



# Domino's Pizza

## NEWS

27 April 2011

*For immediate release*

### **DOMINO'S PIZZA UK & IRL PLC**

#### **International Expansion**

Domino's Pizza UK & IRL plc ("Domino's" or "the Company"), the leading pizza delivery company in the UK and the Republic of Ireland, today announces the acquisition of 75 per cent of Intergrowth Enterprises Limited ("Domino's Germany"), the master franchisee for Domino's Pizza in Germany (the "Transaction"). The other 25 per cent will be retained by the vendor Briskas Ltd ("Briskas"), an affiliate of Grand City Hotels Group, the second largest hotel operator in Germany, with over 100 hotels in Europe.

#### **Opportunity**

The Company believes the German market offers an exceptional opportunity for the Domino's brand. Domino's Germany was awarded the master franchise in April 2010 and currently operates two stores in Berlin. While the total market size is yet to be determined, the Company aims to open at least 400 stores over the next 10 years and believes that the market could ultimately accommodate more than double that figure.

Quick service restaurants in Germany are performing well and Germany's strong economy and metropolitan based population make it an exceedingly attractive market for development. The Company believes the Domino's focus on 30 minute delivery, supported by excellent product and online ordering capabilities, will satisfy the German demand for quality and convenience.

Domino's Germany will be operated by a dedicated and experienced team to ensure the UK and Ireland management team remains focused on existing markets, while leveraging expertise in purchasing, commissaries, e-commerce and finance. In the short term, the stores will be run on a corporate basis while a franchisee model is put into place.

## Terms of the Transaction

Under the terms of the Transaction, the Company has purchased a 75 per cent interest in Domino's Germany for a total consideration of 2,200,000 ordinary shares of 1.5625 pence each (the "Ordinary Shares"). The Company will issue 1,320,000 Ordinary Shares on completion of the Transaction (the "Initial Consideration Shares") and a further 880,000 ordinary shares on the opening of the 35th Domino's store in Germany. Application has been made for the Initial Consideration Shares to be listed on the Official List of the Financial Services Authority and to be admitted to trading by the London Stock Exchange on its main market for listed securities. It is expected that the Initial Consideration Shares will be admitted on 3 May 2011. The Initial Consideration Shares will rank pari passu in all respects with the existing Ordinary Shares in the Company. Following the issue of the Initial Consideration Shares the total number of issued Ordinary Shares will be 160,633,390.

In addition to a share purchase agreement, a shareholders agreement has been entered into between the Company and Briskas to govern the operation of Domino's Germany

In order to fund the development of the German business, the Company is providing Domino's Germany with a €7.5 million loan facility from the Company's existing cash reserves, €1 million of which will be drawn down immediately following completion. This is in addition to the €2.5 million of loan capital already provided by Briskas Ltd.

Chris Moore, Chief Executive Officer, commented: "This is a great opportunity for us to further increase the scale of our operation and develop our business in one of the largest economies in the world. The German pizza market represents a particularly fertile ground for Domino's with a limited number of relatively small players and no established international pizza delivery brand.

"The German business will be headed up by Patricia Thomas, our former operations director, who took up a new role of international development director at the beginning of the year. She will be building a team to be based in Germany, drawn from the current German operation, strengthened with resources from the UK and others involved in Domino's markets worldwide. The continued involvement of Grand City Hotels also brings considerable knowledge of the German market combined with a wealth of resources, particularly with respect to property acquisition.

"This exciting move into a new territory gives us access to the potential opportunity of 2,000 stores servicing around 150 million people in two of the world's leading economies. We will continue to do what we do best – make great quality pizzas, delivered with great customer service and marketed in interesting and innovative ways."

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**Notes to Editors:**

Domino's Pizza UK & IRL plc is the leading player in the fast-growing pizza delivery market and holds the exclusive master franchise to own, operate and franchise Domino's Pizza stores in the UK and the Republic of Ireland. The first UK store opened in Luton in 1985 and the first Irish store opened in 1991.

As at 30 March 2011, there were 672 stores in the UK and the Republic of Ireland. Of these, 530 stores are in England, 47 are in Scotland, 27 are in Wales, 18 are in Northern Ireland, one is on the Isle of Man, 48 are in the Republic of Ireland and one is a mobile unit.

Founded in 1960, Domino's Pizza is one of the world's leading pizza delivery brands. Through its primarily franchised system, Domino's Pizza operates a global network of more than 9,000 Domino's Pizza stores in over 65 countries. Domino's Pizza has a singular focus - the home delivery of pizza, freshly made to order with high quality ingredients.

Customers in the UK can order online at [www.dominos.co.uk](http://www.dominos.co.uk) and customers in the Republic of Ireland can order online at [www.dominos.ie](http://www.dominos.ie). In addition, iPhone customers can order by downloading the free Domino's app.

Grand City Hotels

With 100 hotels and 6,000 residential apartments in Germany, the Netherlands, Belgium, Austria, Cyprus and Spain, Grand City Hotels is one of the leading hotel management companies in Europe, and the second largest hotel company in Germany.

Grand City has more than 11,000 hotel rooms at its disposal and books 2.6 million overnight guests annually.

The hotels in the two, three and four-star segments are operated by Grand City and marketed under its own brand "Grand City Hotel" or such renowned brands as Radisson Blu, Best Western, Mercure, and Holiday Inn.

The scope of the corporation's activities comprises general management, sales and marketing, e-commerce, revenue management, purchasing, controlling, coordination between the franchisers and owners, business development and acquisition. For more information, see [www.grandcityhotels.com](http://www.grandcityhotels.com).

**For photography, please visit the media centre at [www.dominos.uk.com](http://www.dominos.uk.com), contact the Domino's Press Office on +44 (0)1908 580732, or call MHP on +44 (0)20 3128 8100.**