UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 6, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 001-32242

Domino’s Pizza, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**38-2511577** **(I.R.S. Employer Identification No.)**
30 Frank Lloyd Wright Drive **Ann Arbor, Michigan** **(Address of Principal Executive Offices)**	**48105** **(Zip Code)**

(734) 930-3030
(Registrant’s Telephone Number, Including Area Code)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 1, 2015, Domino’s Pizza, Inc. had 54,647,243 shares of common stock, par value $0.01 per share, outstanding.

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Domino's Pizza, Inc.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands)	September 6, 2015	December 28, 2014 (Note)
Assets		
Current assets:		
Cash and cash equivalents	$ 32,506	$ 30,855
Restricted cash and cash equivalents	91,021	120,954
Accounts receivable	112,398	118,395
Inventories	39,826	37,944
Prepaid expenses and other	23,701	32,569
Advertising fund assets, restricted	96,030	72,055
Deferred income taxes	8,950	9,857
Asset held for sale	—	5,732
Total current assets	404,432	428,361
Property, plant and equipment:		
Land and buildings	29,345	25,859
Leasehold and other improvements	104,735	99,804
Equipment	187,305	178,378
Construction in progress	4,440	6,179
	325,825	310,220
Accumulated depreciation and amortization	(206,373)	(196,174)
Property, plant and equipment, net	119,452	114,046
Other assets:		
Deferred financing costs	19,123	22,947
Goodwill	16,176	16,297
Capitalized software	24,136	20,562
Other assets	17,859	14,592
Deferred income taxes	2,018	2,475
Total other assets	79,312	76,873
Total assets	$ 603,196	$ 619,280
Liabilities and stockholders' deficit		
Current liabilities:		
Current portion of long-term debt	$ 256	$ 565
Accounts payable	86,423	86,552
Dividends payable	17,316	14,351
Insurance reserves	16,555	14,465
Advertising fund liabilities	96,030	72,055
Other accrued liabilities	62,711	77,620
Total current liabilities	279,291	265,608
Long-term liabilities:		
Long-term debt, less current portion	1,527,664	1,523,546
Insurance reserves	29,357	26,951
Deferred income taxes	4,523	5,588
Other accrued liabilities	18,310	17,052
Total long-term liabilities	1,579,854	1,573,137
Stockholders' deficit:		
Common stock	546	556
Additional paid-in capital	1,273	29,561
Retained deficit	(1,254,287)	(1,246,921)
Accumulated other comprehensive loss	(3,481)	(2,661)
Total stockholders' deficit	(1,255,949)	(1,219,465)
Total liabilities and stockholders' deficit	$ 603,196	$ 619,280

Note: The balance sheet at December 28, 2014 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

See accompanying notes.

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Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per share data)	Fiscal Quarter Ended September 6, 2015	Fiscal Quarter Ended September 7, 2014	Three Fiscal Quarters Ended September 6, 2015	Three Fiscal Quarters Ended September 7, 2014
Revenues:				
Domestic Company-owned stores	$ 86,456	$ 77,644	$ 267,625	$ 238,915
Domestic franchise	59,385	51,858	181,986	157,317
Supply chain	303,591	282,506	918,150	851,768
International franchise	35,264	34,560	107,584	102,883
Total revenues	484,696	446,568	1,475,345	1,350,883
Cost of sales:				
Domestic Company-owned stores	70,032	59,754	204,266	183,262
Supply chain	272,710	253,300	819,387	762,420
Total cost of sales	342,742	313,054	1,023,653	945,682
Operating margin	141,954	133,514	451,692	405,201
General and administrative	61,411	56,573	184,665	162,722
Income from operations	80,543	76,941	267,027	242,479
Interest income	64	22	203	80
Interest expense	(19,979)	(19,974)	(59,142)	(60,151)
Income before provision for income taxes	60,628	56,989	208,088	182,408
Provision for income taxes	22,796	21,371	78,058	67,854
Net income	$ 37,832	$ 35,618	$ 130,030	$ 114,554
Earnings per share:				
Common stock – basic	$ 0.69	$ 0.65	$ 2.37	$ 2.08
Common stock – diluted	0.67	0.63	2.30	2.01
Dividends declared per share	$ 0.31	$ 0.25	$ 0.93	$ 0.75

See accompanying notes.

