



DOMINO'S PIZZA ENTERPRISES LTD.

Half Year Results 2009

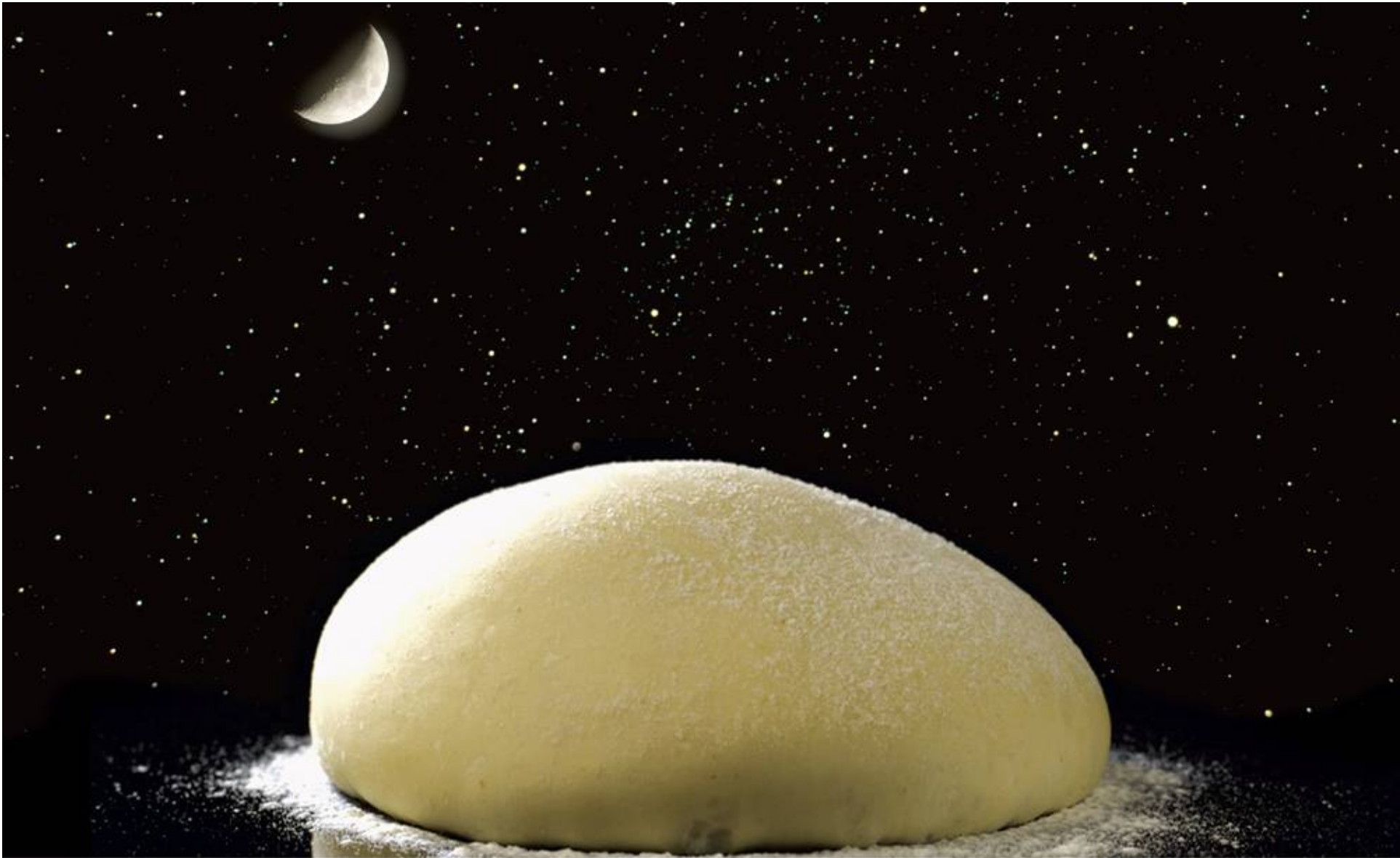
Australia New Zealand France Belgium Netherlands



