

For Immediate Release

27 July 2004

**DOMINO'S PIZZA UK & IRL plc
INTERIM RESULTS
FOR THE TWENTY-SIX WEEKS ENDED 27 JUNE 2004**

Domino's Pizza UK & IRL plc ("Domino's Pizza" or "the Company", symbol: DOM) announces its interim results for the twenty-six weeks ended 27 June 2004.

Highlights

- Profit before tax increased 41.5% to £4.10m. (2003: £2.90m)
- Earnings per share:
 - Basic earnings per share up 55.9% to 5.77p. (2003: 3.70p)
 - Diluted earnings per share up 57.9% to 5.48p. (2003: 3.47p)
- Interim dividend increased 66.7% to 2.20p per share. (2003: 1.32p)
- System sales increased 18.8% to £81.5m. (2003: £68.6m)
- Like for like sales up 4.9%.
- 19 new stores opened in the period (2003: 21 stores) resulting in a total of 337 stores at the period end (Interim 2003: 290 stores).

Stephen Hemsley, Chief Executive of Domino's Pizza, commented:

"Your Company has continued to make good progress in the first twenty-six weeks of 2004 with record system sales and strong store growth. Record profits have resulted in strong cash generation, which has allowed us to return cash to shareholders by both a share buy-in and record dividends.

"Your Board continues to believe that cashflow not required for the growth and expansion of the business should be returned to shareholders in the form of increased dividends and share buy-ins. We are therefore pleased to declare an increase of 66.7% in the interim dividend to 2.20 pence per share (2003: 1.32 pence per share)."

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Interim Results For The Twenty-Six Weeks Ended 27 June 2004

Notes to editors:

Domino's Pizza Group Limited is a wholly owned subsidiary of Domino's Pizza UK & IRL plc, the shares of which are traded on the Alternative Investment Market of the London Stock Exchange (symbol: DOM). Domino's Pizza Group Limited is the UK's leading pizza delivery company and holds the master franchise to own, operate and franchise Domino's Pizza stores in the UK and Ireland. The first UK store opened in 1985 and the first Irish store opened in 1991. As at 27 June 2004, there were 337 stores in the UK and Ireland.

Domino's Pizza is the world leader in pizza delivery and was founded in the United States in 1960. There are currently more than 7,000 stores open across more than 50 international markets, employing over a quarter of a million people.

Interim Results For The Twenty-Six Weeks Ended 27 June 2004

CHIEF EXECUTIVE'S STATEMENT

Introduction

Your Company has continued to make good progress in the first twenty-six weeks of 2004 with record system sales and strong store growth. Record profits have resulted in strong cash generation, which has allowed us to return cash to shareholders by both a share buy-in and record dividends.

At the risk of repeating the same message from my previous statements, this has been achieved by sticking to the basic principles of the Domino's Pizza brand: to deliver a high quality pizza in the promised time from great-looking, efficient stores that are staffed by dedicated, customer-focused people. In this way, we intend to deliver *quality growth* for many years to come.

Sales

System sales, which are the sales of all stores in the Domino's system in the UK and Republic of Ireland, rose by 18.8% to £81.5m (2003: £68.6m) in the twenty-six weeks ended 27 June 2004. Like-for-like sales in the 268 stores open for fifty-two weeks or more in both periods grew by 4.9% (2003:6.9%). These results further extend our leadership of the home delivery pizza category both in terms of sales and number of stores.

Our e-commerce sales also continue to grow very strongly, up 40% over the previous year. This channel now generates 5.3% of total system sales.

Trading Results

Group turnover, which includes the sales generated from royalties, fees, food sales and rental income as well as the turnover of corporately-owned and operated stores, grew by 14.3% to £34.7m from £30.4m. The slower rate of increase reflects the reduction in the number of corporate stores from 26 to 19 at the respective half years.

Group operating profit was up 60.9% to £4.2m from £2.6m on system sales 18.8% ahead. Excluding the exceptional costs incurred in 2003, the increase in underlying operating profit was 44.6%. We continue to gain significant advantage from the high operational leverage of the business. It continues to be the view of your Board that the current Group infrastructure is sufficient to support a system of around 500 stores, although we are constantly analysing the trade-off between the fixed costs of opening further commissaries against the variable costs of vehicles. Whilst the current disposition of stores means that the most cost effective solution is to run out of three commissaries, as we grow towards the anticipated build-out target of 800 stores, further location(s) will be added. We anticipate that this incremental investment can be comfortably funded from cash flow.

Profit before tax was up 41.5% to £4.10m (2003: £2.90m). The tax charge has reduced to 28.5% from 35.0% as a result of the tax relief now available on the exercise of share options. As a result, profit after tax was up 55.6% to £2.94m (2003: £1.89m).