Domino’s Pizza, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(Unaudited)

(In thousands)	Fiscal Quarter Ended September 6, 2015	Fiscal Quarter Ended September 7, 2014	Three Fiscal Quarters Ended September 6, 2015	Three Fiscal Quarters Ended September 7, 2014
Net income	$ 37,832	$ 35,618	$ 130,030	$ 114,554
Other comprehensive income (loss), before tax:				
Currency translation adjustment	(961)	(5)	(1,694)	(790)
Tax attributes of items in other comprehensive income (loss):				
Currency translation adjustment	409	29	874	440
Other comprehensive income (loss), net of tax	(552)	24	(820)	(350)
Comprehensive income	$ 37,280	$ 35,642	$ 129,210	$ 114,204

See accompanying notes.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Three Fiscal Quarters Ended September 6, 2015	Three Fiscal Quarters Ended September 7, 2014
Cash flows from operating activities:		
Net income	$ 130,030	$ 114,554
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,695	20,024
Gains on sale/disposal of assets	(73)	(1,381)
Amortization of deferred financing costs	3,825	4,046
Provision for deferred income taxes	959	1,008
Non-cash compensation expense	11,188	11,897
Tax impact from equity-based compensation	(15,745)	(10,899)
Other	(1,216)	(888)
Changes in operating assets and liabilities	15,645	(19,476)
Net cash provided by operating activities	167,308	118,885
Cash flows from investing activities:		
Capital expenditures	(33,834)	(30,983)
Proceeds from sale of assets	10,464	5,802
Changes in restricted cash	29,933	51,861
Other	1,304	(1,365)
Net cash provided by investing activities	7,867	25,315
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	5,000	—
Repayments of long-term debt and capital lease obligations	(5,198)	(12,152)
Proceeds from exercise of stock options	4,459	3,094
Tax impact from equity-based compensation	15,745	10,899
Purchases of common stock	(138,550)	(82,407)
Tax payments for restricted stock upon vesting	(7,442)	(7,889)
Payments of common stock dividends and equivalents	(48,141)	(39,208)
Net cash used in financing activities	(174,127)	(127,663)
Effect of exchange rate changes on cash and cash equivalents	603	16
Change in cash and cash equivalents	1,651	16,553
Cash and cash equivalents, at beginning of period	30,855	14,383
Cash and cash equivalents, at end of period	$ 32,506	$ 30,936

See accompanying notes.

Domino's Pizza, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited; tabular amounts in thousands, except percentages, share and per share amounts)

September 6, 2015

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes for the fiscal year ended December 28, 2014 included in our annual report on Form 10-K.

In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair statement have been included. Operating results for the fiscal quarter ended September 6, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending January 3, 2016.

2. Segment Information

The following table summarizes revenues, income from operations and earnings before interest, taxes, depreciation, amortization and other, which is the measure by which the Company allocates resources to its segments and which we refer to as Segment Income, for each of our reportable segments.

	Fiscal Quarters Ended September 6, 2015 and September 7, 2014					
	Domestic Stores	Supply Chain	International Franchise	Intersegment Revenues	Other	Total
Revenues						
2015	$145,841	$327,885	$ 35,264	$ (24,294)	$ —	$ 484,696
2014	129,502	306,131	34,560	(23,625)	—	446,568
Income from operations						
2015	$ 45,482	$ 23,729	$ 27,922	N/A	$(16,590)	$ 80,543
2014	43,000	22,952	28,288	N/A	(17,299)	76,941
Segment Income						
2015	$ 47,566	$ 26,061	$ 27,954	N/A	$ (9,760)	$ 91,821
2014	44,761	25,033	28,327	N/A	(10,110)	88,011

	Three Fiscal Quarters Ended September 6, 2015 and September 7, 2014					
	Domestic Stores	Supply Chain	International Franchise	Intersegment Revenues	Other	Total
Revenues						
2015	$449,611	$993,015	$ 107,584	$ (74,865)	$ —	$1,475,345
2014	396,232	923,900	102,883	(72,132)	—	1,350,883
Income from operations						
2015	$153,732	$ 76,937	$ 86,205	N/A	$(49,847)	$ 267,027
2014	135,105	70,044	84,682	N/A	(47,352)	242,479
Segment Income						
2015	$159,118	$ 83,832	$ 86,211	N/A	$(28,324)	$ 300,837
2014	138,413	76,184	84,500	N/A	(26,078)	273,019

The following table reconciles Total Segment Income to consolidated income before provision for income taxes.

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 6, 2015	September 7, 2014	September 6, 2015	September 7, 2014
Total Segment Income	$ 91,821	$ 88,011	$ 300,837	$ 273,019
Depreciation and amortization	(7,667)	(6,947)	(22,695)	(20,024)
Gains (losses) on sale/disposal of assets	(199)	(306)	73	1,381
Non-cash compensation expense	(3,412)	(3,817)	(11,188)	(11,897)
Income from operations	80,543	76,941	267,027	242,479
Interest income	64	22	203	80
Interest expense	(19,979)	(19,974)	(59,142)	(60,151)
Income before provision for income taxes	$ 60,628	$ 56,989	$ 208,088	$ 182,408

3. Earnings Per Share

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 6, 2015	September 7, 2014	September 6, 2015	September 7, 2014
Net income available to common stockholders – basic and diluted	$ 37,832	$ 35,618	$ 130,030	$ 114,554
Basic weighted average number of shares	54,463,073	54,620,539	54,834,627	54,949,257
Earnings per share – basic	$ 0.69	$ 0.65	$ 2.37	$ 2.08
Diluted weighted average number of shares	56,115,670	56,610,608	56,584,913	57,030,669
Earnings per share – diluted	$ 0.67	$ 0.63	$ 2.30	$ 2.01

The denominators used in calculating diluted earnings per share for common stock for the third quarter and three fiscal quarters of 2015 do not include 188,080 options to purchase common stock, as the effect of including these options would have been anti-dilutive. The denominators used in calculating diluted earnings per share for common stock for the third quarter and three fiscal quarters of 2014 do not include 335,420 options to purchase common stock, as the effect of including these options would have been anti-dilutive.

