For Immediate Release **24 February 2004**

Domino's Pizza UK & IRL plc

Preliminary Results
For the 52 weeks ended 28 December 2003

Domino's Pizza UK & IRL plc ("Domino's Pizza" or the "Company") is pleased to announce its preliminary results for the 52 weeks ended 28 December 2003. A summary of key points follows.

- Pre-tax profit up 54.2% to £6.5m (2002: £4.2m)
- Earnings per share:
    - Basic earnings per share up 61.1% to 9.0p (2002: 5.6p)
    - Diluted earnings per share up 58.6% to 8.4p (2002: 5.3p)
- Total dividend up 75.0% to 3.5p per share for the year (2002: 2.0p per share)
- System sales up 19.6% to £142.3m (2002: £118.9m)
- Record 50 new delivery stores opened (2002: 34) bringing year-end store count to 318 (2002: 269)
- Like-for-like sales up 7.4% (2002: 11.2%)
- Interest costs covered 29.3 times by operating profits (2002: 14.1 times)
- All direct bank debt of £8.2m repaid, cash resources of £3.7m

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

"A notable feature of the year was the clear demonstration of the effectiveness of our business model. In 2003 we increased the rate of new store openings by nearly 50%, increased system sales by nearly 20% with virtually no increase in the core head count. This exceptional level of operational gearing resulted in a near 50% increase in underlying operating profits."

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Notes to editors: -

Photography is available at www.newscast.co.uk.

Domino's Pizza Group Limited is a wholly owned subsidiary of Domino's Pizza UK & IRL plc, which is quoted on the Alternative Investment Market of the London Stock Exchange (symbol: DOM). Domino's Pizza Group Limited is the UK's leading pizza delivery company and holds the master franchise to own, operate and franchise Domino's Pizza stores in the UK and Ireland. The first UK store opened in 1985 and the first Irish store opened in 1991. As at 28 December 2003, there were 318 stores in the UK and Ireland.

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

Chairman’s Statement

With every passing year, the formula for our success grows clearer, sharper and more precise. Our foundation grows even more solid as our Company’s hold across the United Kingdom and Ireland is rooted more firmly every year. We have been guided by the same fundamental principles of service, quality and value since our inception in the UK nearly two decades ago, but now the fruits of our labour are evident as never before.

In 2003, our system sales grew to an all-time high of £142 million, a £23.3 million increase over a year ago. This one year increase alone is higher than our entire system sales of 1994, the year we took over the United Kingdom and Ireland operations of Domino’s Pizza. In 2003, we opened a record 50 new stores – dwarfing 2002’s opening store record of 34 new stores.

Cutting edge technology has enabled us to maintain our clear focus despite our growth. When a customer places an order for delivery or pickup, he or she does not see the high-technology infrastructure that now drives our business. But this has been a prime reason why we have been able to expand so aggressively while still maintaining our core values. Today more than £5.8 million in system sales comes via our e-commerce ordering system – that’s a 48% increase over 2002. And it is a growth rate twice that of our impressive system-sales rate over the same period of time.

It seems that more and more customers every year are ordering Domino’s Pizza through interactive satellite, cable and the Internet. And each of these high-tech orders will arrive freshly made and piping hot at customers’ doorsteps in less than 30 minutes, just as if they’d phoned the nearest Domino’s store. Of course, we will enhance our infrastructure to ensure we continue to handle the volume of high-tech orders we expect to reach in the years ahead.

To see just how our growth fuels our success one only need look at our national advertising budget. In 1994, we spent well under £1 million in advertising – just enough to run some ads in some local papers and sponsor some local events. In 2003, we spent over £5.7m on advertising which now includes nationwide TV advertising, sponsoring The Simpsons on Sky TV and massive direct mail campaigns. Today potential customers all across the United Kingdom and Ireland know Domino’s Pizza. Anyone can tell you that the pizza is always fresh, never frozen, and that it’ll be delivered to your door in 30 minutes or less whether you order by phone, by Internet, by interactive satellite or cable TV.