Interim Results For The Twenty-Six Weeks Ended 27 June 2004

Earnings per share and dividend

Basic earnings per share were up 55.9% to 5.77 pence (2003: 3.70 pence). Diluted earnings per share increased by 57.9% to 5.48 pence from 3.47 pence for the same period in 2003.

Your Board continues to believe that cashflow not required for the growth and expansion of the business should be returned to shareholders in the form of increased dividends and share buy-ins. We are therefore pleased to declare an increase of 66.7% in the interim dividend to 2.20 pence per share (2003: 1.32 pence per share). The interim dividend is covered 2.53 times by profit after tax (2003: 2.80 times), which is approximately the same level of cover established for the previous full year. This dividend will be paid on 26 August 2004 to shareholders on the register on 6 August 2004.

Cash Flow & Balance Sheet

Operating activities generated net cash of £3.4m (2003: £3.1m). During the period, we purchased the long leasehold interest in our commissary in Naas, Ireland for €1.6m. We now own the freeholds or long leaseholds of all of our commissary and head office buildings.

In the first twenty-six weeks of the year options over 872,000 shares have been exercised generating a cash inflow of £0.4m. The Company has also completed the first small buy-in of shares with 100,000 shares being purchased on 9 June at a price of £2.00 per share. These shares have been cancelled. Further buy-ins are planned when cash-flow permits and your directors consider it prudent.

The Group continues to provide support to franchisees in the form of leasing new equipment and refits through its wholly owned subsidiary DP Capital Limited. Funding to support these transactions is provided on a very limited recourse basis and is consolidated into the Group balance sheet. In the first twenty-six weeks of the year, new advances of £0.5m were made which were matched by similar repayments resulting in period-end borrowings of £2.7m (2003:£2.7m)

At 27 June 2004, the Group had cash-in-hand of £2.9m (2003: £3.7m), which taken together with the borrowings noted above and the EBT loan of £5.2m, gave consolidated net borrowings of £5.0m (2003: £4.2m). After the deduction of the cost of the shares held in the EBT, shareholders funds were £12.7m (2003: £10.7m), resulting in a capital-gearing ratio of 39.4% (2003: 40.9%).

System Expansion & Re-Imaging

During the first twenty-six weeks of 2004, 19 new stores were opened (Interim 2003: 21 stores). There were no store closures in either period. As a result, the total store count at 27 June 2004 was 337 (Interim 2003: 290 stores).

Obtaining property has always been a constraint on growth but has been made more difficult in the current year by the changes in the planning uses categories. This has resulted in delays in acquiring property in locations required by franchisees. We currently anticipate opening between 40 and 50 new stores in the current year.

The re-imaging programme we embarked upon almost four years ago is now complete, save for a few stores, which we plan to relocate in the near future. This programme has given us a consistent image throughout the system, which is so important when promoting a brand. This is an ongoing process and we plan to open the first store with the latest exciting new design in the Autumn of this year. This new design will become the standard for all new stores and the next round of refits of existing stores.

Interim Results For The Twenty-Six Weeks Ended 27 June 2004

Board Composition

We were sorry to report the resignation of Yoav Gottesman as a director of the Company on 21 May 2004. Yoav had been a director since our IPO in November 1999 and had provided us with excellent guidance during the period. We thank him for his contribution to the success of the Group.

Outlook

The outlook for the remainder of the year is positive. Current trading is strong with like-for-like sales growth exceeding that experienced in the first twenty-six weeks of the year. We are therefore confident of a successful outcome for the year.

