DOMINO'S PIZZA GROUP plc

INTERIM RESULTS FOR THE 26 WEEKS ENDED 26 JUNE 2016

Strong UK performance leads to continued earnings growth

Domino's Pizza Group plc ("DPG" or the "Group"), the leading pizza company in UK and Ireland, announces its results for the 26 weeks ended 26 June 2016.

Financial Highlights [1]	26 Weeks Ended 26 June 2016	26 Weeks Ended 28 June 2015	Change
System Sales[2] from continuing operations	**£494.5m**	**£422.6m**	**17.0%**
UK Like-for-Like System Sales[3] from continuing operations	**10.9%**	**10.3%**	
Underlying[4] and Statutory Operating profit from continuing operations	**£40.9m**	**£33.9m**	**20.6%**
Underlying and Statutory Basic EPS from continuing operations	**19.9p**	**16.2p**	**22.8%**
Net (debt)/cash balance	**(£10.9m)**	**£19.2m**	
Dividend per share[5]	**10.5p**	**9.00p**	**16.7%**
Statutory Revenue [6] from continuing operations	**£176.4m**	**£154.5m**	**14.2%**
Statutory Profit After Tax from continuing operations	**£33.0m**	**£26.9m**	**22.7%**

[1] Continuing operations exclude the results of the fully owned DPG German business which was discontinued during 2015. The attributable German results are shown separately as discontinued operations. 2015 amounts have been restated. Results from international joint ventures (including the German joint venture) are included in continuing operations.
[2] System sales represent the sum of all sales made by both franchisee and corporate stores in the United Kingdom, Republic of Ireland and Switzerland to consumers
[3] Like-for-like sales are defined as sales from stores that were opened before 28 December 2014, compared to the corresponding 52 week period in the prior year
[4] Underlying is defined as excluding amounts in relation to onerous lease provisions, asset impairments, costs of acquisition of joint ventures, associates and subsidiaries, restructuring and one-off items
[5] Prior to share split effective 27 June 2016
[6] Statutory revenues represent revenues directly attributable to DPG being derived from monies paid by franchisees for foodstuffs together with royalty payments for use of the Domino's brand, rental income from freehold and leasehold property, and corporate store sales in Switzerland

Highlights

- UK market continues to underpin growth with eleven successive quarters of double digit LFL sales growth

- Successful new opening store programme
  - Record 31 (2015: 24) stores opened in the period
  - Average sales per address in new stores is 24% ahead of the same period last year

- Continued success of digital investment programme in the UK
  - e-commerce total system sales ahead by 25% with mobile sales up 35%
  - Mobile sales contribute 62% of online sales

- Continued increase in franchisee profitability
  - EBITDA performance up from 15.1% to 15.4%[7]

- Improving performances in international businesses
  - ROI delivering 12.7% like-for-like sales growth
  - Swiss mature stores showing good growth, with like-for-like sales up 11.7%, and progress in new and immature store portfolio
  - German investment performance in line with expectations

- Nordic expansion
  - Strategic investment of £24.0m to acquire minority interests in Domino's Iceland, Norway and Sweden
  - Exciting opportunity in attractive growth markets to further grow the Domino's brand
  - Transaction is now complete

- Group underlying operating profit and EPS up by more than 20%

- Strong operating cash conversion at more than 93% of EBITDA – net debt of £10.9m following £46.6m payments for international investments and £15.3m of share buy backs

[7] Franchisee data submissions to end of June 2016 based on stores opened before 31 December 2014

Commenting on the results, Chief Executive Officer David Wild, said:

“Domino’s Pizza Group has made a very strong start to 2016 and this performance is reflected in today’s numbers. Our UK operations continue to perform extremely well and we opened a record 30 new stores in the first half. We continue to invest in and develop our e-commerce platform and we are pleased that mobile purchases are driving online sales across the system.

Current trading is encouraging, boosted by the Euro 2016 championships; we have made a sound start to the second half on the year. We face tougher comparatives throughout the rest of the year, but I am confident we shall deliver another good performance right across the group.

Our cash conversion remains very strong and today we can announce a significant increase in the interim dividend. We have delivered a very promising opportunity in Scandinavia and remain open to further international opportunities where we can deploy our know-how alongside carefully selected local partners.

Recently we announced that Rachel Osborne will join the group as an executive director and the Chief Financial Officer of the Company, and we look forward to welcoming her to DPG after the summer. I would also like to thank the DPG team for their continued hard work and pay tribute to our franchisees whose tireless endeavours ensure that our customers continue to enjoy great pizzas with great service every day.”

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A presentation to analysts will be held at 09.00 on 28 July 2016 at the Lincoln Centre, 18 Lincoln’s Inn Fields, London WC2A 3ED

Notes to Editors:
Domino's Pizza Group plc is the leading player in the fast-growing pizza market holding the exclusive master franchise to own, operate and franchise Domino's Pizza stores in the UK, Republic of Ireland, Switzerland, Liechtenstein and Luxembourg. Additionally it owns a strategic stake in the largest pizza delivery business in Germany and in the holders of the Domino's master franchises in Iceland, Norway and Sweden. The first UK store opened in Luton in 1985 and the first Irish store opened in 1991.

As at 26 June 2016, the Group had the following stores:

	UK	ROI	Switzerland	Total
As at 27 December 2015	869	47	15	931
New store openings	30	-	1	31
As at 26 June 2016	899	47	16	962

Founded in 1960, Domino's is one of the world's leading pizza brands. Through its primarily franchised system, it operates a global network of more than 11,000 stores in over 70 international markets. Domino's has a singular focus – pizza made freshly to order with high quality ingredients.

Customers in the UK can order online at www.dominos.co.uk, in the Republic of Ireland at www.dominos.ie and in Switzerland at www.dominos.ch. In addition, mobile customers can order by downloading Domino's free iPhone, iPad and Android apps.

For photography, please visit the media centre at corporate.dominos.co.uk, contact the Domino's Press Office on +44 (0)1908 580654, or call Maitland on +44 (0)20 7379 5151.

Overview

We have delivered another strong set of results for the 26 weeks ended 26 June 2016 ("the period"). The Group has continued to achieve double-digit system sales growth of 17.0% with system sales increasing by £71.9m to £494.5m. This generated an increase of 21% (£7.0m) in underlying operating profit over the period through continued efficiencies in the UK and Republic of Ireland ('ROI') operations, with an overall steady performance from Switzerland. Operating cash conversion remains a key strength of the business at more than 93% of EBITDA (2015: more than 83%). The period end net debt stands at £10.9m (27 December 2015: net cash £40.4m), reflecting the impact of acquisition costs and funding requirements for the international investments of £47.3m and share buy backs of £15.3m.

