

ASX/MEDIA ANNOUNCEMENT

Domino's Announces Record Profit - Net Profit after Tax up 44.2%

Domino's Pizza Enterprises Limited (**DMP**) has attributed its strongest profit for a half-year period to digital and product innovation, record store count growth, overseas earnings from Japan, economies of scale and crowdsourcing initiatives.

DMP reported a half year Net Profit after Tax of \$29.1m, up 44.2%¹ on the prior corresponding period (**pcp**) last year.

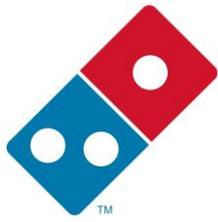
The Company will pay shareholders an interim fully-franked dividend of 24.6 cents per share, up 39.0% on the dividend paid in the prior comparative period.

The interim dividend will be paid on Tuesday 10 March 2015 with a record date of Monday 23 February 2015.

DMP Financial Performance Summary

	H1 13 Statutory	H1 14 Underlying	H1 15 Statutory	+ / (-) H1 14 Underlying
	\$ mil	\$ mil	\$ mil	%
Revenue	140.8	265.4	343.6	29.5%
EBITDA	26.5	42.5	60.0	41.2%
Depreciation & Amortisation	(6.0)	(9.7)	(13.1)	34.3%
EBIT	20.5	32.8	47.0	43.3%
<i>EBIT Margin</i>	<i>14.6%</i>	<i>12.3%</i>	<i>13.7%</i>	
Interest	(0.3)	(1.1)	(1.2)	7.0%
NPBT	20.2	31.6	45.7	44.6%
Tax Expense	(5.7)	(10.3)	(14.7)	43.0%
NPAT before Minority Interest	14.5	21.4	31.1	45.4%
Minority Interest	0.0	(1.2)	(1.9)	64.5%
NPAT	14.5	20.2	29.1	44.2%
<i>Performance Indicators</i>				
EPS (basic)	19.9 cps	24.7 cps	33.8 cps	37.0%
Dividend per Share	15.5 cps	17.7 cps	24.6 cps	39.0%
Same Store Sales %	1.5%	4.6%	8.6%	

¹NB: H1 14 statutory results contain costs associated with the Japan acquisition and European restricting costs, hence the use of underlying results for comparative purposes. H1 13 and H1 15 do not contain any significant charges or abnormal items of underlying results for comparative purposes.



H1 15 DMP Financial Highlights

A strong focus on operations in all regions resulted in an EBITDA for the Group of \$60.0m, an increase of 41.2% pcp last year. This same focus saw Australia and New Zealand (**ANZ**), Europe and Japan each set new store opening records with a total of 92 new stores added to the Group network.

The Group achieved Same Store Sales (**SSS**) growth of 8.6%, which included the highest first half ANZ SSS in four years of 10.6%. This has been largely attributed to the success of the \$4.95 Cheaper Everyday promotion and the launch of Pizza Mogul in Australia, as well as continued sales momentum in New Zealand.

The results also confirm Europe is on track for its first double digit EBITDA margin year with EBITDA up 138.0% pcp (constant currency underlying basis). This has been attributed to material profit growth delivered by the momentum of a restructured European management team.

Strong profit growth in Japan due to store count growth, along with excellent food and labour control in corporate stores, has seen Domino's Pizza Japan (**DPJ**) trade to expectations and record EBITDA growth of 27.2% pcp (constant currency, July to December 2014, underlying basis).

Domino's Group CEO and Managing Director Don Meij said the H1 15 financial performance was unprecedented and positioned the Company well to deliver strong FY15 results to shareholders.

"We have worked hard this half to deliver strong sales assisted by the launch of our successful \$4.95 Cheaper Everyday campaign. This price leadership, combined with strong store growth, has contributed to increased customer counts and our strongest SSS in four years," Mr Meij said.

"The momentum in Europe has also continued with our strongest SSS in both France and The Netherlands reported in three years. This has been achieved despite rolling a VAT increase in France and experiencing a tougher than usual macro environment."

Mr Meij confirmed DPJ's results are pleasing and in line with expectations with total sales growth for half year reported at 15.8%.

"DPJ enjoyed another record sales month of ¥4.4 billion in December 2014, not to mention the new monthly sales records achieved across 147 stores in the same month.

"We also opened a record 34 new stores in Japan which included opening in three new regions - Okayama, Fukushima and Nara," Mr Meij said.