STEPHEN HEMSLEY
Chief Executive

Interim Results For The Twenty-Six Weeks Ended 27 JUNE 2004

GROUP PROFIT AND LOSS ACCOUNT

	<i>(Unaudited)</i> 26 weeks to 27 June 2004 Notes	<i>(Unaudited)</i> 26 weeks to 29 June 2003 £000	<i>Year ended</i> 28 December 2003 £000
TURNOVER			
Turnover: group and share of joint venture's turnover	36,214	31,665	64,369
Less: share of joint venture's turnover	(1,478)	(1,274)	(2,812)
	<hr/>	<hr/>	<hr/>
GROUP TURNOVER	34,736	30,391	61,557
Cost of sales	(20,386)	(16,758)	(34,101)
	<hr/>	<hr/>	<hr/>
GROSS PROFIT	14,350	13,633	27,456
Distribution costs	(3,760)	(4,098)	(7,805)
Administration expenses - normal	(6,383)	(6,626)	(13,253)
Administration expenses – exceptional	-	(295)	(532)
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	4,207	2,614	5,866
	<hr/>	<hr/>	<hr/>
GROUP OPERATING PROFIT	4,207	2,614	5,866
Share of operating profit in joint venture	55	47	105
Amortisation of goodwill on joint venture	(3)	(3)	(5)
	<hr/>	<hr/>	<hr/>
	52	44	100
TOTAL OPERATING PROFIT: GROUP AND SHARE OF JOINT VENTURE	4,259	2,658	5,966
(Loss)/Profit on disposal of fixed assets	(45)	333	775
	<hr/>	<hr/>	<hr/>
	4,214	2,991	6,741
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAX			
Net interest payable and similar charges	(109)	(89)	(204)
	<hr/>	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,105	2,902	6,537
Tax on profit on ordinary activities	2 (1,170)	(1,016)	(1,958)
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PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	2,935	1,886	4,579
Minority interests	(18)	-	(20)
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PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	2,917	1,886	4,559
Dividends on equity shares	(1,158)	(674)	(1,757)
	<hr/>	<hr/>	<hr/>
RETAINED PROFIT FOR THE PERIOD	1,759	1,212	2,802
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per share - basic	3 5.77p	3.70p	9.02p
- diluted	5.48p	3.47p	8.39p

There are no recognised gains or losses other than those included in the Profit and Loss Account.

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

GROUP BALANCE SHEET

		<i>(Unaudited)</i>	<i>(Unaudited)</i>	
		<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
		<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
FIXED ASSETS				
Intangible assets		1,604	1,790	1,430
Tangible assets		13,879	12,781	12,293
Investment in joint venture		372	288	339
		<u>15,855</u>	<u>14,859</u>	<u>14,062</u>
CURRENT ASSETS				
Stocks		2,172	1,731	1,843
Debtors	4	13,780	12,576	12,233
Cash at bank and in hand		2,914	1,607	3,721
		<u>18,866</u>	<u>15,914</u>	<u>17,797</u>
CREDITORS: amounts falling due within one year	5	<u>(14,353)</u>	<u>(12,318)</u>	<u>(13,380)</u>
NET CURRENT ASSETS		<u>4,513</u>	<u>3,596</u>	<u>4,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,368</u>	<u>18,455</u>	<u>18,479</u>
CREDITORS: amounts falling due after more than one year	6	(7,032)	(4,855)	(7,119)
PROVISION FOR LIABILITIES AND CHARGES				
– DEFERRED TAXATION		(630)	(604)	(630)
		<u>12,706</u>	<u>12,996</u>	<u>10,730</u>
CAPITAL AND RESERVES				
Called up share capital		2,699	2,556	2660
Share premium account		3,601	2,468	3,290
Own shares held by Employee Benefit Trust		(5,160)	-	(5,160)
Capital Redemption Reserve		5		
Profit and loss account		11,493	7,972	9,890
		<u>12,638</u>	<u>12,996</u>	<u>10,680</u>
Equity shareholders' funds		12,638	12,996	10,680
Minority interest		68	-	50
		<u>12,706</u>	<u>12,996</u>	<u>10,730</u>

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

GROUP STATEMENT OF CASH FLOWS

	<i>(Unaudited)</i>	<i>(Unaudited)</i>		
	<i>26 weeks to</i>	<i>26 weeks to</i>	<i>28 December</i>	
	<i>27 June</i>	<i>29 June</i>	<i>2003</i>	
	<i>2004</i>	<i>2003</i>	<i>2003</i>	
<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	
NET CASH INFLOW FROM OPERATING ACTIVITIES	7	3,392	3,061	8,010
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		70	46	81
Interest paid		(91)	(70)	(183)
Interest element of finance lease rental payments		(4)	(5)	(8)
		(25)	(29)	(110)
TAXATION				
Corporation tax paid		(1,028)	(598)	(1,407)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire intangible fixed assets		(85)	(178)	(239)
Payments to acquire tangible fixed assets		(2,468)	(932)	(1,783)
Receipts from sales of tangible and intangible fixed assets		463	1,482	4,075
Receipts for repayment of joint venture loan		44	34	78
Payment to acquire finance lease assets and advance of franchise loans		(367)	(1,561)	(2,030)
Receipts from repayment of finance lease and franchise loans		495	697	936
		(1,918)	(458)	1,037
ACQUISITIONS AND DISPOSALS				
Purchase of subsidiary undertaking and unassociated business		(280)	-	30
EQUITY DIVIDEND PAID		(1,112)	(622)	(1,297)
NET CASH INFLOW BEFORE FINANCING		(971)	1,354	6,263
FINANCING				
Issue of shares		399	83	1,009
New long-term loans		1,538	740	6,757
Repayments of long-term loans		(1,547)	(4,427)	(8,984)
Repayment of capital element of finance leases and hire purchase contracts		(25)	(27)	(49)
Purchase of shares of Employee Benefit Trust		-	-	(5,160)
Purchase of own shares		(201)	-	-
		164	(3,631)	(6,427)
DECREASE IN CASH		(807)	(2,277)	(164)

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

NOTES TO THE INTERIM REPORT

1. BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

The interim financial information has been prepared on the basis of the accounting policies set out in the statutory accounts for the fifty-two weeks ended 28 December 2003. The taxation charge is calculated by applying the directors' best estimate of the annual tax rate to the profit for the period. All other accounting policies set out in the statutory accounts for the fifty-two weeks ended 28 December 2003 were applied for the purposes of this statement.