The momentum in the business gives the Board confidence in the full year outcome.

Financial Performance

The Group operates across a number of territories. The key performance indicators are shown below alongside the relative performance within each of the territories. All information relates to continuing operations and prior year amounts have been restated, where relevant.

	26 June 2016	**28 June 2015** (restated)	***Variance (%)***
System Sales (£'m)	**494.5**	**422.6**	***17.0%***
UK	464.0	397.0	*16.9%*
ROI	23.3	20.0	*16.9%*
Switzerland	7.2	5.6	*28.3%*
Like-for-like sales growth[1]			
UK	10.9%	10.3%	
ROI	12.7%	6.5%	
Switzerland	11.7%	2.8%	
Underlying[2] and Statutory Operating Profit/(Loss) (£'m)	**40.9**	**33.9**	***20.6%***
UK & ROI[3]	41.5	34.6	*19.9%*
Switzerland	(0.6)	(0.7)	*5.4%*
Underlying and Statutory Basic EPS (pence)	19.9	16.2	*22.8%*

[1] In local currency
[2] Underlying is defined as excluding amounts in relation to onerous leases, impairments, acquisition of joint ventures, associates and subsidiaries, and other restructuring and one-off items
[3] includes results from international investments

UK

The UK business delivered another set of excellent results over the period from the 899 stores that were trading at the period end (28 June 2015: 834). System sales were 16.9% ahead of the prior period, driven by a strong like-for-like performance with growth of 10.9%. Like-for-like growth was driven by order volumes which were ahead by 8.3%, whilst average price per item grew by 2.2%.

Underpinning the strong UK performance have been the three key drivers set out in our preliminary results announcement in March this year.

1. New store performance – the rate of new store openings continued to increase in the period and the UK opened a record 30 stores (28 June 2015: 21) with excellent results even in lower address count territories.
2. e-commerce – we have continued to invest in our digital offering driving an increased number of customer visits, improved conversion rates and higher order values.
3. Franchisee profitability – the Group has continued to focus on franchisee profitability by passing on cost savings, motivating them to invest for growth.

During the period we have continued with store openings at an increasing pace. We opened a record 30 new stores in the UK in the first half of this year, compared with 21 in the corresponding period in 2015. Our store roll-out programme was particularly targeted at "splitting" stores, where a new store is opened within the territory of successful existing stores, increasing density, improving service for customers, and increasing sales and profitability for the franchisee. 18 of the H1 store openings were split stores (H1 2015: 10). We also focussed on low address count areas below 10,000. As a result average addresses per new store are now 26.7% lower at 14.8k addresses (H1 2015: 20.1k). We help direct our franchisees' expansion ambitions through incentive programmes that support the Group's store roll-out strategy.

We are particularly pleased with the success of our new and immature stores. New store average weekly unit sales per address increased by 23.5% to £1.05 (2015: £0.85), almost completely offsetting the impact of the 26.7% reduction in addresses per store, demonstrating the economic viability of this underdeveloped section of the market. Immature store average weekly unit sales increased by 11.2%, from £13,265 to £14,746.

The Group has continued to improve its e-commerce platforms, investing an additional £1.4m compared to last year. In the UK, online sales now represent 81% of all delivered sales, up from 77% in the prior period. Mobile migration continues (app and mobile web site) and 13.2 million customers have now downloaded our app (H1 2015: 10.0 million). Over 62% of our online sales come from mobile devices (2015: 58%). This will drive further growth in the UK business.

Digital channels deliver a number of benefits for both the consumer and our Franchisees. From a consumer perspective, orders are more accurate and offers more easily accessed, ensuring that they get the best value. Franchisees benefit through store labour efficiencies and being better able to target local marketing campaigns, particularly through our customer relationship management.

The results of this strategy are continuing to pay off, with like-for-like online orders in the UK 18.6% ahead and average order value 2.0% ahead of the prior period. Mobile sales continue to drive much of our success, with orders 25.3% ahead and mobile order value 2.5% ahead of the same period last year.

During H1 we focussed on the optimisation of the desktop website conversion rate which now stands at 42.9%, and extensively tested the user experience, which had a positive impact on system sales, whilst also providing a focus for future development activities and testing. The introduction of the mobile responsive website led to a 62.0% increase in conversion. Enhancements to the customer journey ultimately drive sales and profitability through improved conversion rates.

We continue to innovate, refresh and improve our product range to respond to changing customer demand: in terms of pizza development we have launched the Hot Pepperoni Passion, which builds on the success of one of our most popular pizza choices, we have enhanced our chicken offering through additional focus on the Chick'n'Mix Box, the addition of Sriracha Wings and a new Chicken Roulette Box. In 2015 we introduced the Garlic & Herb Big Dip and, building on the success of this innovation, have extended the range in 2016 to include BBQ and Frank's Red Hot flavours, with almost 15% of orders now containing a Big Dip.

The 'basket' composition has continued to evolve in the UK, as the Group has focused on providing value-oriented, full meal solutions through bundle offers. On a like-for-like basis, pizza volumes are 7.4% ahead, side orders are 11.4% ahead, and dessert and drink volumes are 12.2% and 15.7% ahead of H1 2015 respectively.

Our Franchisees are some of the best entrepreneurs in the Domino's system worldwide, and we continue to share in their success and provide the support and guidance to assist them in their future growth and ambition. The Group is committed to ensuring they are successful, and during the period we have seen their EBITDA performance increase to 15.4% (H1 2015: 15.1%), which was achieved through increased sales and lower food prices, offset by investments in labour cost following the introduction of the living wage.

During the period, the Group passed on savings in the region of £4m from lower food costs in dairy, meats and dough. The Group has agreed the prices of its main food costs, except for dairy, well into the first half of 2017 and therefore does not anticipate any 2016 impact on its input prices as a result of the UK's decision to leave the EU.

Republic of Ireland

ROI delivered a good set of results. The Group operates 47 stores (28 June 2015: 47) in ROI. Like-for-like system sales were ahead by 12.7%, with double digit sales growth in provincial and rural areas, as well as Dublin.