Agenda

- 1. Highlights**
- 2. Results Detail**
- 3. Online & IT Initiatives**
- 4. New Product Launch**
- 5. Outlook & Conclusion**





1. Highlights



Result Highlights

- Strong Network Sales growth +14.5% over H108
- Solid Group SSS growth +4.2% over H108; ANZ 2.2% and Europe 8.8%
- Core earnings up 14.8% on H108 (NPBT excluding Corporate Development)
- NPAT up 2.8% over H108 to \$6.3m
- Earnings on target to meet Market Guidance; 10%-15% increase on FY08
- Organic store growth in line with expectations; addition of 40 stores by FY09
- Europe tracking ahead of expectations with EBITDA of \$1.9m, 35.7% on H108
- Repayments on borrowings of \$7.6m reduced net debt to \$12.1m, gearing down to 11.7%
- Half year dividend 4.4 cents, up 7% on H108; DRP remains active but as a benefit of the strong capital position, interim dividend will not be underwritten



Result Highlights

- Group Network Sales up 14.5%
- Company Revenue decrease reflects conversion of Corporate stores to Franchise (100% of Corporate store revenue is included but only royalty income for Franchise stores)
- Core profits and margins improved in line with the transition of stores from Corporate to Franchise
- Corporate Store Margins ahead of H208, 7.6% versus 5.8% up \$0.9m

	H1 07	H2 07	F/Y 07	H1 08	H2 08	F/Y 08	H1 09	+ / (-) H1 08
	\$ mil	\$ mil	\$ mil	\$ mil	\$ mil	\$ mil	\$ mil	%
Network Sales	251.0	267.9	518.9	287.0	304.2	591.2	328.6	14.5%
Same Store Sales %	3.2%		3.0%	7.6%		6.8%	4.2%	
Revenue	118.1	112.0	230.1	115.8	113.8	229.6	113.4	-2.1%
EBITDA	9.6	12.4	22.0	13.0	12.3	25.3	12.8	-1.6%
NPBT (excl non-recurring)	4.7	7.6	12.3	8.9	8.5	17.4	9.4	5.9%
NPBT	4.7	7.6	12.3	8.6 ⁽¹⁾	8.4	17.0	8.8 ⁽²⁾	2.6%
NPAT	3.5	5.6	9.1	6.1	5.7	11.8	6.3	2.8%
EPS (basic)	3.5	5.6	14.8	9.6	8.8	18.4	9.4	-2.1%

⁽¹⁾ post \$0.3m non-recurring costs (\$0.2m post-tax)

⁽²⁾ post \$0.6m non-recurring costs (\$0.4m post-tax)



ANZ Highlights

- Despite the recession New Zealand was strongest performer in the ANZ group for SSS
- Online ordering now over 19% of sales in Australia
- Australia online sales increased by 290% on H108
- Continuing to grow Domino's 2Go in stadiums



Europe Highlights

- Good organic growth of +11 stores
- SSS strong at +8.8%
- Netherlands is now averaging 24% of its orders online and growing
- Europe became cash generating in Qtr2 of H109





