MEDIA INFORMATION

21 July 2008

Final Draft

DOMINO'S PIZZA UK & IRL plc
RESULTS FOR THE TWENTY-SIX WEEKS ENDED 29 JUNE 2008

Domino's Pizza UK & IRL plc ("Domino's Pizza" or the "Group"), the UK and Ireland leader in pizza delivery, announces its results for the twenty-six weeks ended 29 June 2008.

Highlights

- System sales increased 19.5% to £170.2m (2007: £142.5m)

- Profit before tax* increased 32.7% to £10.9m (2007: £8.2m). Statutory profit before tax of £9.7m (2007: £8.3m) increased by 17.2%

- Earnings per share*:
  - Basic earnings per share up 40.8% to 5.18p (2007: 3.68p)
  - Diluted earnings per share up 41.0% to 5.12p (2007: 3.63p)

- Interim dividend increased 42.1% to 2.70 pence per share (2007: 1.90p)

- 25 new stores opened in the period (2007: 20 stores). No stores were closed (2007: 1 store) resulting in a total of 526 stores at the period end (2007: 470 stores)

- Like-for-like sales in 450 mature stores up 11.4% (2007: 14.9% in 404 stores)

- E-commerce sales up 85.1% to £25.3m (2007: £13.7m). E-commerce now represents 21.8% of our delivered pizza sales in the UK

- £7.7m cash returned to shareholders in the period by way of share buybacks and dividends (2007: £3.6m)

* Before operating and non operating exceptional costs of £1.2m (2007: £0.1m profit) primarily due to the move to the Official List

Stephen Hemsley, Executive Chairman of Domino's Pizza UK & IRL plc, commented:

"I am pleased to be able to report another set of excellent results in the twenty-six weeks to 29 June 2008 with profits before tax and exceptionals, up 32.7% to £10.9m (2007: £8.2m). System sales reached record levels as did the number of new stores opened in the first half. Like for like sales continue to grow at an impressive 11.4%, on top of the exceptional 2007 comparatives and despite the current more difficult economic environment for consumers. Encouragingly, new stores are trading very strongly on opening.

"The benefits of operational gearing continue to translate into strong cash generation, significant returns for shareholders and yet another record interim dividend payment.

"We are on track to open 50 new stores this year and although we are mindful of the very strong comparatives in the second half of the year, we are confident of further strong growth in system sales and profits and are well placed to exceed market expectations for the year"

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Notes to editors:

Domino's Pizza Group Limited is the leading operator in the UK and Ireland's fast-growing pizza delivery market and is a subsidiary of FTSE 250 listed Domino's Pizza UK & IRL plc (symbol: DOM). Domino's Pizza Group Limited holds the exclusive licence 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 29 June 2008, there were 526 stores in the UK and Ireland. Of these, 416 stores are in England, 40 are in Scotland, 21 are in Wales, 12 are in Northern Ireland and 37 are in the Republic of Ireland.

As part of a commitment to delivering more to communities served by its stores, Domino's Pizza Group Limited is proud to support Special Olympics GB and Special Olympics Ireland.

Founded in 1960, Domino's Pizza is one of the world's leading home delivery pizza brands. Through its primarily franchised system, Domino's Pizza operates a global network of more than 8,000 stores in more than 50 countries.

For photography visit www.dominos.uk.com/media or contact Hogarth on 020 7357 9477.

Chairman's statement

We have made an excellent start to the year with like-for-like sales growing an impressive 11.4% on top of the exceptional 2007 comparatives. We have also achieved a record 25 store openings for the first half of the year. E-commerce has continued to show robust growth with sales rising by 85.1% over the same period last year. E-commerce now represents 21.8% of all our delivered pizza sales in the UK. This all contributed to excellent results in the twenty-six weeks to 29 June 2008 with profits before tax and exceptional items up 32.7% to £10.9m (2007: £8.2m). This has enabled your Board to propose a 42.1% increase in the interim dividend.

These results have been achieved in a significantly tougher trading environment than the comparative period last year and we are pleased that our business has proved to be resilient. Identifying the reasons for this and the likelihood that they will continue is difficult as the previous similar experience is so long ago and our business is now very different. However, the trend that we are witnessing so far is that many consumers are "trading down", which in our industry means that they are eating out less often and staying at home. Once these consumers have decided to stay at home, Domino's has the opportunity to serve them and with the combination of a great product, excellent service and effective marketing, we have achieved record levels of system sales in the first half of the year.

A further challenge facing our business, in common with many others, is food and energy price inflation. Whilst the dramatic increases in food costs that we experienced in the second half of last year have not recurred, and those additional costs have now been fully passed on by both us and our franchisees in the form of price increases, pressure still remains. However, this is unlikely to have a material impact in the current year due to the fixed price contracts we have in place on a large number of our food items. Looking forward, we are hopeful that we will be able to manage most of these cost pressures by improvements in our procurement processes, but it is likely that further modest price increases will be necessary early next year. This will present a challenge in a tightening market but as these pressures will be felt by all food providers from supermarkets to restaurants, such increases will not put us at a competitive disadvantage and we feel that they can be managed across the system.