Our digital channels continue to improve in ROI. Online sales are 25.8% ahead and now represent 56.1% of delivered sales, up from 51.0% in the prior period. Mobile based growth continues to drive digital adoption and now accounts for 70.8% of online orders, up from 63.5% in the prior period.

We maintain a positive outlook in Ireland given the continued economic recovery and are actively progressing store opening opportunities.

The UK and ROI business combined operations generated an increase of 19.9% in underlying profits against an increase in system sales of 16.9%. The improvement in operational gearing has been delivered largely through efficiencies in the supply chain and Head Office.

Switzerland

We generated an increase in system sales of 27.1% on a constant currency basis (H1 2015: 14.0%) to £7.2m (H1 2015: £5.6m). Like-for-like sales were 11.7% ahead of the same period last year in local currency (H1 2015: 2.8%). The Group operates 16 stores in Switzerland (28 June 2015: 14), which are all corporately owned.

Our mature store portfolio performed well with a significant increase in profitability with an EBITDA of CHF0.6m, up from CHF0.1m at H1 2015. Whilst we continue to make good progress in new and immature stores they are taking longer to mature than expected. Underlying operating losses for the period were £0.6m (2015: £0.7m). The Group opened 1 new corporate store during the period. We remain encouraged by the improving performance of our mature stores, which provides a solid foot print for the future, while focussing management attention on accelerating the maturity curve for new and immature stores.

International investments

The acquisition of the largest German pizza delivery business in Germany through our joint venture investment, in which we hold a one-third stake, was completed on 1 February 2016. Contingent consideration was payable based on the rate at which existing franchisees signed up to become Domino's franchisees and we are delighted to report that conversion has been very successful and consequently this was paid earlier than anticipated during H1 2016 (DPG share of total consideration payable: £23.3m).

In H1 the joint venture has performed well and in line with plan. The programme to convert Joey's stores to Domino's and subsequently rebranding is scheduled for H2. The pilot programme to convert stores has been a success, and the business will now tackle the conversion of all stores by the end of the calendar year.

Discontinued operations includes £7.5m income in respect of the Market Access Fee, which is the fair value of the deferred consideration payable by Domino's Pizza Enterprises for the divestment of our German business. This becomes payable from 2017.

On 8 June 2016 the Group acquired a significant interest in the Domino's business in the Nordics for consideration of £24.0m payable in cash. This strategic investment means that the Group holds a 49% interest in Iceland, and a 45% interest in both Norway and Sweden through direct and indirect holdings. Existing management continue to run the business and will be responsible for executing the strategy to expand further in Norway and to open up the Swedish market over the medium term. This is an exciting opportunity for us in attractive growth markets and will enable us to further grow the Domino's brand.

Taxation

The effective tax rate on continuing operations is 19.2% (H1 2015: 20.3%), reflecting the impact of the decrease in the UK corporation tax rate from 21% to 20% from 6 April 2015, and from 20% to 19% from April 2017. The effective tax rate including discontinued items was 20.7% (H1 2015: 20.5%). We are expecting the effective tax rate from continuing and discontinued operations for the full year to be consistent.

Earnings per Share

Underlying and statutory basic earnings per share from continuing operations for the period was 19.9p, representing 22.8% growth over last year (H1 2015: 16.2p). Underlying and statutory diluted earnings per share from continuing operations for the period was 19.6p, up 21.7% on the prior year (2015: 16.1p).

Basic earnings per share from continuing and discontinued operations for the period was 24.0p, up 56.9% on the prior year (H1 2015: 15.3p). Statutory diluted earnings per share from continuing and discontinued operations for the period of 23.6p was up 55.3% on the prior year (H1 2015: 15.2p).

Balance Sheet and Dividend

As at 26 June 2016 the Group had net debt of £10.9m (27 December 2015: net cash of £40.4m), reflecting the impact of acquisition costs and funding requirements for the international investments of £46.6m and share buy backs of £15.3m.

At 26 June 2016 the Group had total banking facilities of £50m, of which £21.2m was undrawn, and also had £17.9m of cash in hand. The Group repaid its existing facilities on 13 July 2016 following the completion of a new five-year £175m unsecured fully revolving multi-currency facility, with 2 one-year extension options and a £75m accordion mechanism. The new facility attracts a margin of 75 – 150 bps above LIBOR and a utilisation fee of between 0 – 30% of the margin. On this basis the Directors are confident that the Group will continue to have sufficient liquidity and headroom.

The Board has decided that the Group will aim to operate with a modest amount of leverage and is comfortable to operate with a net debt level of up to 1.25x last twelve months' EBITDA. The achievement of this target will be phased over the coming years.

Having reviewed the cash required by the business including capital expenditure requirements and the performance of the Group, the Board has decided to increase its interim dividend by 16.7% to 10.5p per ordinary share as at 26 June 2016, which equals 3.5p per share following the share split effective 27 June 2016.

The ex dividend date is 4 August 2016 with a record date of 5 August 2016 and a payment date of 2 September 2016.

Outlook

We have had another excellent first half, with like-for-like sales up more than 10%. Whilst we are delighted with this performance, we face some very tough comparatives in the second half. The Group is well positioned for the remainder of 2016 and we expect to open a total of 70 UK stores by the end of the year.

GROUP INCOME STATEMENT

	Note	**(Unaudited) 26 weeks ended 26 June 2016 £000**	(Unaudited) 26 weeks ended 28 June 2015 (restated) £000	52 weeks ended 27 December 2015 £000
Revenue	3	**176,391**	154,476	316,788
Cost of sales		**(105,612)**	(93,590)	(193,171)
Gross profit		**70,779**	60,886	123,617
Distribution costs		**(10,556)**	(9,176)	(18,949)
Administrative costs		**(20,454)**	(18,666)	(33,211)
		39,769	33,044	71,457
Share of post-tax profits of associates and joint ventures		**1,098**	868	1,724
Operating profit		**40,867**	33,912	73,181
Finance income		**177**	153	362
Finance expense		**(174)**	(251)	(380)
Profit before taxation		**40,870**	33,814	73,163
Taxation	5	**(7,837)**	(6,877)	(13,874)
Profit for the period from continuing operations		**33,033**	26,937	59,289
Discontinued operations				
Profit/(loss) for the period from discontinued operations		**6,739**	(1,491)	(9,626)
Profit for the period attributable to owners of the parent		**39,772**	25,446	49,663
Earnings per share				
From continuing operations				
- Basic (pence)	7	**19.9**	16.2	35.7
- Diluted (pence)	7	**19.6**	16.1	35.2
From continuing and discontinued operations				
- Basic (pence)	7	**24.0**	15.3	29.9
- Diluted (pence)	7	**23.6**	15.2	29.5