And what’s more, our message isn’t diluted, as are the messages of many of our competitors. We are not trying to be all things to all people. We don’t have multi-branded units nor sit-down restaurants. We don’t offer pages and pages of food choices. We are focused on a core offering and our entire advertising budget goes towards reinforcing the simple and direct message that we always aim to be the best pizza delivery company in the country, bar none.

The same singularity of focus drives our commissary operations and our stores. All our commissaries were built to handle our expansion with only minor modifications. When the time comes to add a new facility, the cost relative to our earnings stream will be modest. And the same goes for our stores. They are kept simple and streamlined – but also cutting edge. Every five years all of our stores are refitted to incorporate the latest designs and technology available.

When you are striving to be the best, it takes a tremendous amount of love and passion. However, having established leadership in your chosen market it takes even more effort. I thank my fellow team members and franchisees who have given their devotion, love and passion to our Company, and our many shareholders who have allowed us to continue fulfilling the dream we all share.

Colin Halpern
Chairman

Chief Executive’s Report

Introduction

2003 was another year of significant progress for your Company and one in which we achieved a number of the ambitious goals we had set ourselves, including the opening of 50 new stores in a year and the elimination of our direct bank debt.

Another notable feature of the year was the clear demonstration of the effectiveness of our business model. In 2003 we increased the rate of new store openings by nearly 50%, increased system sales by nearly 20% with virtually no increase in the core head count. This exceptional level of operational gearing resulted in a near 50% increase in underlying operating profits.

System Sales

System sales, which are the sales of all stores in the Domino’s system in the UK and Republic of Ireland, rose by 19.6% to £142.3m (2002: £118.9m) in the 52 weeks ended 28 December 2003. Like-for-like sales in the 234 stores open for more than twelve months in both periods grew by 7.4% (2002: 11.2%).

This continuing growth in like-for-like sales underpins the strong store-level economics of the Domino’s Pizza system that are essential for financing the necessary re-investment in stores to maintain our standards, image and capacity. Such returns are also a key driver of the continuing aggressive rollout of the system that will in turn drive sales and corporate profit.

System Expansion and Image

2003 saw a further acceleration in the rate of openings with a record 50 new stores opened in the year (2002: 34 stores). One delivery store was closed (2002: two). This took the year-end store count to 318 (2002: 269 stores).

Over the last two years, we have more than doubled our rate of new store openings and have now reached a level, which is sustainable within our existing overhead structure. Of the stores opened in 2003, 22 were in the South of England, eight in the Midlands, five in the North of England, six in the Republic of Ireland, one in Northern Ireland, two in Wales and six in Scotland.

One of the cornerstones of our business is the image of our stores and over the last three years we have pursued a vigorous campaign to re-image our estate to the latest standards. I am pleased to report that this is now almost complete with over 90% of our stores up to the latest image standards. No customer should ever walk into a Domino’s store and find that it is anything but new, clean and state-of-the-art, no matter how long it has been operating. Our latest design cycle finishes at the end of 2004 so by mid-Summer 2004 all of our stores will be no “older” than five years – even those that have been open since the 1980s.

We are currently working on a further update of the current image which will be launched this Summer and this will become the contemporary standard for new stores and refits.

Chief Executive's Report

Trading Results

Group turnover, which includes the sales generated by the Group from royalties, fees on new store openings, food sales and rental income, as well as the turnover of corporately owned and operated stores, grew by 15.9% to £61.6m from £53.1m.

Underlying group operating profit, on a consistent royalty basis and prior to a one-off cost, grew by 48.6% to £6.7m from £4.5m. The one-off item was the £0.53m cost of implementing an Employee Benefit Trust ("EBT") and making a Tender Offer to shareholders to buy-in shares. 2003 also saw the final increase in the rate of royalty paid to Domino's Pizza International Inc. in the USA under the Master Franchise Agreement. The rate increased from 2.5% in 2002 to 2.7% in 2003. Following these changes operating profit increased by 30.5% to £5.9m from £4.5m.