2. Results Detail

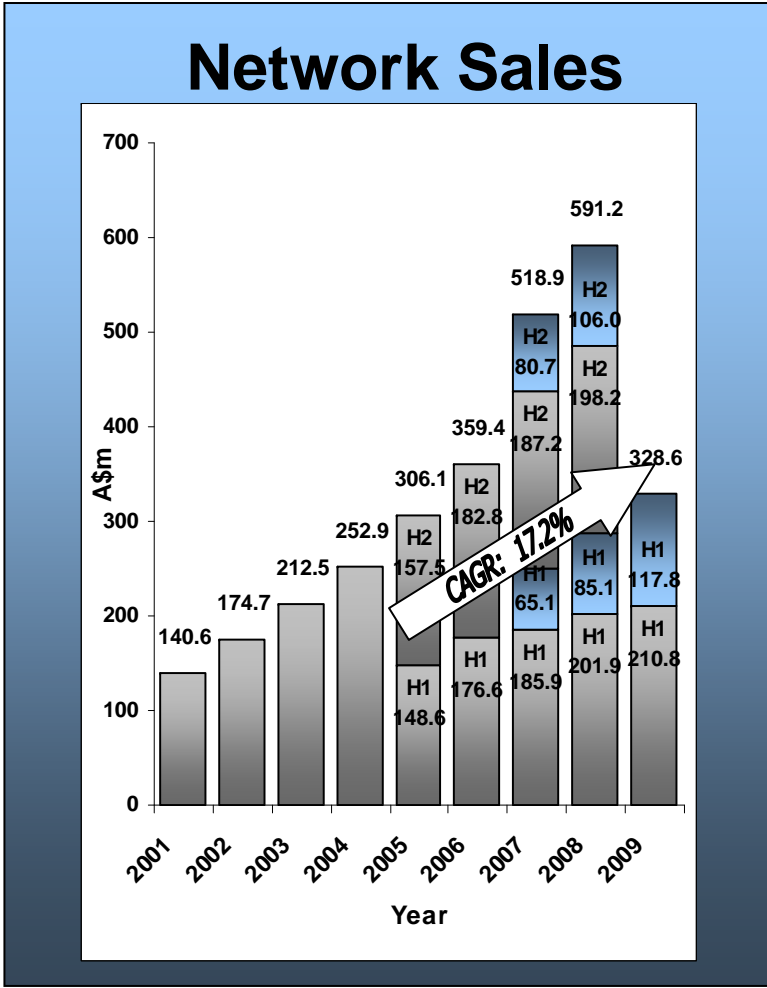


Network Store & Sales Growth

- Good store growth with additional 15 stores opened in H109
- Europe has opened an additional 5 stores since December 2008
- Network Sales include the benefit of the stronger European currency

Network Store Count

	Actual at June 2008	Actual at Dec 2008	Projection to June 2009
ANZ stores	509	513	
Europe stores	232	243	
Total stores	741	756	781



Aus/NZ

Europe



Network Store & Sales Growth

- Additional 15 new stores (including 2 Stadium stores)
- Corporate store sell down moving slower than planned at this stage
- Still approximately 20 Corporate stores left in portfolio to sell

	H1 07	H2 07	F/Y 07	H1 08	H2 08	F/Y 08	H1 09
Network Sales (\$ mil)	251.0	267.9	518.9	287.0	304.2	591.2	328.6
Number of Aus/NZ stores							
Franchised stores	313	343	343	365	402	402	406
Corporate stores	144	124	124	108	107	107	107
Aus/NZ network stores	457	467	467	473	509	509	513
Corporate store %	32%	27%	27%	23%	27%	21%	21%
Stores added in period	19	10	29	6	36	42	4
Number of European stores							
Franchised stores	154	190	190	209	227	227	240
Corporate stores	8	6	6	8	5	5	3
European network stores	162	196	196	217	232	232	243
Corporate store %	5%	3%	3%	4%	2%	2%	4%
Stores added in period	162	34	196	21	15	36	11
Consolidated number of stores							
Franchised stores	467	533	533	574	629	629	646
Corporate stores	152	130	130	116	112	112	110
Total network stores	619	663	663	690	741	741	756
Corporate store %	25%	20%	20%	17%	15%	15%	17%
Stores added in period	181	44	225	27	51	78	15



Revenue & EBITDA

- ANZ Revenue and EBITDA decrease with restructuring of Corporate stores to Franchise
- Also reflects the outsourcing of Distribution for VIC and SA
- Europe achieved strong EBITDA and Revenue growth

	H1 07 \$ mil	H1 08 \$ mil	H1 09 \$ mil	+ / (-) H1 08 %
REVENUE				
Total Australia/NZ	96.7	85.8	71.7	-16.4%
Europe	21.4	30.0	41.7	39.0%
Total Revenue	118.1	115.8	113.4	-2.1%
EBITDA				
Total Australia/NZ	11.0	11.6	10.9	-6.1%
Europe	(1.4)	1.4	1.9	35.7%
Total EBITDA	9.6	13.0	12.8	-1.6%
EBITDA MARGIN %				
Total Australia/NZ	11.4%	13.5%	15.2%	
Europe	N/A	4.7%	4.6%	
Total EBITDA Margin %	8.1%	11.2%	11.3%	