GROUP STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) 26 weeks ended 26 June 2016 £000	(Unaudited) 26 weeks ended 28 June 2015 £000	52 weeks ended 27 December 2015 £000
Profit for the period	39,772	25,446	49,663
Other comprehensive expense:			
Exchange differences on retranslation of foreign operations	(176)	(994)	(852)
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	(176)	(994)	(852)
Total comprehensive income for the period attributable to owners of the parent	39,596	24,452	48,811

GROUP BALANCE SHEET

	Notes	(Unaudited) At 26 June 2016 £000	(Unaudited) At 28 June 2015 £000	At 27 December 2015 £000
Non-current assets				
Intangible assets		14,002	11,003	12,000
Property, plant and equipment	8	61,050	57,135	58,566
Prepaid operating lease charges		843	1,058	1,010
Trade and other receivables		8,382	7,273	7,107
Net investment in finance leases		482	1,679	1,209
Investments in associates and joint ventures	9	56,097	7,558	7,985
Available-for-sale financial asset	12	7,489	-	-
Deferred tax asset		6,790	7,738	7,851
		155,135	93,444	95,728
Current assets				
Inventories		5,034	5,437	6,208
Prepaid operating lease charges		178	214	194
Trade and other receivables		33,608	29,628	28,747
Net investment in finance leases		678	1,038	774
Cash and cash equivalents	10	17,874	30,134	52,860
Assets classified as held for sale		-	-	935
		57,372	66,451	89,718
Total assets		212,507	159,895	185,446
Current liabilities				
Trade and other payables		(56,728)	(41,906)	(52,912)
Deferred income		(4,286)	(4,686)	(4,312)
Financial liabilities	11	(742)	(1,093)	(988)
Deferred and contingent consideration		-	(5,685)	(2,865)
Current tax liabilities		(7,364)	(4,472)	(4,151)
Provisions		(1,996)	(1,010)	(6,113)
		(71,116)	(58,852)	(71,341)
Non-current liabilities				
Trade and other payables		(380)	(381)	(316)
Financial liabilities	11	(28,021)	(9,836)	(11,450)
Deferred income		(3,683)	(2,976)	(3,334)
Deferred and contingent consideration		-	-	-
Deferred tax liabilities		(192)	(104)	(115)
Provisions		(1,142)	(1,733)	(1,215)
Total liabilities		(104,534)	(73,882)	(87,771)
Net assets		107,973	86,013	97,675
Shareholder's equity				
Called up share capital		2,613	2,604	2,606
Share premium account		33,626	28,780	29,155
Capital redemption reserve		433	425	425
Capital reserve – own shares		(12,310)	(2,238)	(2,238)
Currency translation reserve		(456)	(422)	(280)
Retained earnings		84,067	56,864	68,007
Equity shareholder's funds		107,973	86,013	97,675

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium Account £000	Capital Redemption Reserve £000	Capital Reserve - Own shares £000	Currency Translation Reserve £000	Other Reserve £000	Retained Earnings £000	Equity Shareholder's Funds £000
At 28 December 2014	**2,592**	**25,597**	**425**	**(2,238)**	**572**	**-**	**46,450**	**73,398**
Profit for the period	-	-	-	-	-	-	25,446	25,446
Other comprehensive expense for the period	-	-	-	-	(994)	-	-	(994)
Total comprehensive income for the period	-	-	-	-	(994)	-	25,446	24,452
Proceeds from share issue	12	3,183	-	-	-	-	-	3,195
Share transaction charges	-	-	-	-	-	-	(9)	(9)
Share option and LTIP charge	-	-	-	-	-	-	664	664
Tax on employee share options	-	-	-	-	-	-	352	352
Equity dividends paid	-	-	-	-	-	-	(16,039)	(16,039)
At 28 June 2015 (unaudited)	**2,604**	**28,780**	**425**	**(2,238)**	**(422)**	**-**	**56,864**	**86,013**
Profit for the period	-	-	-	-	-	-	24,217	24,217
Other comprehensive income for the period	-	-	-	-	142	-	-	142
Total comprehensive income for the period	-	-	-	-	142	-	24,217	24,359
Proceeds from share issue	2	375	-	-	-	-	-	377
Share transaction charges	-	-	-	-	-	-	1	1
Share option and LTIP charge	-	-	-	-	-	-	664	664
Tax on employee share options	-	-	-	-	-	-	1,228	1,228
Equity dividends paid	-	-	-	-	-	-	(14,967)	(14,967)
At 27 December 2015	**2,606**	**29,155**	**425**	**(2,238)**	**(280)**	**-**	**68,007**	**97,675**
Profit for the period	-	-	-	-	-	-	39,772	39,772
Other comprehensive expense for the period	-	-	-	-	(176)	-	-	(176)
Total comprehensive income for the period	-	-	-	-	(176)	-	39,772	39,596
Proceeds from share issue	15	4,471	-	-	-	-	-	4,486
Share buybacks (note 14)	(8)	-	8	(10,072)	-	-	(5,257)	(15,329)
Share option and LTIP charge	-	-	-	-	-	-	1,040	1,040
Tax on employee share options	-	-	-	-	-	-	39	39
Equity dividends paid	-	-	-	-	-	-	(19,534)	(19,534)
At 26 June 2016 (unaudited)	**2,613**	**33,626**	**433**	**(12,310)**	**(456)**	**-**	**84,067**	**107,973**