During the first half of the year your company reached a further milestone in its development with our move from the Alternative Investment Market to the Main Market of the London Stock Exchange. This was closely followed by the inclusion of the Company in the FTSE 250 index. We are confident that when more normal market conditions return this will improve the liquidity and marketability of our shares.

The current economic climate is likely to continue for a while, but I am confident that we have the team at Domino's Pizza to continue to thrive and grow in this environment. I would like to thank every member of our corporate team, our franchisees and team members in the stores for the tremendous effort they have put in the first six months of the year. We look forward to the future with confidence.

Chief Executive Officer's statement

Introduction

In April I celebrated 18 extraordinary years with Domino's Pizza yet the first six-months of this year as your CEO have been some of the most eventful. We have achieved excellent like-for-like sales increases in tightening economic conditions and we have seen record store openings during the prevailing "credit crunch". The awareness and stature of the brand rose to new heights with the sponsorship of *Britain's Got Talent*, at the same time as we were busy moving to the Official List. And last, but by no means least, we notched up record profits in the period!

System Sales

System sales in the twenty-six weeks to 29 June 2008 were up 19.5% to £170.2m (2007: £142.5m). Like-for-like sales in the 450 mature stores grew by 11.4% (2007:14.9% in 404 stores).

We knew that our 2007 comparatives were going to be particularly hard to beat. Last year's wet summer - fourth wettest May (and July) on record and wettest June ever – helped to boost our sales as people stayed at home, so to achieve double-digit sales growth on top of the exceptional sales last year is very encouraging. To put this into a wider context for our franchisees, average mature store sales are 25% ahead of the same period in 2006 which equates to additional sales of £70,000 per store.

Our National Advertising Fund - estimated at £18m for 2008 (2007: £15m) - played its part in maintaining the positive sales momentum. This was the first year of our three-year sponsorship of ITV's flagship show *Britain's Got Talent* which has proven to be an excellent association not just in terms of sales generation but for the overall awareness of the brand.

During the period, e-commerce went from strength to strength and accounted for 21.8% of all our delivered pizza sales in the UK (2007: 14.3%). In the last week of June, e-commerce reached 25% of all delivered sales in the UK. E-commerce sales for the UK and Ireland grew 85.1% to £25.3m (2007: £13.7m) representing the fastest growth rate since 2001.

Another contributing factor is our continued focus on service times and how these can drive repeat business. For the first half of the year, 75% of orders left our stores in under 15 minutes, another improvement on the prior year.

Expansion

Perhaps the strongest indication of the confidence in the business comes from our existing franchisees who opened 25 new stores in the period. This followed a record 30 openings in the second half of last year. With this momentum and with sufficient potential sites in the pipeline, we are confident of hitting our target of 50 new stores in the current year. As before, our primary objective is to secure quality locations and in this regard we are very encouraged by the trading of the new stores that have opened so far this year. There were no closures during the period (2007: 1, which re-opened in the second half of 2007). As a result, the store count at 29 June 2008 was 526 (2007: 470).

In addition to new openings, 51 stores have already changed hands in the first half for a total consideration of £17.9 million. This is more than the total consideration paid in 2007. This consolidation of the franchise community is part of our plan to bring the ownership of stores to an average level of 5 stores per franchisee. At 29 June 2008, the average number of stores per franchisee stood at 3.8 (2007:3.2). One of the positive outcomes arising from changes of hands is the increase in sales that normally result. For the 55 stores that changed hands in 2007, like-for-like sales this year are ahead by 15.7%.

As a result of all this activity, total franchisee capital expenditure during the period – on both new stores and changes of hands – was approximately £23m, some £10m ahead of the same period last year. We estimate that £14m of this has been bank financed reflecting the confidence of the main High Street banks in the Domino’s Pizza franchise model.

During the period, we sold our last remaining 100% owned and operated corporate store, enabling us to focus all our attention on the partnership with our franchisees. It is their commitment to deliver the best product and service every day that sets the pace in each local market. Their entrepreneurial drive and passion to succeed gives Domino’s a competitive edge that is hard to beat in good times and even harder when the going gets tough.

Commissary Development

As highlighted last year, we will need to expand our current commissary capacity to service the growth of the system up to build-out of approximately 1,000 stores in the UK and Ireland. The two projects currently underway are:

- The expansion of our facility at Penrith. The doubling of the capacity at this commissary will cost £4m. Work has started and is progressing well with completion expected towards the end of the first quarter of 2009.