Corporate

2008/09

- EBITDA margins ahead of H208; 7.6% versus 5.8% up \$0.9m

Going Forward

- Corporate expected to reduce in the quantum of dollars as Franchise increases in line with sell down of stores
- Still expect some volatility of earnings due to continued restructure and sell down of stores



	H1 07 \$ mil	H1 08 \$ mil	H2 08 \$ mil	H1 09 \$ mil	+ / (-) H1 08 %
Revenue	70.7	59.1	50.4	49.9	-15.6%
EBITDA	6.2	4.9	2.9	3.8	-22.4%
EBITDA Margin %	8.8%	8.3%	5.8%	7.6%	-8.2%



Franchise

2008/09

- Significant ANZ Margin improvement as a historical comparison - record 43.9%, benefitting from Corporate store sell down
- Europe Margins reduced as a result of stepped royalty increase
- Margins in Europe structurally lower than ANZ due to in-sourced distribution (Commissary business) and early phase in development

	H1 07	H1 08	H1 09	+ / (-) H1 08
	\$ mil	\$ mil	\$ mil	%
Revenue - Aus/NZ	25.0	25.4	21.2	-16.5%
Revenue - Europe	18.9	27.1	38.2	41.0%
EBITDA - Aus/NZ	6.2	8.2	9.3	13.4%
EBITDA - Europe	(1.4)	1.3	1.5	15.4%
EBITDA Margin % - Aus/NZ	24.8%	32.3%	43.9%	
EBITDA Margin % - Europe	N/A	4.8%	3.9%	



Corporate Development & Unallocated

Corporate Development

- EBITDA loss reflects losses on recent sales of Corporate stores

Other / Unallocated (G&A)

- Trending lower with the reduction of Corporate stores



	H1 07	H1 08	H1 09	+ / (-) H1 08
	\$ mil	\$ mil	\$ mil	%
EBITDA				
Corporate Development	0.7	0.4	(0.6)	-246.5%
Other / Unallocated	(2.1)	(1.8)	(1.2)	32.6%



Profit & Loss

- Financing costs down 32.4% to \$0.9m as a result of debt reduction
- Tax result for H109 is 28.6% compared to FY08 30.5%, FY07 26.1%
- Interest cover improved to 10.8 times
- Earnings per share (basic) 9.4 cents, slightly down due to increase in issued capital relating to DRP

	H1 07 \$ mil	H1 08 \$ mil	H1 09 +/- H1 08 \$ mil	%
Revenue	118.1	115.8	113.4	-2.1%
EBITDA	9.6	13.0	12.8	-1.6%
Depreciation & Amortisation	3.4	3.1	3.1	0.0%
EBIT	6.2	9.9	9.7	-2.1%
EBIT Margin	5.2%	8.5%	8.6%	
Interest	3.4	1.3	0.9	-32.4%
NPBT	4.7	8.6	8.8	2.6%
NPAT	3.5	6.1	6.3	2.8%
Performance Indicators				
Interest Coverage (times)	4.3	7.5	10.8	
EPS (basic)	5.7	9.6	9.4	

Average exchange rate for New Zealand

1.2062

Average exchange rate for Europe

0.5521



Cash Flow

- Cash from Operations up 26% from \$8.5m to \$10.8m
- Generated Free Cash flow of \$4.3m
- Repayment of Borrowings \$7.6m