As indicated in my 2002 statement we have, over the course of the year, reduced the number of corporate stores. These disposals generated a positive cashflow of £4.1m and total profit on the disposal of £0.78m. Partly as a result of the cash inflow from store disposals, the net interest charge fell in the year to £0.20m (2002: £0.32m). The total net interest charge was covered 29.3 times by operating profit (2002: 14.1 times).

Profit before tax was up 54.2% to £6.54m from £4.24m. The tax charge fell from 33% to 30%, principally as a result of the new relief available on the exercise of employee options, a level your Board believes is maintainable.

Earnings Per Share and Dividend

Basic earnings per share were up 61.1% to 9.02 pence from 5.60 pence. Diluted earnings per share increased by 58.6% to 8.39 pence from 5.29 pence.

With the significant increase in profitability and the reduced levels of capital expenditure following the completion of the infrastructure, the company is generating strong cashflow. As a result the board is pleased to recommend a further significant increase in the dividend, which, if approved, will bring the final dividend of 2.18p per share (2002: 1.22p per share). This would give a total dividend for the year to 3.50 pence per share, a 75% increase over the 2.00 pence per share declared for 2002. The proposed dividend is 2.6 times covered by profits after tax (2002: 2.8 times).

Subject to shareholders' approval the final dividend will be payable on 30 April 2004 to shareholders on the register on 13 April 2004.

Cash Flow and Balance Sheet

2003 was an encouraging year in terms of changes to our balance sheet and cashflow. At the trading level we generated significant additional income resulting in the net cashflow from operating activities rising to £8.0m from £5.1m. The cash flow was further enhanced by the proceeds from the disposal of corporate stores of £4.1m and a significant reduction in capital expenditure. Whilst this was, to some extent, absorbed in higher tax payments and a significant increase in the dividend, the net cash inflow before financing movements was an inflow of £6.3m compared with an outflow of £0.8m in the previous year.

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During the year options over almost 2.28m shares were exercised generating a further cash inflow of £1.0m (2002: £0.2m). In total, the strong cashflow was sufficient to repay all the Group's direct bank debt totalling £8.2m.

As foreshadowed in my last annual report and in the circular to shareholders of 13th August 2003, the Group has established an Employee Benefit Trust ("EBT") for the purpose of providing share-based incentives to directors and employees. To facilitate these awards the EBT made a tender offer to shareholders for up to three million shares in October 2003. This offer was taken up in full at a cost of £5.2m. This was financed by a bank loan of £1.1m and the issuing of Loan Stock to the vendors of £4.1m. The Company guarantees both the bank debt and the Loan Stock.

Long-term incentive plans were then granted to certain employees and directors (including myself). These incentive plans provide the beneficiaries with the growth in value of the shares awarded over the agreed base level. The Company has adopted the most recent (and conservative) accounting treatment of the EBT. The full cost of the shares has been deducted from shareholders' funds (whereas they would have previously been shown as a fixed asset investment) and the debt consolidated into the Group balance sheet. Accordingly, shareholders' funds have reduced to £10.7m at 28 December 2003 from £11.7m at the previous year-end, despite the proceeds from the share issues referred to above and the retained earnings for the year of £2.8m. The EBT's Loan Stock and bank debt of £5.2m appears as part of long-term Group debt.

During the year DP Capital extended the leasing support provided to franchises for the fit-out of new stores and the refit of existing stores, with new advances of £1.9m. After repayments, the balance outstanding at the year-end from this activity was £3.1m (2002: £2.0m). These facilities are financed by a limited recourse loan facility and the amount drawn down at the year-end stood at £2.7m (2002: £2.0m).

At the year-end the Group therefore had consolidated debt of £8.0m (2002: £10.2m) of which £7.9m related to the EBT loan and the DP Capital funding, and £0.1m to finance leases. At the year-end the Group had cash balances of £3.7m (2002: £3.9m). Net borrowings therefore stood at £4.2m (2002: £6.3m) representing 40.9% (2002: 53.9%) of the reduced shareholders' funds.