- The acquisition of freehold land for a new commissary and headquarters in Milton Keynes at an estimated total cost of £25m. Exchange is now imminent on the purchase of the land and we are still on track to complete this substantial project by early 2010.

We will also need to expand the commissary capacity in Ireland to meet the increasing demand for Domino’s Pizza in that territory and are currently investigating various options.

Trading results

Group revenue, which includes revenues generated from royalties, fees, food sales and rental income, as well as a small element of revenues from stores in subsidiary companies, grew by 20.0% to £66.2m (2007: £55.2m).

Group operating profit, before operating exceptionals, was up 33.2% to £11.1m (2007: £8.3m).

Profit before tax, before operating and non operating exceptionals, was £10.9m (2007: £8.2m), an increase of 32.7%. Statutory profit before tax of £9.7m (2007: £8.3m) was 17.2% up on last year. The tax rate of 29.0% (2007: 28.2%) is marginally lower than the statutory Corporation tax rate primarily due to the lower tax rate in the Irish subsidiary company.

Profit after tax, before operating exceptionals and before minority interests, was up 38.2% to £8.0m (2007: £5.8m). Statutory profit after tax, before minority interests, was up 16.1% to £6.9m (2007: £6.0m).

Earnings per share and dividend

Basic earnings per share, before operating exceptional items, were up 40.8% to 5.18 pence (2007: 3.68 pence) and diluted earnings per share, before operating exceptional items, were up 41.0% to 5.12 pence (2007: 3.63 pence).

In line with our strategy of returning cash not required for the growth and expansion of the business to shareholders, we are pleased to declare an increase of 42.1% in the interim dividend to 2.70 pence per share (2007: 1.90 pence per share). This dividend, which is 1.7 times covered by earnings, pre exceptionals (2007: 2.0 times) will be paid on 29 August 2008 to shareholders on the register on 1 August 2008.

Cash flow and balance sheet

Our cash position remains robust with operating activities generating net cash in the period of £4.5m (2007: £7.6m). The lower cash generation compared to last year is primarily due to an increase in debtors which relates to the prepayment for various advertising activities. This will reverse over the second half of the year as franchisee contributions to the National Advertising Fund are made.

In the first twenty-six weeks of the year, options over 503,000 shares were exercised generating a cash inflow of £0.5m (2007: £0.3m). During the period, the Group purchased 1,750,000 shares for cancellation at a cost of £3.8m (2007: 400,000 shares at a cost of £0.8m). Furthermore, 2,000,000 shares were purchased by the Employee Benefit Trust (“EBT”) at a cost of £4.3m (2007: £nil).

The Group continues to provide franchisees with leasing facilities for new equipment and refits through its wholly-owned subsidiary DP Capital Limited. In the first twenty-six weeks of the year, new advances of debt facilities of £0.7m were made available to DP Capital which were matched by similar repayments of £ 0.6m resulting in borrowings of £2.6m (2007: £2.4m) at the half year.

As at 29 June 2008, the Group had cash in hand of £10.2m (2007: £9.9m) and drawn-down revolving credit facilities of £9.0m (2007: £3.5m) which, taken together with the DP Capital borrowings noted above and the EBT loan of £12.0m (2007: £7.7m), gave consolidated net borrowings of £13.5m (2007: £3.7m).

Towards the end of 2007, the Group finalised a £25m five-year term loan facility with its bankers to enable it to finance the expansion of its commissary facilities. By utilising this facility for expansionary capital expenditure, we are free to return cash flows generated by operating activities to shareholders.

Outlook

Domino's Pizza like-for-like sales grew very strongly in the first half of the year despite the more challenging economic environment. We are well placed to continue growing, but are mindful of the tougher second half comparatives. New store openings in the first half reached a record level and we expect to once again open 50 stores this year. Overheads in the business are well under control and the resultant operational gearing that our rising income provides, gives us confidence in another year of strong growth and leaves us well placed to exceed consensus market expectations for the year.

GROUP INCOME STATEMENT

	Notes	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Revenue		66,200	55,152	114,891
Cost of sales		(41,660)	(33,337)	(70,736)
Gross Profit		24,540	21,815	44,155
Distribution costs		(4,695)	(4,827)	(9,246)
Administrative costs (including operating exceptional charges)		(9,071)	(9,112)	(16,746)
		10,774	7,876	18,163
Share of post tax profits of associates		137	149	158
Operating profit		10,911	8,025	18,321
Accelerated LTIP charge		-	-	(174)
Operating exceptional charges	6	(146)	(279)	(333)
Operating profit before exceptional charges		**11,057**	**8,304**	**18,828**
(Loss)/profit on the sale of non current assets and assets held for sale	6	(137)	368	288
Profit on the sale of subsidiary undertakings	6	-	-	58
Admission to Official List fees	6	(887)	-	-
Profit before interest and taxation		9,887	8,393	18,667
Finance income		364	374	528
Finance expense		(552)	(488)	(619)
Profit before taxation		9,699	8,279	18,576
Taxation	7	(2,812)	(2,333)	(5,337)
Profit for the period		6,887	5,946	13,239
Profit for the period attributable to:				
Equity holders of the parent		6,911	5,954	13,245
Minority interest		(24)	(8)	(6)
		6,887	5,946	13,239
Earnings per share				
- Basic (pence)	9	4.45	3.76	8.38
- Diluted (pence)	9	4.40	3.71	8.24