	H1 2008			H1 2009		
	Aust/NZ \$'000	Europe \$'000	Group \$'000	Aust/NZ \$'000	Europe \$'000	Group \$'000
Cash flows from operating activities						
Receipts from customers	95,640	32,015	127,655	76,012	49,035	125,047
Payments to suppliers and employees	(85,586)	(31,765)	(117,351)	(66,544)	(46,483)	(113,027)
Interest received	267	87	354	658	145	803
Interest and other costs of finance paid	(1,166)	(135)	(1,301)	(841)	(18)	(859)
Income taxes paid	(758)	(50)	(808)	(849)	(344)	(1,193)
Net cash provided by operating activities	8,397	152	8,549	8,436	2,335	10,771
Cash flows from investing activities						
Payment for intangibles	(402)	(43)	(445)	(602)	(636)	(1,238)
Payment for property, plant and equipment	(2,721)	(2,255)	(4,976)	(2,142)	(705)	(2,847)
Proceeds from sale of PP&E & intangibles	11,322	-	11,322	1,351	1,639.00	2,990
Loans to Franchisees	(779)	(540)	(1,319)	(2,161)	(1,108)	(3,269)
Payments for investment and business operations	(4,832)	(564)	(5,396)	(1,419)	(737)	(2,156)
Other	-	(3)	(3)	-	-	-
Net cash used in investing activities	2,588	(3,405)	(817)	(4,973)	(1,547)	(6,520)
Cash after investing (free cash flow)	10,985	(3,253)	7,732	3,463	788	4,251
Cash flows from financing activities						
Proceeds from issue of equity securities	2,487	-	2,487	4,541	-	4,541
Proceeds from borrowings	(1,861)	2,861	1,000	-	-	-
Repayment of borrowings	(9,472)	(28)	(9,500)	(7,548)	(35)	(7,583)
Dividends paid	(2,487)	-	(2,487)	(2,436)	-	(2,436)
New cash provided by/(used) in financing activities	(11,333)	2,833	(8,500)	(5,443)	(35)	(5,478)
Net increase/(decrease) in cash held	(348)	(420)	(768)	(1,980)	753	(1,227)



Balance Sheet

- Increase in Other Financial Assets \$3.4m in Franchisee Loans (plus FX movement \$1.2m)
- Decrease in Borrowings \$3.8m relates to repayment of Borrowings \$7.6m (less FX movement on Euro Loan \$3.8m)
- Increase in Issued Capital \$6.6m relates to capital issued through DRP and exercise of options

Spot exchange rate for New Zealand
Spot exchange rate for Europe

1.1934
0.4853

** Calculation based on average opening & closing invested capital and annualised EBIT

	H2 2008 \$ mil	H1 2009 \$ mil	+ / (-) H2 2008 \$ mil
Current assets			
Cash assets	12.6	12.7	0.0
Trade & other receivables	24.7	26.1	1.4
Other financial assets	0.6	0.0	(0.6)
Inventories	3.5	4.5	0.9
Current tax asset	0.0	0.0	0.0
Other	6.1	6.3	0.2
Assets classified as held for sale	2.4	2.1	(0.2)
Total current assets	49.9	51.7	1.8
Non-current assets			
Other financial assets	16.4	21.0	4.6
Property, plant and equipment	30.4	31.0	0.6
Goodwill	41.1	43.6	2.5
Deferred tax assets	2.4	3.8	1.4
Other Intangible Assets	1.7	3.2	1.5
Other	0.2	0.2	(0.0)
Total non-current assets	92.3	102.8	10.5
Total assets	142.2	154.5	12.3
Current liabilities			
Trade & other payables	27.9	27.8	(0.1)
Borrowings	0.1	0.1	(0.0)
Other financial liabilities	0.2	0.7	0.5
Current tax payables	0.5	1.8	1.3
Provisions	2.1	2.3	0.2
Total current liabilities	30.8	32.7	1.9
Non-current liabilities			
Borrowings	28.4	24.7	(3.8)
Provisions	0.4	0.4	0.0
Deferred tax liabilities	0.0	0.0	0.0
Other	3.3	3.5	0.2
Total non-current liabilities	32.1	28.6	(3.5)
Total liabilities	62.9	61.3	(1.6)
Net assets	79.3	93.2	14.0
Equity			
Issued capital	55.6	62.2	6.6
Reserves	0.2	5.8	5.6
Retained earnings	23.4	25.2	1.8
Total equity	79.3	93.2	14.0
Return on invested capital **	17.7%	17.2%	