Basis of consolidation

The group accounts consolidate the accounts of Domino's Pizza UK & IRL plc and all its subsidiary undertakings drawn up to the nearest Sunday of the month end.

2. TAXATION

The taxation charge is made up as follows:

	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
	<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
UK & overseas corporation tax:			
Profit for the period	1163	986	1,778
Share of joint venture tax	7	30	15
Adjustment in respect of the previous period	-	-	139
Total current tax	<u>1,170</u>	<u>1,016</u>	<u>1,932</u>
UK deferred tax			
Origination and the reverse of timing differences in respect of:			
Profit in the period	-	-	26
Total deferred tax	<u>-</u>	<u>-</u>	<u>26</u>
Tax on profit on ordinary activities	<u>1,170</u>	<u>1,016</u>	<u>1,958</u>

3. EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on earnings of £2,917,000 (2003: £1,886,000) and on 50,587,803 (2003: 50,991,137) ordinary shares.

The diluted earnings per share is based on 53,252,178 (2003: 54,302,965) ordinary shares which takes into account theoretical ordinary shares that would have been issued, based on average market value if all outstanding options were exercised.

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

4. DEBTORS

	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
	<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	2,709	2,726	2,540
Amounts owed by joint venture	578	665	627
Other debtors	5,081	4,196	3,809
Prepayments and accrued income	2,452	2,552	2,165
Net investment in finance lease	2,960	2,437	3,092
	<u>13,780</u>	<u>12,576</u>	<u>12,233</u>

Included within debtors is £2,836,000 (2003: £2,651,000) due after more than one year.

5. CREDITORS: amounts falling due within one year

	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
	<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank loans	-	900	-
Other loans	884	684	811
Finance lease creditors	13	39	34
Trade creditors	4,197	3,451	3,461
Corporation tax	1,183	919	1,041
Other taxes and social security costs	1,003	612	1,498
Other creditors	973	1,087	823
Accruals and deferred income	4,970	3,950	4,628
Proposed dividend	1,130	676	1,084
	<u>14,353</u>	<u>12,318</u>	<u>13,380</u>

6. CREDITORS: amounts falling due after more than one year

	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
	<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank loans	1,098	3,325	1,098
Finance lease creditors	26	-	31
Other loans	5,908	1,530	5,990
	<u>7,032</u>	<u>4,855</u>	<u>7,119</u>

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

7. NOTES TO THE STATEMENT OF CASHFLOWS*Reconciliation of Group operating profit to net cash flows from operating activities*

	<i>(Unaudited)</i>		<i>(Unaudited)</i>
	<i>27 June</i>	<i>29 June</i>	<i>28 December</i>
	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating profit	4,207	2,967	5,866
Depreciation Charge	644	577	1,210
Amortisation Charge	71	117	180
Administration expenditure	-	-	328
Other operating income/(expenditure)	-	(283)	-
Increase in debtors	(1,877)	(307)	(707)
Increase in stocks	(329)	(320)	(433)
Increase in creditors	676	310	1,566
	<u>3,392</u>	<u>3,061</u>	<u>8,010</u>

8. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information contained in this statement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the fifty-two weeks ended 28 December 2003. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

9. This report is being sent to all registered shareholders. Copies can also be obtained from the Registered Office of the Company at Domino's House, Lasborough Road, Kingston, Milton Keynes MK10 OAB.

Interim Results for The Twenty-Six Weeks Ended 27 JUNE 2004

INDEPENDENT REVIEW REPORT TO DOMINO'S PIZZA UK & IRL PLC

Introduction

We have been instructed by the Company to review the financial information for the twenty-six weeks ended 27 June 2004 which comprises the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 9. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company having regard to guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors of the Company. The directors of the Company are responsible for preparing the interim report as required by the AIM Rules issued by the London Stock Exchange.

Review work performed

We conducted our review having regard to the guidance contained in Bulletin 2004/1 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the twenty-six weeks ended 27 June 2004.

Ernst & Young LLP
Luton
26 July 2004