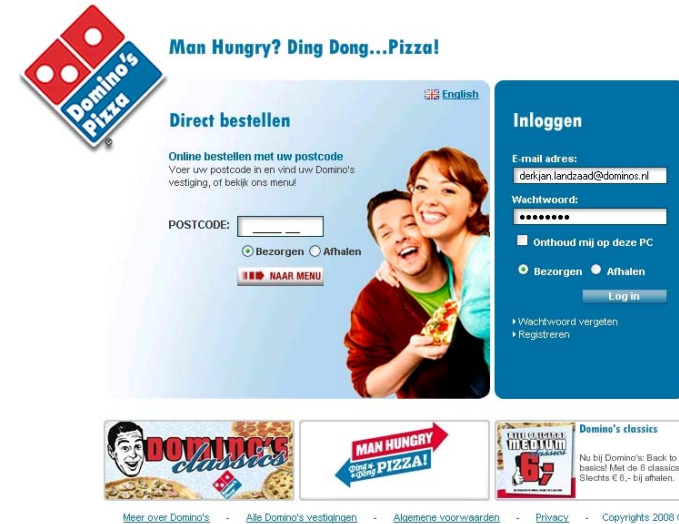
# Looking Forward – ANZ Technology

- Focus on growing online sales further with the introduction of new tools including the iPhone application aiming to launch before Christmas
- Focus on enhancing and developing digital technologies to drive online ordering to new levels
- Improved up sell techniques integrated into online ordering to drive a higher ticket average
- Improved backend infrastructure designed to handle future growth in online ordering
- Targeted emails to subscribers based on their profile and behaviour



# Looking Forward - Europe

- Opening a new Commissary in The Netherlands Jan-Feb 2010
- Will have 95% of France with online ordering by the end of Financial Year
- Upgrade the online experience for consumers in The Netherlands
- Looking to grow our TV presence
- The Netherlands SSS expected to be weak, but France expected to continue strong
- The last year of royalty increase to the US, (capped from FY10) which will result in benefits of scalability flowing to earnings
- Expand our Menu in France to include a new lunch menu



# Looking Forward - Group

- Opening between 40-50 New Stores
- FY10 Guidance – NPAT growth of 10%-15%
- Estimated tax rate – 27%
- Approximate Net Capex – \$15 to \$20m
- Negligible Net Debt by June 2010



# FY10 – Trading Update

- Five new stores opened since June 30 – strong for this time of year
- Experiencing significant progress with respect to Corporate store sell down
- ANZ SSS continue to exceed historical averages
- ANZ continued efforts placed on efficiencies resulting in margin improvements
- European SSS being diluted by warmer weather and trading conditions in The Netherlands
- New stores in Europe are exceeding opening sales expectations
- Management aware of potential commodity increases in H2



# Conclusion

- Strong SSS growth in ANZ and Europe in FY09 contributed to significantly improved EBIT growth
- Lower taxation outcome and interest payments translated the strong EBIT growth into substantial NPAT growth
- Transition from 150 Corporate stores to approximately 80 Corporate stores in ANZ is translating to better returns as expected at a NPAT level
- Europe expected to continue to lead the store roll out with the group aiming for 40-50 new stores this year
- Suspending the DRP, in line with low debt and strong forecast cash flow
- FY10 Group Guidance – NPAT growth of 10-15%