Corporate Stores

As mentioned previously, the number of stores which we own and operate corporately was reduced in the year from 35 to 17 by the year-end. We have achieved this by the sale of 15 stores to franchisees, the transfer of two stores to an existing joint venture and the transfer of three stores into a new subsidiary in which we hold an 80% stake. We also acquired two stores.

At the operating level corporate stores delivered a contribution to the Group of £400,000 (2002: £633,000). In addition, a profit of £775,000 was achieved on the disposal of stores, as referred to above. The reduced portfolio is now more geographically focused which will assist in reducing overheads.

The 80% subsidiary we established to own and operate three of the corporate stores that were sold is a partnership with the operator who was formerly one of our area managers. In the four months this company operated it generated a turnover of £600,000 and an operating profit of

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£105,000. Our total investment in this company was £120,000 plus secured debt financing of £350,000.

At the year-end we had two joint ventures with franchisees, which operated a total of 14 stores and in which our equity interests were 41% and 50% respectively. Our total investment in these enterprises was £339,000 (2002: £307,000) plus secured debt financing of £627,000 (2002: £705,000). These joint ventures generated a turnover of £2.8m and a contribution to the Group (after goodwill amortisation) of £100,000 (2002: £59,000).

We continue to explore ways in which we can maximise the return from these activities and will continue to both acquire and dispose of stores where this can benefit the business and the brand. We will also consider further minority investments in joint ventures and in subsidiary enterprises where our operating partners have a minority stake.

Building The Brand

Since our last annual report very little new research on the home delivered food market has been published. We estimate, however that the market grew to approximately £1.2 billion in 2003 of which the pizza segment may now be approaching 40%. Our growth therefore continues to outstrip the market and we believe that our market share also continues to grow.

In 2003, four main initiatives helped us to strengthen our position as market leader. Firstly, our marketing team boosted the support it provides to stores by developing a direct marketing system that builds on the wealth of information contained in each store's customer database. In particular, we now have a clear insight into the purchasing behaviour of our two million plus customers, as well as the advantage of being able to nurture customer loyalty and encourage repeat purchase.

Secondly, we continued to make improvements to our e-commerce infrastructure which saw sales increase 48% on the prior year. E-commerce delivers higher average transaction values and approximately one quarter of all e-commerce orders are from new customers. E-commerce sales - that is the sales of pizza through the internet at www.dominos.co.uk and via interactive TV - now account for 4.5% of sales in the UK.

Thirdly, we increased our brand awareness through a combination of more national TV advertising and our continued sponsorship of The Simpsons on Sky One. We are pleased to announce that this sponsorship, which was due to expire in July 2004, has been extended for a further two years.

Finally, we began a programme of 'co-operative' regional TV advertising in Scotland, Wales and London, where ever-increasing populations of stores make funding additional TV advertising increasingly viable. The majority of this extra advertising spend is funded by the franchisees in these areas. It is our intention to continue to capitalise on our growing regional strength with further co-operative advertising throughout 2004 and beyond.

The Community

Having a positive impact on the communities we serve remains an important goal for Domino's Pizza, both corporately and in stores. Throughout 2003, our franchisees have continued to support a wide range of charities and community groups with gifts of free pizza and financial

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support. In December 2003 the Company announced an association with Make-A-Wish® Foundation UK. Our support will help this organisation grant the wishes of young people, aged 3-18, who are living with life-threatening illnesses.

We also reinforce our commitment to the community by expanding our system in a responsible way, paying careful attention to the way in which we construct and operate our stores. We have objectively appraised our impact on local communities by commissioning an independent survey of planning, environmental health and highways issues. The results - published in our report "Responsible Growth" - have helped us to gain a better understanding of the contemporary requirements of local communities and will inform our future development activity.

Current Trading and Prospects

Trading in the first six weeks of the current year has been satisfactory with like-for-like sales up 4.3%. Our focus in 2004 will be to maintain the rate of roll-out achieved in 2003, maintain like-for-like sales growth and manage overheads and cashflow to ensure that the benefits of our business model continue to flow through to shareholders. We therefore look forward to 2004 with confidence.