GROUP CASH FLOW STATEMENT

	(Unaudited) 26 weeks ended 26 June 2016	(Unaudited) 26 weeks ended 28 June 2015 (restated)	52 weeks ended 27 December 2015
Cash flows from operating activities	**£000**	**£000**	**£000**
Profit for the period	39,772	25,446	49,663
Income tax expense	10,385	6,568	13,501
Net finance (income)/costs	(3)	98	17
Share of post-tax profits of associates and joint ventures	(1,098)	(868)	(1,724)
Amortisation and depreciation	3,471	3,027	6,779
Impairment	-	47	326
(Profit)/Loss on disposal of non-current assets	(347)	36	84
Change in the fair value of deferred consideration receivable	(7,001)	-	-
Share option and LTIP charge	1,040	664	1,328
Decrease/(increase) in inventories	1,260	(641)	(1,402)
(Increase)/decrease in receivables	(7,284)	2,144	1,804
Increase/(decrease) in payables	2,888	(5,275)	5,775
Increase in deferred income	310	140	131
(Decrease)/increase in provisions	(5,279)	(546)	4,091
Cash generated from operations	38,114	30,840	80,373
UK corporation tax paid	(6,005)	(5,273)	(10,922)
Overseas corporation tax paid	(215)	(28)	(476)
Net cash generated by operating activities	31,894	25,539	68,975
Cash flows from investing activities			
Interest received	106	81	191
Dividends received from associates	323	62	490
Decrease in loans to associates and joint ventures	206	245	542
Decrease in loans to franchisees	928	1,305	2,174
Payments to acquire finance lease assets	-	(697)	(93)
Receipts from repayment of franchisee finance leases	839	580	1,288
Purchase of property, plant and equipment	(4,205)	(2,342)	(6,763)
Deferred consideration for Domino's Leasing Limited	(2,884)	(631)	(3,517)
Purchase of other non-current assets	(3,195)	(2,555)	(5,267)
Receipts from the sale of non-current assets	2,274	-	-
Investment in joint ventures	(46,640)	-	-
Net cash used by investing activities	(52,248)	(3,952)	(10,955)
Cash inflow before financing	(20,354)	21,587	58,020
Cash flows from financing activities			
Interest paid	(221)	(183)	(278)
Issue of ordinary share capital	4,485	3,195	3,572
Purchase of own shares	(15,329)	-	-
Payments under LTIP schemes	-	(7)	(8)
New bank loans and facilities draw down	15,808	3,765	5,657
Repayment of borrowings	(530)	(15,595)	(16,329)
Equity dividends paid	(19,534)	(16,039)	(31,006)
Net cash used by financing activities	(15,321)	(24,864)	(38,392)
Net increase in cash and cash equivalents	(35,675)	(3,277)	19,628
Cash and cash equivalents at beginning of period	52,860	33,743	33,743
Foreign exchange gain/(loss) on cash and cash equivalents	689	(332)	(511)
Cash and cash equivalents at end of period	17,874	30,134	52,860

NOTES TO THE GROUP INTERIM REPORT

1. GENERAL INFORMATION

Domino's Pizza Group plc (the "Company") is a public limited company incorporated in the United Kingdom under the Companies Acts (registration number 03853545). The Company is domiciled in the United Kingdom and its registered address is Domino's Pizza Group plc, 1 Thornbury, West Ashland, Milton Keynes, MK6 4BB. The Company's ordinary shares are traded on the London Stock Exchange. Further copies of the Interim Report and Annual Report and Accounts may be obtained from the address above.

2. BASIS OF PREPARATION

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The financial information contained in this interim report does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

The interim results for the 26 weeks ended 26 June 2016 and the comparatives to 28 June 2015 are unaudited, but have been reviewed by the auditors. A copy of their review report has been included at the end of this report.

The financial information for the 52 weeks ended 27 December 2015 has been extracted from the Group financial statements for that period. These published financial statements were reported on by the auditors without qualification or an emphasis of matter reference and did not include a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The interim financial information has been prepared on the going concern basis. This is considered appropriate, given the considerable financial resources of the Group including the current position of the banking facilities, together with long-term contracts with its master franchisor, its franchisees and its key suppliers.

The interim financial information is presented in sterling and all values are rounded to the nearest thousand pounds (£000), except when otherwise indicated.

Discontinued operations

In the Group's financial statements, the results and cash flows of discontinued operations are presented separately from those of continuing operations. An operation is classified as discontinued if it is a component of the Group that (i) has been disposed of, or meets the criteria to be classified as held for sale, and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations.

Changes in accounting policy

The consolidated accounts for the 52 weeks ended 27 December 2015 were prepared in accordance with IFRS as adopted by the EU. The accounting policies applied by the Group are consistent with those disclosed in the Group's Annual Report and Accounts for the 52 weeks ended 27 December 2015. There are no new standards and interpretations effective for the first time in 2016 that have a material impact on this interim report.

NOTES TO THE GROUP INTERIM REPORT

3. REVENUE

Revenue recognised in the income statement is analysed as follows:

	(Unaudited) 26 weeks ended 26 June 2016 £000	(Unaudited) 26 weeks ended 28 June 2015 (restated) £000	52 weeks ended 27 December 2015 £000
Continuing operations			
Royalties, corporate store sales and sales to franchisees	167,228	146,678	300,162
Rental income on leasehold and freehold property	9,120	7,722	16,491
Finance lease income	43	76	135
	176,391	154,476	316,788
Discontinued operations			
Royalties, corporate store sales and sales to franchisees	1,368	2,828	5,846
Rental income on leasehold and freehold property	-	24	35
	177,759	157,328	322,669

4. SEGMENT INFORMATION

For management purposes, the Group is organised into three geographical business units based on the territories governed by the Master Franchise Agreements ("MFA"): the United Kingdom, Ireland and Switzerland. These are considered to be the Group's operating segments as the information provided to the Executive Directors of the Board, who are considered to be the chief operating decision makers, is based on these territories. Revenue included in each includes all sales (royalties, Supply Chain Centre sales, rental income and finance lease income) made to franchise stores and sales by corporate stores located in that segment. Segment results for the Ireland segment include both the Republic of Ireland and Northern Ireland as both of these territories are served by the same Supply Chain Centre.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

Unallocated assets include cash and cash equivalents and taxation assets. Unallocated liabilities include the bank revolving facility, bank loans, deferred consideration and taxation liabilities.

In December 2015, the Group announced that it had agreed to sell its German operations. As the German business represented a separate major geographic area of operations we have classed this segment as a discontinued operation in the 52 weeks ended 27 December 2015 and 26 weeks ended 26 June 2016. The segmental information on the following pages exclude the discontinued operation and so present the results of the Group split across the three remaining segments of the UK, Ireland and Switzerland, reflecting the basis on which the Chief Operating Decision Maker will monitor the Group's results going forward.