GROUP BALANCE SHEET

	Notes	(Unaudited) At 29 June 2008 £000	(Unaudited) At 1 July 2007 £000	At 30 December 2007 £000
Non current assets				
Goodwill and intangible assets		1,017	1,421	713
Property, plant and equipment	10	16,084	12,985	13,816
Prepaid operating lease charges		723	858	702
Net investment in finance leases		1,867	1,778	1,923
Investments in associates		802	676	685
Deferred tax asset		687	1,596	565
		21,180	19,314	18,404
Current assets				
Inventories		3,104	2,163	2,340
Trade and other receivables		15,804	10,531	10,071
Net investment in finance leases		874	835	857
Prepaid operating lease charges		274	152	220
Cash and cash equivalents	5	10,156	9,934	14,629
		30,212	23,615	28,117
Non current assets held for sale		717	533	1,772
Total assets		52,109	43,462	48,293
Current liabilities				
Trade and other payables		(17,814)	(13,335)	(18,187)
Deferred income		(37)	(31)	(68)
Financial liabilities	11	(9,857)	(4,328)	(6,817)
Current tax liabilities		(2,885)	(2,129)	(2,503)
		(30,593)	(19,823)	(27,575)
Non current liabilities				
Provisions		(142)	(226)	(155)
Financial liabilities	11	(13,770)	(9,339)	(9,380)
Deferred income		(1,127)	(1,012)	(1,071)
Deferred tax liabilities		(215)	(232)	(215)
Total liabilities		(45,847)	(30,632)	(38,396)
Net assets		6,262	12,830	9,897
Shareholder’s equity				
Called up share capital		2,520	2,588	2,538
Share premium account		5,769	5,011	5,307
Capital redemption reserve		345	267	319
Treasury share reserve		(7,906)	(4,403)	(4,403)
Currency translation reserve		577	(23)	209
Retained earnings		4,943	9,352	5,888
Equity shareholder’s funds		6,248	12,792	9,858
Minority interest		14	38	39
Total equity		6,262	12,830	9,897

GROUP CASH FLOW STATEMENT

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Cash flows from operating activities			
Profit before taxation	9,699	8,279	18,576
Net finance costs	188	114	91
Share of post tax profits of associates	(137)	(149)	(158)
Amortisation and depreciation	847	935	1,545
Loss/(profit) on disposal of non current assets and subsidiary undertakings	137	(368)	(346)
Share option and LTIP charge (including accelerated LTIP charge)	535	442	880
Increase in inventories	(758)	(339)	(535)
Increase in debtors	(5,665)	(1,157)	(685)
(Decrease)/increase in creditors	(388)	(198)	4,956
Increase in deferred income	25	23	119
Decrease in provisions	(13)	(7)	(20)
Cash generated from operations	4,470	7,575	24,423
UK corporation tax	(2,334)	(1,933)	(4,117)
Overseas corporation tax paid	-	-	(218)
Net cash generated by operating activities	2,136	5,642	20,088
Cash flows from investing activities			
Interest received	320	255	528
Dividends received	41	41	62
Receipts from repayment of associate loan	22	135	171
Receipts from repayment of franchisee finance leases	547	522	1,127
Purchase of property, plant and equipment	(3,168)	(1,394)	(3,509)
Purchase of other non current assets	(501)	(183)	(451)
Net cash acquired on the disposal of subsidiary undertaking	875	1,118	1,118
Receipts from the sale of other non current assets	161	98	335
Net cash (used)/generated by investing activities	(1,703)	592	(619)
Cash inflow before financing	433	6,234	19,469
Cash flow from financing activities			
Interest paid	(508)	(314)	(619)
Issue of ordinary share capital	501	266	700
Purchase of own shares	(3,782)	(819)	(8,346)
Purchase of shares for EBT	(4,317)	-	-
Short term loans – bank overdraft	-	(2,500)	(6,000)
Bank revolving facility	3,000	-	6,000
New long term loan - EBT	4,317	-	-
New long term loans	700	665	1,302
Repayment of long term loans	(576)	(545)	(1,169)
Payments to acquire finance lease assets	(509)	(523)	(1,295)
Equity dividends paid	(3,882)	(2,792)	(5,816)
Net cash used by financing activities	(5,056)	(6,562)	(15,243)
Net (decrease)/increase in cash and cash equivalents	(4,623)	(328)	4,226
Cash and cash equivalents at beginning of period	14,629	10,262	10,262
Foreign exchange gains on cash and cash equivalents	150	-	141
Cash and cash equivalents at end of period	10,156	9,934	14,629

