



media release

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Domino's Pizza grows half-year sales by 42.1%

Australian owned and operated pizza maker Domino's Pizza Enterprises Limited ("Domino's Pizza") today announced a \$3.5 million half year net profit after tax (NPAT) on the back of a 42.1% increase in network sales.

The profit for the 26 weeks ending 31 December 2006 was generated from total network sales of \$251 million. Same store sales for the half year grew 3.2% on the first half of 2006. Revenue grew 36.4% to \$118.1 million, largely due to the Company's European acquisition.

During the half year, Domino's Pizza added 181 stores bringing the total number of stores in the network to 619. This included 19 new stores in Australia and New Zealand, and 162 new stores in Europe (including 155 stores from the Domino's Pizza master franchise acquisition in Belgium, France, the Netherlands and the Principality of Monaco).

Today, Domino's Pizza operates 645 stores, including 395 in Australia, 62 in New Zealand, 101 in France, 12 in Belgium and 75 in the Netherlands (including 9 Al Capone's stores currently being converted to Domino's Pizza stores).

Domino's Pizza is forecasting NPAT for the second half to be approximately 40% up on the first half.

The Company will pay shareholders an interim fully-franked dividend of 4.1 cents per share, equivalent to 72.4% of the half-year NPAT.

The dividend will be paid on 23 March 2007 with a record date of 5 March 2007.

	H1 07 Actual	H1 06 Actual	+ / -
Store count	619	415	+49.2%
Total Network Sales	\$251.0m	\$176.6m	+42.1%
Same Store Sales	3.2%	5.0%	
Revenue	\$118.1m	\$86.6m	+36.4%
EBITDA	\$9.6m	\$12.2m	-21.3%
NPBT	\$4.7m	\$8.4m	-44.0%
Net Profit After Tax	\$3.5m	\$6.5m	-46.2%
EPS	5.7c	10.9c	

Domino's Pizza CEO and MD Don Meij said the half-year result reflected the forecasted impact of the European expansion and the poor Australian first quarter performance as announced in October 2006.

He said while Australian same store sales growth had been weak, European same store sales growth was 12.5%.



"The New Zealand market continues to be a strong performer and the European market is tracking better than planned, expecting to make its first profit contribution in 2007/08," he said.

Mr Meij said the Company was continuing its store roll out program across five countries and expected to have 668 stores operating by 30 June 2007.

"The expansion experienced in the first half of the current financial year has continued with the Company last month completing the purchase of two separate pizza chains in Europe, Al Capone's and Alvolò," he said.

Mr Meij said the Australian half-year EBITDA was down 16.9% due to weaker promotions and the start-up costs associated with the new in-house equipment maintenance and supply department, Domino's Service and Supply, however recent sales had been aided by the diversification of the store menu, particularly the launch of Chicken Kickers and Choc Fudge Brownies, which are now permanent menu items.

"In some stores, Choc Fudge Brownies have gone out with around 20% of orders. Based on the success of Choc Fudge Brownies, we can expect to see further new products added to the Domino's Pizza menu in coming months," he said.

"Stores are also increasingly benefiting from technological innovations, with mobile phone ordering now accounting for 25% of all calls, and internet ordering available in almost 70% of Australian stores."

Mr Meij said the Company would begin reducing the proportion of corporate stores over the next 12 months from 30% to around 15-20%.

"This move will refocus our corporate stores into cost-effective geographic locations and reduce administration overheads, while still maintaining the benefits of the hybrid corporate-franchise store model," he said.

Domino's Pizza is Australia's only publicly-listed pizza company and is the master franchisor for the Domino's Pizza brand in Australia, New Zealand, France, Belgium and the Netherlands. Across these markets, the Company and its franchisees operate 645 stores. In Australia and New Zealand, the 457 stores employ more than 11,000 staff and make more than 50 million pizzas each year.

Domino's Pizza is Australia's first publicly-listed pizza chain, making its debut on the Australian Stock Exchange in May 2005.

ENDS. For further information, interviews or images contact:

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Domino's Pizza CEO and MD Don Meij will be available for telephone interviews on Monday 19 February 2007 between 10.30am and 11.45am (EST).