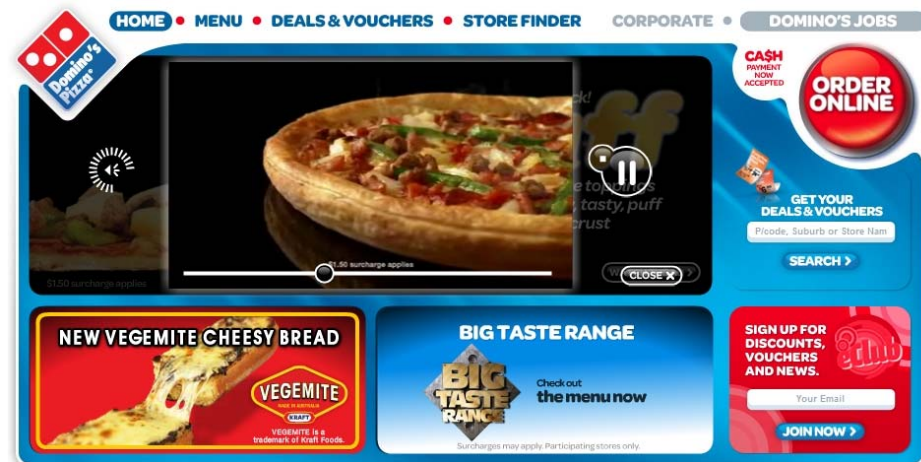


3. Online & IT Initiatives



Online Marketing - Last 6 Months

- Launched new websites in Australia and New Zealand which offer
 - greater integration of online ordering than the previous website
 - the ability to better integrate promotions within the website
- Most visited website in the "Food and Beverage - Restaurants and Catering" category in November 08 and December 08 (Ref: Hitwise AU Report - Hitwise Benchmark Report for Domino's Pizza Australia – December 08)



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Online Marketing - Future

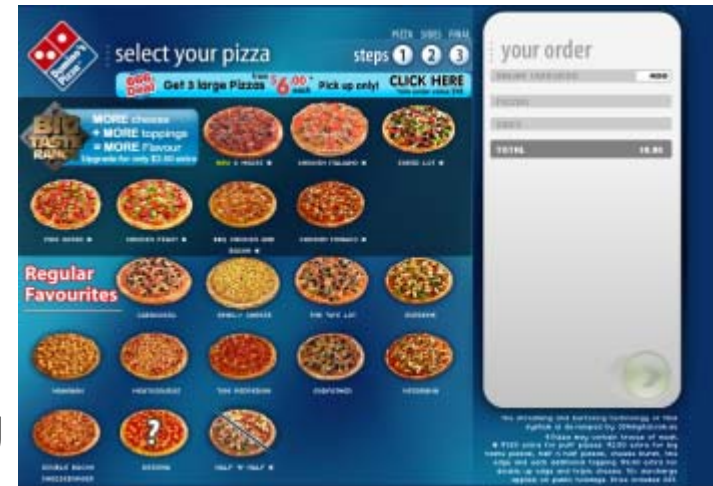
- Involvement with other digital platforms like an online ordering system on TiVo and iPhone – coming in 2009
- Mobile ordering
 - increasing the number of ways people can order Domino's
 - allowing customers to have full control over their order anywhere anytime
- Improved online ordering system
 - greater levels of pizza customisation
 - the ability to provide users with targeted offers and products
- Increased online advertising presence
 - building a larger presence and following on established and emerging social media sites
 - improving search engine strategies both in Search Engine Marketing and Search Engine Optimisation
- Strong focus on increasing Australian and New Zealand online sales
- New menu items highlighted and heavily promoted online