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium Account £000	Capital Redemption Reserve £000	Treasury Share Reserve £000	Currency Translation Reserve £000	Retained Earnings £000	Equity Shareholder's Funds £000	Minority Interest £000	Total Equity £000
At 31 December 2006	2,574	4,765	261	(4,216)	(21)	5,575	8,938	48	8,986
Exchange difference on the translation of net assets of subsidiary undertaking	-	-	-	-	(2)	-	(2)	-	(2)
Tax credit on employee share options	-	-	-	-	-	992	992	-	992
Total income and expense for the 26 weeks recognised directly in equity	-	-	-	-	(2)	992	990	-	990
Profit for the period	-	-	-	-	-	5,954	5,954	(8)	5,946
Total income and expense for the 26 weeks	-	-	-	-	(2)	6,946	6,944	(8)	6,936
Proceeds from share issue	20	246	-	-	-	-	266	-	266
Share buybacks	(6)	-	6	-	-	(819)	(819)	-	(819)
Treasury shares held by EBT	-	-	-	(187)	-	-	(187)	-	(187)
Share option and LTIP charge	-	-	-	-	-	442	442	-	442
Equity dividends paid	-	-	-	-	-	(2,792)	(2,792)	-	(2,792)
Minority interest movement	-	-	-	-	-	-	-	(2)	(2)
At 1 July 2007	2,588	5,011	267	(4,403)	(23)	9,352	12,792	38	12,830
Exchange difference on the translation of net assets of subsidiary undertaking	-	-	-	-	232	-	232	-	232
Tax credit on employee share options	-	-	-	-	-	(778)	(778)	-	(778)
Total income and expense for the 26 weeks recognised directly in equity	-	-	-	-	232	(778)	(546)	-	(546)
Profit for the period	-	-	-	-	-	7,291	7,291	2	7,293
Total income and expense for the 26 weeks	-	-	-	-	232	6,513	6,745	2	6,747
Proceeds from share issue	2	432	-	-	-	-	434	-	434
Share buybacks	(52)	-	52	-	-	(7,391)	(7,391)	-	(7,391)
Share transaction charges	-	(136)	-	-	-	-	(136)	-	(136)
Share option and LTIP charge	-	-	-	-	-	438	438	-	438
Equity dividends paid	-	-	-	-	-	(3,024)	(3,024)	-	(3,024)
Minority interest movement	-	-	-	-	-	-	-	(1)	(1)
At 30 December 2007	2,538	5,307	319	(4,403)	209	5,888	9,858	39	9,897
Exchange difference on the translation of net assets of subsidiary undertaking	-	-	-	-	368	-	368	-	368
Tax credit on employee share options	-	-	-	-	-	56	56	-	56
Total income and expense for the 26 weeks recognised directly in equity	-	-	-	-	368	56	424	-	424
Profit for the period	-	-	-	-	-	6,911	6,911	(24)	6,887
Total income and expense for the 26 weeks	-	-	-	-	368	6,967	7,335	(24)	7,311
Proceeds from share issue	8	493	-	-	-	-	501	-	501
Share buybacks	(26)	-	26	-	-	(3,751)	(3,751)	-	(3,751)
Share transaction charges	-	(31)	-	-	-	-	(31)	-	(31)
Treasury shares held by EBT	-	-	-	(4,317)	-	-	(4,317)	-	(4,317)
Vesting of LTIP grants	-	-	-	814	-	(814)	-	-	-
Share option and LTIP charge	-	-	-	-	-	535	535	-	535
Equity dividends paid	-	-	-	-	-	(3,882)	(3,882)	-	(3,882)
Minority interest movement	-	-	-	-	-	-	-	(1)	(1)
At 29 June 2008	2,520	5,769	345	(7,906)	577	4,943	6,248	14	6,262

NOTES TO THE GROUP INTERIM REPORT

1. GENERAL INFORMATION

Domino's Pizza UK & IRL plc is a public limited company ("Company") incorporated in the United Kingdom under the Companies Act 1985 (registration number 03853545). The Company is domiciled in the United Kingdom and its registered address is Domino's House, Lasborough Road, Kingston, Milton Keynes, MK10 0AB. The Company's Ordinary Shares are traded on the London Stock Exchange. Copies of the Interim Report are being sent to shareholders. Further copies of the Interim Report and Annual Report and Accounts may be obtained from the address above.