Conclusion and Thanks

As ever, at the conclusion of my report I wish to pay tribute to and thank the great team of people that make this business happen every day. Domino's Pizza is an unusual business in that, of the 7,000 people involved in the business across the UK and Republic of Ireland, only 225 are directly employed by your Company to work in administration, production and distribution. This relatively small team of talented and dedicated people is committed to achieving the highest standards for our many customers.

But it is the team members in the stores, whether they work for our franchisees or corporate who work tirelessly to serve customers every day, whatever the weather. These are the people who make or break the reputation of the Domino's brand in the quality of the pizza they make, the quality of the service they provide and the image they portray. It is to all of these people that my deepest thanks go for yet another exceptional year. Here's to another one in 2004!

Stephen Hemsley
Chief Executive

Group Profit and Loss Account

for the 52 weeks ended 28 December 2003

	Notes	2003 £000	2002 £000
Turnover			
Turnover: group and share of joint ventures' turnover		64,369	54,673
Less: share of joint ventures' turnover		(2,812)	(1,564)
Group turnover		61,557	53,109
Cost of sales		(34,101)	(28,054)
Gross profit		27,456	25,055
Distribution costs		(7,805)	(8,663)
Administrative expenses		(13,253)	(11,813)
Administrative expenses - exceptional	2	(532)	–
Administrative expenses		(13,785)	(11,813)
Other operating expenditure		–	(75)
Group operating profit		5,866	4,504
Share of operating profit in joint venture		105	64
Amortisation of goodwill on joint venture		(5)	(5)
		100	59
Total operating profit: group and share of joint venture		5,966	4,563
Profit on sale of fixed assets		775	–
Profit on ordinary activities before interest and taxation		6,741	4,563
Interest receivable		81	50
Interest payable and similar charges		(285)	(374)
Profit on ordinary activities before taxation		6,537	4,239
Tax on profit on ordinary activities		(1,958)	(1,404)
Profit on ordinary activities after taxation		4,579	2,835
Minority interests		(20)	–
Profit for the financial year attributable to Members of the present company		4,559	2,835
Dividends on equity shares	3	(1,757)	(1,018)
Profit retained for the financial year		2,802	1,817
Earnings per share - basic	4	9.02p	5.60p
- diluted		8.39p	5.29p

Group Statement of Total Recognised Gains and Losses

for the 52 weeks ended 28 December 2003

	2003	*2002*
	£000	*£000*
Profit attributable to the financial period	4,559	2,835
Unrealised gain on exchange of properties for interest in joint venture	–	55
Total gains and losses recognised since the last annual report	4,559	2,890

Group Balance Sheet

at 28 December 2003

	Notes	*2003* *£000*	*2002* *£000*
Fixed assets			
Intangible assets		1,430	2,386
Tangible assets		12,293	13,685
Investments in joint venture:			
Share of gross assets		1,582	717
Share of gross liabilities		(1,243)	(410)
		339	307
Total fixed assets		14,062	16,378
Current assets			
Stocks		1,843	1,411
Debtors:			
amounts falling due within one year		9,197	8,572
amounts falling due after more than one year		3,036	2,130
		12,233	10,702
Cash at bank and in hand		3,721	3,885
Total current assets		17,797	15,998
Creditors: amounts falling due within one year		(13,380)	(12,919)
Net current assets		4,417	3,079
Total assets less current liabilities		18,479	19,457
Creditors: amounts falling due after more than one year		(7,119)	(7,152)
Provision for liabilities and charges		(630)	(604)
		10,730	11,701
Capital and reserves			
Called up share capital		2,660	2,546
Share premium account		3,290	2,395
Own shares held by EBT		(5,160)	–
Profit and loss account		9,890	6,760
Equity shareholders' funds		10,680	11,701
Minority interest		50	–
		10,730	11,701