Product Offering & Digital Developments

With a strong understanding of how to engage with its core audience, DMP launched a number of key digital initiatives to allow customers to interact with the brand. Among these crowdsourcing initiatives is Pizza Mogul – a platform launched in Australia in July 2014 leading the 'me-tailing' revolution.

With more than 55,000 Moguls registered to date and an impressive 160,000 pizzas added to the menu, the Mogul website and App pays customers to promote their pizza creations thereby driving sales and rewarding customer engagement and innovation. The more they sell, the more they earn.

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“While a number of significant digital projects are being developed behind the scenes, this half-year period was heavily focused on our People Powered Pizza ethos and branding mantra.

“Our progressive Pizza Mogul platform has been a major sales driver for us but it’s also a great example of what can be achieved when a company allows customers to champion their brand.

“We are seeing huge amounts of user-generated content being produced by our passionate pizza lovers and this goes beyond our expectations.”

The popular Square Puff Pastry was also reintroduced in ANZ. This pastry is a crowd pleaser amongst social media fans who were the driving force behind its return to the menu.

“A lot of the focus in ANZ has been about giving customers what they want and expanding our core product offering. This included the launch of new menu items such as the Chili Lime Pulled Pork pizza, candy infused Lava Cakes, the expansion of our extra value range and an increased chicken range.”

In Europe, the DPE global online ordering system, a strong focus on SMS marketing and the launch of the Domino’s Pizza Chef has had a material impact in The Netherlands including record results and digital orders now accounting for more than 60% of sales.

“Our global OLO is also now fully implemented in Belgium and this is set to help facilitate online sales growth in the second half.”

DPJ continues to trade to expectation, despite rolling strong sales from the same time last year. This has been assisted by the launch of a number of strong digital platforms including the HTML ordering system and social initiatives.

“A range of Smartphone-only promotions, along with Facebook campaigns have been used to stimulate and drive customers to online platforms.”

In addition to a number of crucial digital projects in Europe and Japan, a wide range of new products were added to the menu such as the popular Sweet Chevre (Goats Cheese & Honey) In France and Belgium, Cheesy Crust in Belgium, Hot Dog Stuff Crust in The Netherlands and a new seafood pizza in Japan.

Looking Ahead

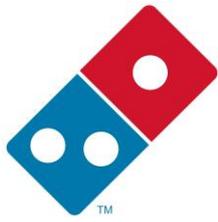
DMP recently launched an extension of the Domino’s Pizza Tracker in Australia to now include Android Watch whereby customers can Chromecast their Pizza Tracker to their TV. A sophisticated Quick Ordering service to reduce the number of clicks on OLO has also been launched.

Mr Meij reveals the next reporting period will see more of these technology projects rollout across the various markets including GPS Tracker and the rollout of PULSE in France and Japan.

“In Europe we continue to aim for our first double digit margin year in FY15 and are on track to achieve this result.

It is expected that better value strategies, increased market share and continued strong store growth will drive Domino’s Pizza Japan into number one position in the pizza delivery segment before the end of FY15. This will see Japan with over 380 stores with the goal to open DPJ’s 400th store prior to the Company’s 30th anniversary in September.

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Guidance Update

As a result of the strong results achieved year to date, combined with the continued momentum in the first five weeks of the second half, DMP further is upgrading its full year Guidance across all areas.

“The first half of the year has yielded strong profits across the Group and as a result, we have further upgraded our EBITDA growth Guidance to 30% and our NPAT growth Guidance to 32.5% (compared to FY14 Underlying).

“We are also increasing our Group SSS to be in the region of 6-8% and our Net Capex Guidance growth to \$70-80m. This increase is largely associated with financing franchisees in Europe along with store count growth and relocations in Japan.”

Due to the strong start to the year, the new store openings for the Group has also increased from 175-185 to 180-200 new stores. This will also include the Company’s 1,500th milestone store opening planned for later this year.

Today, DMP has a network of 1,435 stores, including 648 stores in ANZ, 427 stores in Europe and 360 stores in Japan. For more information visit www.dominos.com.au

~ENDS

Domino’s Group CEO & Managing Director Don Meij (pronounced May) will be available for telephone interviews on Wednesday 11 February 2015.

For further information, interviews or images please contact:

Tracy Stephenson, Communications Manager, Domino’s Pizza: +61 7 3326 5430 | M: 0408 771 024
E: tracy.stephenson@dominos.com.au

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