NOTES TO THE GROUP INTERIM REPORT

4. SEGMENT INFORMATION (continued)

Operating Segments

For the 26 weeks ended 26 June 2016

	Switzerland £000	Ireland £000	United Kingdom £000	Total £000
Segment revenue				
Sales to external customers	7,178	12,329	156,884	176,391
Results				
Segment result	(634)	3,597	36,806	39,769
Share of profit of associates	-	-	1,098	1,098
Group operating profit	(634)	3,597	37,904	40,867
Net finance income				3
Profit before taxation				40,870
Taxation				(7,837)
Profit for the period from discontinued operations				6,739
Profit after taxation and discontinued operations				39,772
Assets				
Segment assets	11,929	4,103	108,187	124,219
Equity accounted investments	-	-	56,097	56,097
Unallocated assets				24,664
Assets relating to discontinued operations				7,527
Total assets	11,929	4,103	164,284	212,507
Liabilities				
Segment liabilities	2,237	1,266	60,711	64,214
Unallocated liabilities				34,887
Liabilities relating to discontinued operations				5,433
Total liabilities	2,237	1,266	60,711	104,534

Earnings from overseas investments, unless material, are included within the United Kingdom segment.

NOTES TO THE GROUP INTERIM REPORT

4. SEGMENT INFORMATION (continued)

Operating Segments

For the 26 weeks ended 28 June 2015

	Switzerland £000	Ireland £000	United Kingdom £000	Total £000
Segment revenue				
Sales to external customers	5,541	10,495	138,440	154,476
Results				
Segment result	(670)	2,618	31,096	33,044
Share of profit of associates	-	-	868	868
Group operating profit	(670)	2,618	31,964	33,912
Net finance costs				(98)
Profit before taxation				33,814
Taxation				(6,877)
Loss for the period from discontinued operations				(1,491)
Profit after tax and discontinued operations				25,446
Assets				
Segment assets	9,340	2,800	100,587	112,727
Equity accounted investments	-	-	7,558	7,558
Unallocated assets				37,873
Assets relating to discontinued operations				1,737
Total assets	9,340	2,800	108,145	159,895
Liabilities				
Segment liabilities	1,699	1,224	47,622	50,545
Unallocated liabilities				18,593
Liabilities relating to discontinued operations				4,744
Total liabilities	1,699	1,224	47,622	73,882

NOTES TO THE GROUP INTERIM REPORT

4. SEGMENT INFORMATION (continued)

Operating Segments

For the 52 weeks ended 27 December 2015

	Switzerland	Ireland	United Kingdom	Total
	£000	£000	£000	£000
Segment revenue				
Sales to external customers	11,698	21,381	283,709	316,788
Results				
Segment result	(1,303)	5,035	67,725	71,457
Share of profit of associates	-	-	1,724	1,724
Group operating profit	(1,303)	5,035	69,449	73,181
Net finance costs				(18)
Profit before taxation from continuing operations				73,163
Taxation				(13,874)
Loss for the period from discontinuing operations				(9,626)
Profit after tax and discontinuing operations				49,663
Assets				
Segment assets	10,573	3,092	101,999	115,664
Equity accounted investments	-	-	7,985	7,985
Unallocated assets	-	-	-	60,711
Assets relating to discontinued operations	-	-	-	1,086
Total assets	10,573	3,092	109,984	185,446
Liabilities				
Segment liabilities	1,615	1,612	60,253	63,480
Unallocated liabilities				17,616
Liabilities relating to discontinued operations				6,675
Total liabilities	1,615	1,612	60,253	87,771

NOTES TO THE GROUP INTERIM REPORT

5. INCOME TAX

	(Unaudited) 26 weeks ended 26 June 2016 £000	(Unaudited) 26 weeks ended 28 June 2015 £000	52 weeks ended 27 December 2015 £000
Continuing operations			
Current income tax			
Current income tax charge	7,183	5,954	12,910
Deferred income tax			
Origination and reversal of temporary differences	654	923	994
Effect of change in tax rate	-	-	375
Adjustments in respect of prior periods	-	-	(405)
Tax charge in the income statement	7,837	6,877	13,874
Discontinued operations			
Current income tax			
Current income tax charge	2,345	(338)	(1,082)
Deferred income tax			
Origination and reversal of temporary differences	203	29	23
Effect of change in tax rate	-	-	62
Adjustments in respect of prior periods	-	-	624
	2,548	(309)	(373)
Continuing and discontinued operations			
Current income tax			
Current income tax charge	9,528	5,616	11,828
Deferred income tax			
Origination and reversal of temporary differences	857	952	1,017
Effect of change in tax rate	-	-	437
Adjustments in respect of prior periods	-	-	219
	10,385	6,568	13,501

The calculation of the Group's tax position necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The final resolution of certain these items may give rise to material income statement and or cash flow variances.

NOTES TO THE GROUP INTERIM REPORT

6. DIVIDENDS PAID AND PROPOSED

	(Unaudited) 26 weeks ended 26 June 2016 £000	(Unaudited) 26 weeks ended 28 June 2015 £000	52 weeks ended 27 December 2015 £000
Declared and paid during the period:			
Final dividend for 2014: 9.69p (2013: 8.80)	-	16,039	16,039
Interim dividend for 2015: 9.00p (2013: 7.81p)	-	-	14,967
Final dividend for 2015: 11.75p (2014: 9.69p)	19,534	-	-
	19,534	16,039	31,006

The directors declare an interim dividend of 10.5p per share of £15,675,000 (28 June 2015: 9.00p £14,924,000), based on the number of shares in issue as at 26 June 2016. Post share split (see note 17) dividend per share is 3.5p.

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings

	(Unaudited) 26 weeks ended 26 June 2016 £000	(Unaudited) 26 weeks ended 28 June 2015 (restated) £000	52 weeks Ended 27 December 2015 £000
Continuing operations			
Profit attributable to owners of the parent	33,033	26,937	59,289
Continuing and discontinued operations			
Continuing operations profit attributable to the owners of the parent	33,033	26,937	59,289
Discontinued operations profit attributable to the owners of the parent	6,739	(1,491)	(9,626)
Total profit attributable to owners of the parent	39,772	25,446	49,663

NOTES TO THE GROUP INTERIM REPORT

7. EARNINGS PER SHARE (continued)

Weighted average number of shares

	(Unaudited) At 26 June 2016 No.	(Unaudited) At 28 June 2015 No.	At 27 December 2015 No.
Reconciliation of basic and diluted weighted average number of shares:			
Basic weighted average number of shares (excluding treasury shares)	165,975,094	165,823,987	166,068,239
Dilutive potential ordinary shares:			
Share options	2,594,577	1,722,472	2,133,293
Diluted weighted average number of shares	168,569,671	167,546,459	168,201,532

The performance conditions for share options granted over 724,352 (28 June 2015: 262,070; 27 December 2015: 631,562) shares have not been met in the current financial period and therefore the dilutive effect of that number of shares that would have been issued at the period end have not been included in the diluted earnings per share calculation.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim financial statements.