2. BASIS OF PREPARATION

The interim financial information has been prepared on the basis of International Financial Reporting Standards ("IFRS"), as adopted by the European Union, that are effective at 29 June 2008 and are consistent with the accounting policies adopted in the preparation of the Group's annual report and accounts for the 52 weeks ended 30 December 2007.

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The financial information contained in this interim statement does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985.

The financial information for the 52 weeks ended 30 December 2007 has been extracted from the statutory accounts for the Group for that period. These published accounts were reported on by the auditors without qualification or an emphasis matter reference and did not include a statement under section 237(2) or (3) of the Companies Act 1985 and have been delivered to the Registrar of Companies.

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

3. REVENUE

Revenue recognised in the income statement is analysed as follows:

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Royalties and sales to franchisees	60,665	50,505	106,147
Rental income on leasehold and freehold property	5,402	4,520	8,479
Finance lease income	133	127	265
	66,200	55,152	114,891

NOTES TO THE GROUP INTERIM REPORT

4. SEGMENT INFORMATION

For management purposes, the Group is organised into two geographical business units, United Kingdom and Ireland, based on the territories governed by the Master Franchise Agreement ("MFA").

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.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Operating Segments

			(Unaudited) 26 weeks ended 29 June 2008			(Unaudited) 26 weeks ended 01 July 2007			52 weeks ended 30 December 2007
	Ireland £000	United Kingdom £000	Total £000	Ireland £000	United Kingdom £000	Total £000	Ireland £000	United Kingdom £000	Total £000
Segment revenue									
Sales to external customers	7,443	58,757	66,200	5,807	49,345	55,152	12,292	102,599	114,891
Results									
Segment result	1,515	9,259	10,774	1,328	6,548	7,876	2,628	15,535	18,163
Share of profit of associates	-	137	137	-	149	149	-	158	158
Group operating profit	1,515	9,396	10,911	1,328	6,697	8,025	2,628	15,693	18,321
(Loss)/profit on the sale of non current assets and assets held for sale	-	(137)	(137)	-	368	368	-	288	288
Profit on the sale of subsidiary undertakings	-	-	-	-	-	-	-	58	58
Admission to Official List fees	-	(887)	(887)	-	-	-	-	-	-
	1,515	8,372	9,887	1,328	7,065	8,393	2,628	16,039	18,667
Net finance costs			(188)			(114)			(91)
Profit before tax			9,699			8,279			18,576
Taxation			(2,812)			(2,333)			(5,337)
Profit for the period			6,887			5,946			13,239

NOTES TO THE GROUP INTERIM REPORT

5. CASH AND CASH EQUIVALENTS

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Cash at bank and in hand	1,988	2,792	2,404
Short term deposits	8,168	7,142	12,225
	10,156	9,934	14,629

6. EXCEPTIONAL ITEMS

Recognised as part of operating profit

The Group has incurred the following exceptional charges relating to store closures and stores sold during the financial period:

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Onerous lease and dilapidation provisions	63	43	45
Restructuring and reorganisation costs	53	96	143
Assets written off	30	140	145
	146	279	333

Recognised below operating profit

Profit on the sale of subsidiary undertaking

During the 2005 financial year the Group sold two subsidiary undertakings, DPGS Limited and Triple A Pizza Limited. As a result of this transaction, certain legal and property provisions were made. When resolution is reached relating to the conditions of the provisions, the remaining surplus provisions are released and reported in the profit on sale of subsidiary undertakings line on the income statement.

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Movement in provisions	-	-	58

NOTES TO THE GROUP INTERIM REPORT

6. EXCEPTIONAL ITEMS (continued)

Profit on the sale of non current assets and assets held for sale
The Group disposed of its subsidiary undertaking, DPGL Birmingham Limited in April 2008, generating a loss of £134,000. The loss in respect of this disposal will be chargeable to corporation tax at the statutory rate of 28%.

In addition the Group sold one (2007: None) corporate store resulting in a loss of £4,000 (2007: £Nil). The loss in respect of this disposal will be chargeable to corporation tax at the statutory rate of 28%.

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Sale of one (2007: None) corporate store	(4)	-	6
Loss on the sale of non current assets held for sale – DPGL Birmingham Limited	(134)	-	-
Profit on the sale of non current assets held for sale – DP Newcastle & Sunderland Limited	-	360	279
Profit on the sale of other non current assets	1	8	3
	(137)	368	288

Admission to Official List fees

The Company commenced and successfully completed the process of applying for admission to the Official List of the Financial Services Authority ("FSA") and to trading on the main market of the London Stock Exchange ("LSE") for listed securities. The Ordinary Shares were simultaneously cancelled from trading on AIM and admitted to listing on the Official List of the FSA and to trading on the main market of the LSE on 19 May 2008.