Director

Group Statement of Cash Flows
at 28 December 2003

	Notes	2003 £000	2002 £000
Net cash inflow from operating activities	5 (a)	8,010	5,128
Returns on investments and servicing of finance			
Interest received		81	50
Interest paid		(183)	(343)
Interest element of finance lease payments		(8)	(9)
		(110)	(302)
Taxation			
Corporation tax paid		(1,407)	(950)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets		(239)	(214)
Payments to acquire tangible fixed assets		(1,783)	(3,291)
Receipts from sales of tangible and intangible fixed assets		4,075	411
Receipts from repayment of joint venture loan		78	46
Payments to acquire finance lease assets and advance of franchisee loans		(2,030)	(1,247)
Receipts from repayment of finance leases and franchisee loans		936	901
		1,037	(3,394)
Acquisitions and disposals			
Purchase of subsidiary undertaking and un-associated businesses		30	(484)
		30	(484)
Equity dividends paid		(1,297)	(777)
Net cash inflow/(outflow) before financing		6,263	(779)
Financing			
Issue of ordinary share capital		1,009	231
New long-term loans		6,757	2,719
Repayments of long-term loans		(8,984)	(1,443)
Inception of finance leases		–	–
Repayment of capital element of finance leases and hire purchase contracts		(49)	(74)
Purchase of shares by EBT		(5,160)	–
		(6,427)	1,433
(Decrease) / increase in cash	5 (b)	(164)	654

Notes to the Accounts

at 28 December 2003

1. Accounting Policies

Basis of preparation

The preliminary announcement has been prepared on the basis of the accounting policies set out in the group's statutory accounts for the fifty-two weeks ended 28 December 2003.

The Company has adopted UITF 38 Accounting for the ESOP Trust. Shares in the Company held by trustees of the Employee Benefit Trust are stated at cost. The Trust has waived its entitlement to dividends. The Group will meet the expenses of the Trust as and when they fall due. When options are granted, the difference between market price and the grant price is amortised to the profit and loss account over the performance period.

2. Exceptional Item

Exceptional item

During the year the Group paid £532,000 in setting up the Employee Benefit Trust and making a tender offer to shareholders to buy in shares. This was settled in cash.

3. Dividends

	2003	*2002*
	£000	*£000*
Equity dividends on ordinary shares:		
Interim paid 1.32p (2001: 0.78p)	674	395
Final proposed 2.18p (2001: 1.22p)	1,083	623
	1,757	1,018

4. Earnings per ordinary share

The calculation of basic earnings per ordinary share is based on earnings of £4,559,000 (2002: £2,835,000) and on 50,568,399 (2002: 50,620,687) ordinary shares.

The diluted earnings per share is based on earnings of £4,559,000 (2002:£2,835,000) and on 54,376,497 (2002: 53,577,582) ordinary shares. All of the difference relates to share options which takes into account theoretical ordinary shares that would have been issued, based on average market value if all outstanding options were exercised.

Notes to the Accounts – Cont'd

at 28 December 2003

5. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2003	*2002*
	£000	*£000*
Operating profit	5,866	4,504
Depreciation charge	1,210	1,127
Amortisation charge	180	228
Administration expenditure	328	75
(Increase) in stocks	(433)	(151)
(Increase) in debtors	(707)	(1,047)
Increase in creditors	1,566	392
	8,010	5,128

(b) Reconciliation of net cash flow to movement in net debt

	2003	*2002*
	£000	*£000*
Increase/(decrease) in cash	(164)	654
Cash inflow from increase in loans	(6,757)	(2,719)
Repayment of long-term loans	8,984	1,443
Repayments of capital element of finance leases and hire purchase contracts	49	74
Inception of finance leases	(47)	–
Movement in net debt	2,065	(548)
Net debt at 29 December 2002	(6,308)	(5,760)
Net debt at 28 December 2003	(4,243)	(6,308)

6. Financial Information

The financial information set out in the announcement does not constitute the Company's statutory accounts for the 52 weeks ended 28 December 2003. The financial information for the 52 weeks ended 29 December 2002 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The statutory accounts for the 52 weeks ended 28 December 2003 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.