Domino's Pizza Posts Third Quarter 2004 Financial Results; Announces First Quarterly Dividend

October 19, 2004

ANN ARBOR, Mich., Oct. 19 /PRNewswire-FirstCall/ -- Domino's Pizza, Inc. (NYSE: DPZ - News), the recognized world leader in pizza delivery, today announced its financial results for the third quarter and first three quarters ended September 5, 2004. Global retail sales were up 12.0% for the third quarter of 2004 versus the prior year, driven by robust global same store sales and unit growth. Domestic same stores sales increased 8.0% for the third quarter, while international same store sales increased 5.9%, on a constant dollar basis, for the same period. The Company added a net 73 stores worldwide during the third quarter, and increased worldwide store counts by a net 271 stores over the past four fiscal quarters. Pro forma diluted earnings per share was $0.23 for the third quarter of 2004.

Additionally, the Company declared its first quarterly dividend at its October 14, 2004 board meeting in the amount of 6.5 cents per share, payable on December 15, 2004 to shareholders of record as of the close of business on December 1, 2004. On an annualized basis, this equates to an approximate 1.6% dividend yield, based on the Company's closing stock price of $15.90 on October 18, 2004.

David A. Brandon, Chairman and CEO, said "We achieved a 12% increase in global retail sales versus last year's third quarter. This was our strongest quarterly sales performance in several years. And, we continued to steadily increase our worldwide store counts. It is important to note that the complexities of our financial reporting this year are significant. We are cycling over last year's recapitalization, and reporting on a quarter in which our IPO occurred. The fees and expenses associated with these events should not detract from our actual performance."

Brandon added, "As always, I am very proud of our terrific franchisees and the outstanding team members who are responsible for our continued growth and progress. Together, we drive the results and strong cash flow that enable us to pay a healthy dividend to investors and increase shareholder value."

The Company plans to file its quarterly report on Form 10-Q this morning. Additionally, as previously announced, Domino's Pizza, Inc. will hold a conference call today at 11 a.m. (Eastern) to review its third quarter 2004 financial results. The call can be accessed by dialing (888) 306-6182 (U.S./Canada) or (706) 634-4947 (International). Ask for the Domino's Pizza conference call. The call will also be simulcast at http://www.dominos.com. If you are unable to participate on the call, a replay will be available through midnight November 19, 2004 by dialing (800) 642-1687 (U.S./Canada) or (706)645-9291 (International), Conference ID 1329190. Web cast will be archived for 30 days on http://www.dominos.com.

Third Quarter Highlights (versus the prior year):

- Domestic same store sales increased 8.0%, comprised of a domestic franchise same store sales increase of 8.2% and a domestic Company- owned same store sales increase of 6.8%. These results were driven by positive consumer response to the Company's marketing and promotional activities during the quarter.
- International same store sales increased 5.9% on a constant dollar basis, marking the 43rd consecutive quarter of international same store sales growth. International same store sales increased 9.9% on a historical dollar basis, reflecting a generally weaker U.S. dollar in key competitive markets.
- Global retail sales, comprised of all retail sales at Company-owned and franchise stores worldwide, increased 12.0%, driven by higher same store sales and store counts.
- Pro forma diluted EPS was $0.23, on pro forma net income of $16.1 million. This reflects the Company's initial public offering, including the repayment of $109.1 million of senior subordinated debt, and is discussed in detail on pages 5 and 6 of this press release.
- Worldwide store counts increased by a net 73 stores during the third quarter, and increased by a net 271 stores during the past four fiscal quarters. At the end of the third quarter, there were 7,603 Domino's Pizza stores in operation worldwide.

Brandon further commented on the Company's income from operations performance: "On an 'apples to apples' basis, when you exclude the non- recurring IPO and recapitalization expenses, we were pleased with our core income from operations performance, which was up 0.6% to $38.4 million for the quarter. This positive performance is especially satisfying given that we faced higher than normal cheese prices and we experienced significant gains from the sale and disposal of assets in 2003; which, when compared to 2004, resulted in a $3.2 million year over year impact on earnings."