On 27 June 2016 the Company sub-divided each of its ordinary shares of 1.5625 pence each into 3 new ordinary shares of 25/48ths of a penny each

Earnings per share

	(Unaudited) 26 weeks Ended 26 June 2016	(Unaudited) 26 weeks Ended 28 June 2015 (restated)	52 weeks Ended 27 December 2015
Continuing operations			
Basic earnings per share	19.9p	16.2p	35.7p
Diluted earnings per share	19.6p	16.1p	35.2p
Discontinued operations			
Basic earnings per share	4.1p	(0.9p)	(5.8p)
Diluted earnings per share	4.0p	(0.9p)	(5.7p)
Continuing and discontinued operations			
Basic earnings per share	24.0p	15.3p	29.9p
Diluted earnings per share	23.6p	15.2p	29.5p

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment additions in the period

During the 26 weeks ended 26 June 2016, the Group acquired assets with a cost of £4.2m (28 June 2015: £2.6m; 27 December 2015: £6.8m).

NOTES TO THE GROUP INTERIM REPORT

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	(Unaudited) At 26 June 2016 £000	(Unaudited) At 28 June 2015 £000	At 27 December 2015 £000
Investments in associates	49,790	1,636	1,919
Investments in joint ventures	6,307	5,922	6,066
	56,097	7,558	7,985

On 1 February 2016 the Group entered onto a strategic joint venture with Domino's Pizza Enterprises in respect of the Group's German operations, and completed the acquisition of Joey's Pizza, the leading pizza delivery business in Germany. The Group now owns a one-third equity stake in the largest pizza delivery business in Germany. Total costs to make the investment into the new associated entity amount to £23.3million.

On 8 June 2016 the Group acquired significant minority interests in the master franchisees for Domino's Pizza in Iceland, Norway and Sweden. Following the investment, the Group holds 49 per cent in Iceland and an effective interest of 45 per cent in both the Norwegian and Swedish businesses. Total costs to acquire the stakes amount to £24.0million.

10. CASH AND CASH EQUIVALENTS

	(Unaudited) At 26 June 2016 £000	(Unaudited) At 28 June 2015 £000	At 27 December 2015 £000
Cash at bank and in hand	17,874	30,134	52,860

11. FINANCIAL LIABILITIES

Bank revolving facility

On 8 July 2016, the Group entered into a new £175.0million multicurrency revolving credit facility with Barclays Bank plc, HSBC Holdings plc and The Royal Bank of Scotland Group Plc. The previous £30.0million facility with Barclays Bank plc was repaid in full and cancelled.

Interest charged on the revolving credit facility ranges from 0.75% per annum above LIBOR when the Group's leverage is less than 1:1 up to 1.50% per annum for leverage above 2:1. In addition a utilisation fee is charged on the facility if over one third of the facility is utilised at 15% of the margin rate and 30% if over two thirds of the facility is utilised. The facility expires on 18 July 2021.

Arrangement fees of £81,000 (28 June 2015: £91,000; 27 December 2015: £111,659) directly incurred in relation to the previous facility are included in the carrying value of the facility and are being amortised over the term of the facility.

The facility is secured by an unlimited cross-guarantee between the Company, Domino's Pizza UK & Ireland Limited, DPG Holdings Limited, DP Realty Limited, DP Pizza Limited, DP Group Developments Limited, DP Cyco Switzerland Limited and Domino's Pizza GmbH.

Bank overdraft facility

On 21 June 2016, the Company obtained an overdraft facility from Barclays Bank plc for a maximum limit of £20,000,000 for working capital purposes. The interest is charged at 1.00% per annum above LIBOR. At 26 June 2016, there was £nil drawdown on the facility (28 June 2015 and 27 December 2015: £nil).

NOTES TO THE GROUP INTERIM REPORT

11. FINANCIAL LIABILITIES (continued)

Other loans

Other loans include loans entered into to acquire assets which are then leased onto franchisees under finance lease arrangements. The Group has an asset finance facility of £5,000,000 (28 June 2015 and 27 December 2015: £5,000,000) with a term of 5 years. The balance drawn down on this facility and held within 'other loans' as at 26 June 2016 is £1,378,000 (28 June 2015: £2,599,000; 27 December 2015: £1,908,000). The loans are repayable in equal instalments over a period of up to five years. The loans are secured by a limited guarantee and indemnity by the Company and Domino's Pizza UK & Ireland Limited (limited to an annual sum of £300,000) and a mortgage charge over the assets financed. The interest rate on these loans is fixed at an average of 5.7% (28 June 2015: 5.7%; 27 December 2015: 5.7%).

12. FINANCIAL INSTRUMENTS

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value.

The following financial assets are held at fair value:

	(Unaudited) Carrying value at 26 June 2016 £000	(Unaudited) Fair value at 26 June 2016 £000	(Unaudited) Carrying value at 28 June 2015 £000	(Unaudited) Fair value at 28 June 2015 £000	Carrying value at 27 December 2015 £000	Fair value at 27 December 2015 £000
Available-for-sale financial assets	7,489	7,489	-	-	-	-

On 1 February 2016 the deferred consideration of €25m payable by Domino's Pizza Enterprises, referred to as the "Market Access Fee", in respect of Domino's Pizza Group plc part-divesting gaining access to the German market, the Market Access Fee, which becomes payable from 2017, was recognised at a fair value of £7.5m (€9.2m) within available-for-sale financial assets. The deferred consideration is payable by instalments from 2017, the payment of each instalment being determined by reference to the German business achieving defined levels of EBITDA.

The inputs used to calculate the fair value of the market access fee fall within Level 3 of the IFRS13 hierarchy. Level 3 fair value measurements use unobservable inputs for the asset (or liability).