Online Ordering – E-Store Benefits: It's WIN–WIN

Customer - Better Value, Freedom, Choice, Entertainment, Better Service

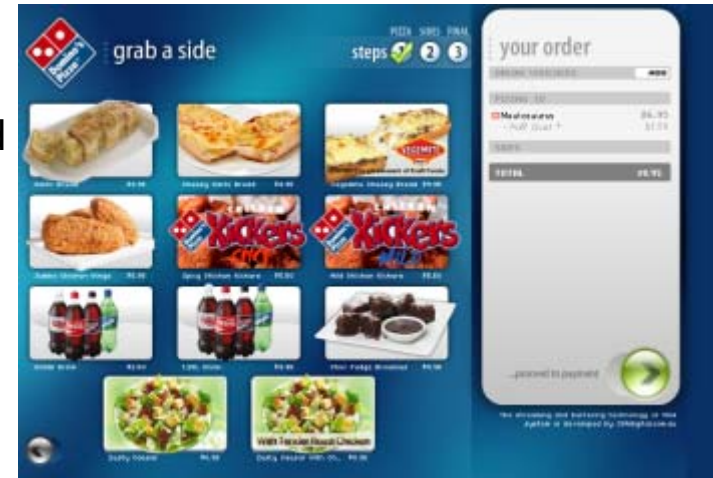
- Everyday better value online than over the phone, with all coupons eligible online
- Customer has the freedom to select their order at their own pace; approx 40 seconds or as long as they like
- Customer can track their order through the anticipation clock which removes any anticipation anxiety
- Less mistakes made by Domino's as customer creates their own order (mutual benefit)
- Online ordering is more engaging, fun and entertaining where family or friends can sit around and order together



Online Ordering – E-Store Benefits (Cont'd):

Domino's – More cost effective, better margin, creates more loyalty

- Customers spend more online as they love choice and tend to order more items
- Labour costs reduce once online volume material, as customer takes their own order
- Improves customer service as Domino's stores operate more efficiently with less order taking (mutual benefit)
- Less capital investment as stores require less order-taking-stations
- Easy for Domino's to communicate promotions online; visual and more commercial
- Domino's collects email addresses for a more cost effective way to personally communicate with customers who want great value and New News
- Domino's can cost effectively play online commercials to each customer at cheaper rates than television



eRecruitment Website

- Increase Dominos presence as First Employer of Choice through interactive informative online recruitment site
- AUS launch 16 February; NZ launch 16 March
- Full stand-alone website/s with interactive quality content regarding roles and working for Domino's Pizza Enterprises





4. New Product Launch



Our Exciting ANZ New Menu

Pasta

- Launched 3 new fresh made-to-order high quality pastas served in a unique puff pastry bowl
- We believe we have the highest quality, best value product out of the major chains with fresh ingredients like baby spinach and grape tomatoes
- Pasta has equivalent contribution margins to our pizza
- Good efficiencies by utilising existing infrastructure to produce product



Our Exciting ANZ New Menu

Increased Menu

- Aiming to appeal to a wider audience. As consumers 'shift to thrift', Domino's have affordable quality meal replacements and treats
- Investing savings from lower commodity costs back into quality; better toppings, improved packaging and new toppings
- Chocolate Lava Cake is baked fresh from raw ingredients. An affordable treat at \$2.95, it is a premium draw card that uses existing infrastructure





5. Outlook & Conclusion



Looking Forward - ANZ

- Strong momentum in sales with SSS growth of 5.2% in January 09
- Despite economic downturn, customers still appearing to be active in our space
- Lower interest rates will improve the profitability of our Franchisees
- Melbourne showing some positive SSS growth, however still immature and will continue to be a drag on Australian earnings
- With increasing unemployment rate, can focus on filling 2,500 vacancies
- Lower fuel costs to aid reductions in delivery and distribution charges
- Expecting improvements in flour and cheese costs; will pass on savings to customers through better quality products



Looking Forward - Europe

- Commodity prices in Europe dropping significantly (especially cheese). Good for Franchisees
- New Commissary will be completed in The Netherlands in December 09 or February 10
- We are benefitting from positive FX with Europe
- France has started rolling out ordering online
- The Netherlands to get an updated online ordering system
- Continue to grow TV presence
- Strong demand from Franchisees internally and externally to open stores; however banking lending is expected to remain tight



Conclusion

- Confident in achieving Market Guidance results for FY09 NPAT growth of 10-15%
- Sales tracking strongly in January
- Expect to maintain momentum in strong SSS growth in ANZ and Europe
- Online sales percentage growth across all countries
- Stores numbers continue to grow, expect 40 new stores this year
- Menu expansion initiatives across all countries eg. new pasta product
- Business continuing to generate cash and reduce debt