7. INCOME TAX

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Current income tax			
Current income tax charge	2,981	2,418	5,265
Deferred income tax			
Relating to origination and reversal of temporary differences	(169)	(85)	72
Income tax expense	2,812	2,333	5,337

NOTES TO THE GROUP INTERIM REPORT

8. DIVIDENDS PAID AND PROPOSED

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Declared and paid during the year			
Final dividend for 2006 1.76p (2005: 1.30p)	-	2,792	2,792
Interim dividend for 2007 1.90p (2006: 1.30p)	-	-	3,024
Final dividend for 2007 2.50p (2006: 1.76p)	3,882	-	-
	3,882	2,792	5,816

The directors propose an interim dividend of 2.70p per share of £4,153,000 (2007: 1.90p £3,024,000).

9. EARNINGS PER SHARE

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

Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year 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.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Profit for the period	6,887	5,946	13,239
Adjusted for – minority interests	24	8	6
Profit attributable to equity holders of the parent	6,911	5,954	13,245

	At 29 June 2008 No.	At 01 July 2007 No.	At 30 December 2007 No.
Reconciliation of basic and diluted weighted average number of shares:			
Basic weighted average number of shares (excluding treasury shares)	155,433,468	158,425,428	157,975,572
Dilutive potential ordinary shares:			
Employee share options	1,712,846	2,197,918	1,759,797
Reversionary interests	-	-	1,089,001
Diluted weighted average number of shares	157,146,314	160,623,346	160,824,370

NOTES TO THE GROUP INTERIM REPORT

9. EARNINGS PER SHARE (continued)

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Basic earnings per share	4.45	3.76	8.38p
Diluted earnings per share	4.40	3.71	8.24p

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.

The performance conditions for reversionary interests granted over 13,710,000 (2007: 11,632,000) shares and share options granted over 3,050,741 (2007: 3,135,590) shares have not been met in the current financial period and therefore the dilutive effect of the number of shares which would have been issued at the period end have not been included in the diluted earnings per share calculation.

Earnings per share before exceptional items

The Group presents as exceptional items on the face of the income statement, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better the trends in financial performance.

To this end, basic and diluted earnings from continuing operations per share is also presented on this basis and using the weighted average number of shares for both basic and diluted amounts as per the table above. The amounts for earnings per share from continuing operations before exceptional items are as follows:

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Adjusted basic earnings per share	5.18	3.68	8.48p
Adjusted diluted earnings per share	5.12	3.63	8.33p

NOTES TO THE GROUP INTERIM REPORT

9. EARNINGS PER SHARE (continued)

Net profit before exceptional items and attributable to equity holders of the parent is derived as follows:

	(Unaudited) 26 weeks ended 29 June 2008 £000	(Unaudited) 26 weeks ended 1 July 2007 £000	52 weeks ended 30 December 2007 £000
Profit for the period	6,887	5,946	13,239
Adjusted for - minority interests	24	8	6
Profit attributable to equity holders of the parent	6,911	5,954	13,245
Exceptional items after tax – attributable to equity holders of the parent	1,134	(131)	148
- Accelerated LTIP charge	-	-	174
- Operating exceptional charges	146	279	333
- Profit on the sale of non current assets and assets held for sale	137	(368)	(288)
- Profit on the sale of subsidiary undertakings	-	-	(58)
- Admission to Official List fees	887	-	-
- Taxation impact	(36)	(42)	(13)
Profit before exceptional items attributable to equity holders of the parent	8,045	5,823	13,393

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment additions in the period

During the 26 weeks ended 29 June 2008, the Group acquired assets with a cost of £3.2m (2007: £1.4m). £2.7m of the additions in the period related to the investment in the new Milton Keynes commissary and the extension to the Penrith commissary.

Capital commitments

At 29 June 2008, the Group had capital commitments of £3.9m (2007: £1.8m) principally relating to the acquisition of property, plant and equipment for the extension to the Penrith commissary and for the new Milton Keynes commissary.

NOTES TO THE GROUP INTERIM REPORT

11. INTEREST-BEARING LOANS AND BORROWINGS

Bank loans

The Group has entered into an agreement to obtain bank loans and mortgage facilities. These are secured by a fixed and floating charge over the Group's assets and an unlimited guarantee provided by the Company. At 29 June 2008 the balance due under these facilities was £12,034,000 (2007: £7,721,000) all of which is in relation to the Employee Benefit Trust. The loan bears interest at 0.50% (2006: 0.50%) per annum above LIBOR. The loan has a term of 7 years and matures on 31 January 2014.

Bank revolving facility

The Group has entered into an agreement to obtain a revolving credit facility from Barclays Bank plc. The limit for this facility is £6,000,000. The balance drawn down on the facility at 29 June 2008 was £6,000,000 (2007: £3,500,000). The facility is repayable within 3 – 12 months and interest is charged at 0.50% (2007: 0,50%) per annum above LIBOR. The facility is secured by share pledges, constituting first fixed charges over the shares of DPG Holdings Limited and Domino's Pizza Group Limited as well as negative pledges given by the Company, DPG Holdings Limited and Domino's Pizza Group Limited.