The fair value of the financial asset recognised is calculated by discounting all future cash flows by the appropriate discount rate for the German associated company. The payments are calculated applying an income approach valuation methodology, considering different scenarios of projected EBITDA, weighted by the probability of each scenario. The fair value is based on a mid-point in the range of probable fair value outcomes of €8.2m to €10.2m based on a range of EBITDA forecasts

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Range	Sensitivity of the input to the fair value
WACC	8.5% to 9.5%	0.5% increase (or decrease) in the WACC would result in a decrease (increase) in fair value by €200,000.

13. SHARE-BASED PAYMENTS

The expense recognised for share-based payments in respect of employee services received during the 26 weeks to 26 June 2016 is £1,040,000 (28 June 2015: £664,000*;* 27 December 2015: £1,328,000). This all arises on equity settled share-based payment transactions.

NOTES TO THE GROUP INTERIM REPORT

14. SHARE BUYBACKS

During the period the Group has bought back in to treasury 977,530 shares for a consideration, including fees, of £10,072,000, and bought back and cancelled 527,575 shares for a consideration, including fees, of £5,257,000.

15. RELATED PARTY TRANSACTIONS

During the 26 weeks ended 26 June 2016, the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into and trading balances outstanding at 26 June 2016, with related parties, are as follows:

	Sales to related party £000	Amounts owed by related party £000
Associates and joint ventures		
26 June 2016	13,339	1,120
28 June 2015	11,517	1,855
27 December 2015	24,390	845

16. ANALYSIS OF NET DEBT

	(Unaudited) At 26 June 2016 £000	(Unaudited) At 28 June 2015 £000	At 27 December 2015 £000
Cash and cash equivalents	17,874	30,134	52,860
Bank revolving facility	(27,329)	(8,301)	(10,485)
Finance leases	(56)	(29)	(45)
Other loans	(1,378)	(2,599)	(1,908)
Net (debt) / cash	(10,889)	19,205	40,422

17. SUBSEQUENT EVENTS

On 27 June 2016 the Company sub-divided each of its ordinary shares of 1.5625 pence each into 3 new ordinary shares of 25/48ths of a penny each.

NOTES TO THE GROUP INTERIM REPORT

18. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group in terms of preventing or restricting execution of our strategy during the period under review and for the remainder of the financial period have not materially changed from those set out on pages 18 to 23 of the Domino's Pizza Group plc Annual Report and Accounts 2015.

In summary, the Group is exposed to the following main risks:

Strategic risks

- People-related risks - The business is overly dependent on key individuals (either at executive level or in relation to specialist skills), possibly exacerbated by a failure to attract or retain the skilled and experienced people it needs
- Failure to respond to and overcome competitive pressures - The business faces strong competition from a range of players, including those exploiting emerging technologies or new food options and new entrants into the UK market
- Inability to react to changes in the health debate and public desire for healthier food - As society's expectations evolve, and governmental acts on public health concerns, we may need to change the products we offer and our approach to marketing
- Failure to achieve UK growth through new store openings - Failure to meet store growth targets would be a breach of our Master Franchise Agreements.
- Commercial leverage of large franchises. The Group has a number of franchisees whose businesses run large numbers of stores, and so enjoy some commercial leverage. The Group may be unable to persuade these franchisees to implement our preferred strategies, or to pass on cost increases in full or in part

Operational risks

- Food safety - There is the risk of contamination in either the pre-proved dough we produce at the Group's Supply Chain Centres, or in the pizza topping ingredients we distribute to our franchisees' stores. In Switzerland, we operate corporate stores, and are responsible for finished products, which exacerbates this risk
- Interruption of raw material supplies - The business relies on a number of third-party suppliers for pizza toppings, some of whom provide the sole source of an ingredient. These suppliers must make a commercial return to stay in business and reinvest in their operations. The Group would be vulnerable if a supplier decided to cease trading, suffered a major interruption or food safety incident, or was responsible for an ethical breach of such severity that the Group would no longer trade with them
- Supply Chain Centres unable to supply the stores - We distribute both the pre-proved dough we produce and third party pizza toppings to our franchisees stores. In the event of physical damage to, or loss of, a Supply Chain Centre we would need to make urgent contingency arrangements wherever possible. However, the space required to hold dough whilst proving forms a critical constraint to our business
- Failure of online ordering systems for a prolonged or critical period - Over 75% of delivered sales are now placed online, around half of which are using apps for mobile devices. As well as the reliance on data centres and our own software developed in-house, there is also a risk from malicious denial of service attacks
- Loss of personal data relating to customers, employees or others; loss of corporate data - For ease of use, our online ordering systems hold some customer data, the loss of which (whether accidental or following hacking) would cause disruption and cost to the Group. In addition, the Group's own data on employees and suppliers is exposed to the same risks of loss
- Implementation of enterprise resource planning ('ERP') system - The Group intends to implement an ERP system during 2016. While this is expected to improve the internal control environment, the transition from, and eventual removal of, legacy IT systems creates continuity risks. In addition, the design and implementation of new operating practices and culture needed to bring the ERP system into full effect creates further risk to the Group's business

A copy of the Annual Report and Accounts 2015 is available at corporate.dominos.co.uk

RESPONSIBILITY STATEMENT

Each of the Directors, whose names and functions appear below, confirm to the best of their knowledge that the condensed interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as issued by the IASB and adopted by the European Union and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules (DTR), namely:

- DTR 4.2.7 (R): an indication of important events that have occurred during the six month period ended 26 June 2016 and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- DTR 4.2.8 (R): any related party transactions in the six month period ended 26 June 2016 that have materially affected, and any changes in the related party transactions described in the Annual Report and Accounts 2015 that could materially affect the financial position or performance of the enterprise during that period.

The Directors of Domino's Pizza Group plc as at the date of this announcement are as set out below:

Stephen Hemsley, Non-executive Chairman
Colin Halpern*, Non-executive Vice-Chairman
David Wild, Chief Executive Officer
Kevin Higgins*
Ebbe Jacobsen*
Helen Keays*
Steve Barber*

*Non-executive Directors

A list of the current Directors is maintained on the Domino's Pizza Group plc website at: corporate.dominos.co.uk.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from the legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors on 27 July 2016 and is signed on its behalf by David Wild, Chief Executive Officer.

By order of the Board

David Wild
Chief Executive Officer

27 July 2016

INDEPENDENT REVIEW REPORT TO DOMINO'S PIZZA GROUP PLC

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 26 June 2016 which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement and the related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by 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 half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 26 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Birmingham

27 July 2016