On 20 December 2007, the Group entered into an agreement to obtain an additional revolving facility from Barclays Bank plc. The limit for this facility is £25,000,000. The balance drawn down on the facility at 29 June 2008 was £3,000,000. The facility has a term of 5 years and interest is charged at 0.50% per annum above LIBOR. The facility was secured by an unlimited cross guarantee between the Company, Dominos Pizza Group Limited, DPG Holdings Limited, DP Realty Limited and DP Developments Limited as well as negative pledges given by the Company, Dominos Pizza Group Limited, DPG Holdings Limited, DP Realty Limited and DP Developments Limited.

Other loans

The remaining loans are repayable in equal instalments over a period of up to 5 years. The loans are secured by a limited guarantee and indemnity by the Company and Dominos Pizza Group 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 8.7% (2007: 8.5%).

12. SHARE-BASED PAYMENTS

The expense recognised for share-based payments in respect of employee services received during the 26 weeks to 30 June 2008 is £535,000 (2007: £442,000). This all arises on equity settled share-based payment transactions.

Long Term Senior Executive Incentive Plan

Reversionary interests over assets held in the Domino's Pizza UK & IRL plc employee benefit trust are approved and granted, at the discretion of the trustees, to senior executives. The interests are capable of vesting within a five year period should certain performance targets be achieved by the Group.

In February 2008, 3,790,000 reversionary interests were granted to senior executives under the Long Term Incentive Plan.

The following table lists the performance criteria attached to the reversionary interests granted and not vested:

Grant date	Grant price per interest	Diluted earnings per share	Net profit before tax	No. of interests granted
22 February 2008	212.00p	16.40p	£37,000,000	3,790,000

The contractual life of each interest is 5 years and all awards are equity settled.

12. SHARE-BASED PAYMENTS (continued)

The fair value of reversionary interests, which will be equity-settled, is estimated as at the date of granting using a Black Scholes model, taking into account the terms and conditions upon which they were granted. The following table lists the inputs to the model used for the valuations in 2008:

	2008
Dividend yield (%)	3.75
Expected volatility (%)	20.00
Historical volatility – 250 day (%)	26.98
Risk-free interest rate (%)	4.32
Expected life of reversionary interests (years)	4.00
Weighted average exercise price (pence)	212.00
Weighted average share price (pence)	212.00

The expected life of the reversionary interests is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options were incorporated into the measurement of fair value, and non-market conditions have not been included in calculating the fair value.

The weighted average fair value of each reversionary interest granted during the 26 week period was 34.0p.

Employee Share-option

All other employees are eligible for grants of options, which are approved by the Board. In March 2008, 1,017,620 share options were granted under the Unapproved Share Option Scheme.

The options vest over a 3 year period and are exercisable subject to the condition that the growth in basic earnings per share in any financial year between grant and vesting exceeds the growth in the Retail Price Index in the previous financial year by at least 5%.

The contractual life of each option granted is 10 years. There are no cash settlement alternatives and all awards are equity settled.

The fair value of equity-settled share options granted, for the Domino's Pizza (unapproved) scheme, is estimated as at the date of granting using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the valuations for the Domino's Pizza (unapproved) scheme in 2008:

	2008
Dividend yield (%)	3.75
Expected volatility (%)	23.00
Historical volatility – 250 day (%)	30.10
Risk-free interest rate (%)	3.99
Expected life of reversionary interests (years)	4.00
Weighted average exercise price (pence)	209.00
Weighted average share price (pence)	209.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options were incorporated into the measurement of fair value, and non-market conditions have not been included in calculating the fair value.

The weighted average fair value of each option granted in 2008 was 33.2p.

NOTES TO THE GROUP INTERIM REPORT

13. RELATED PARTY TRANSACTIONS

During the 26 weeks ended 29 June 2008, the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 29 June 2008 with related parties, are as follows:

	Sales to related party £000	Amounts owed by related party £000
Related party		
Associates		
29 June 2008	1,820	181
01 July 2007	1,887	129
30 December 2007	3,781	202
Subsidiary undertakings		
29 June 2008	766	69
01 July 2007	566	45
30 December 2007	1,148	86

14. ANALYSIS OF NET DEBT

	At 29 June 2008 £000	At 01 July 2007 £000	At 30 December 2007 £000
Bank loan EBT	12,034	7,721	7,721
Other loans	2,575	2,409	2,448
Finance leases	18	37	28
Bank revolving facility	9,000	3,500	6,000
Less: cash and cash equivalents	(10,156)	(9,934)	(14,629)
Net debt	13,471	3,733	1,568