4. Stockholders' Deficit

The following table summarizes changes in Stockholders' Deficit for the three fiscal quarters of 2015.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at December 28, 2014	55,553,149	$ 556	$ 29,561	$(1,246,921)	$ (2,661)
Net income	—	—	—	130,030	—
Common stock dividends	—	—	—	(51,095)	—
Issuance of common stock, net	79,375	1	—	—	—
Tax payments for restricted stock upon vesting	(69,334)	(1)	(7,441)	—	—
Purchases of common stock	(1,293,924)	(13)	(52,236)	(86,301)	—
Exercise of stock options	377,677	3	4,456	—	—
Tax impact from equity-based compensation	—	—	15,745	—	—
Non-cash compensation expense	—	—	11,188	—	—
Currency translation adjustment, net of tax	—	—	—	—	(820)
Balance at September 6, 2015	54,646,943	$ 546	$ 1,273	$(1,254,287)	$ (3,481)

5. Dividends

During the three fiscal quarters of 2015, the Company paid approximately $48.1 million of common stock dividends. Additionally, during the third quarter of 2015, the Company's Board of Directors declared a $0.31 per share quarterly dividend on its outstanding common stock for shareholders of record as of September 15, 2015 which was paid on September 30, 2015. The Company had approximately $17.3 million accrued for common stock dividends at September 6, 2015.

Subsequent to the third quarter, the Company's Board of Directors declared a $0.31 per share quarterly dividend on its outstanding common stock for shareholders of record as of December 15, 2015 to be paid on December 30, 2015.

6. Accumulated Other Comprehensive Loss

The approximately $3.5 million of accumulated other comprehensive loss at September 6, 2015 and the approximately $2.7 million of accumulated other comprehensive loss at December 28, 2014 represent currency translation adjustments, net of tax. There were no reclassifications out of accumulated other comprehensive loss to net income in the three fiscal quarters of 2015 or the three fiscal quarters of 2014.

7. Open Market Share Repurchase Program

During the third quarter of 2015, the Company repurchased and retired 365,460 shares of common stock for approximately $40.9 million; during the three fiscal quarters of 2015, the Company repurchased and retired 1,293,924 shares of common stock for approximately $138.6 million. As of September 6, 2015, the Company had $159.4 million remaining for future share repurchases under its Board of Directors approved open market share repurchase program, which was reset at $200.0 million during the third quarter of 2015.

During the third quarter of 2014, the Company repurchased and retired 242,700 shares of common stock for approximately $17.4 million; during the three fiscal quarters of 2014, the Company repurchased and retired 1,151,931 shares of common stock for approximately $82.4 million. These shares were repurchased under the Company's open market share repurchase program.

8. Fair Value Measurements

Fair value measurements enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The fair values of the Company's cash equivalents and investments in marketable securities are based on quoted prices in active markets for identical assets. The following tables summarize the carrying amounts and fair values of certain assets at September 6, 2015 and December 28, 2014:

	At September 6, 2015			
		Fair Value Estimated Using		
	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$17,370	$17,370	$ —	$ —
Restricted cash equivalents	57,855	57,855	—	—
Investments in marketable securities	5,656	5,656	—	—

	At December 28, 2014			
		Fair Value Estimated Using		
	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$16,290	$16,290	$ —	$ —
Restricted cash equivalents	93,121	93,121	—	—
Investments in marketable securities	4,586	4,586	—	—

At September 6, 2015, the Company estimated that the $1.522 billion in principal amount of outstanding fixed rate notes had a fair value of approximately $1.572 billion; and at December 28, 2014 the $1.522 billion in principal amount of outstanding fixed rate notes had a fair value of approximately $1.597 billion. The fixed rate notes are classified as a Level 2 measurement, as the Company estimated the fair value amount by using available market information. The Company obtained quotes from two separate brokerage firms that are knowledgeable about the Company's fixed rate notes and, at times, trade these notes. The Company also performed its own internal analysis based on the information gathered from public markets, including information on notes that are similar to that of the Company. However, considerable judgment is required to interpret market data to estimate fair value. Accordingly, the fair value estimates presented are not necessarily indicative of the amount that the Company or the debtholders could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values stated above.

9. Sale of Company-Owned Stores

During the first quarter of 2014, the Company sold 14 Company-owned stores to a franchisee. In connection with the sale of these 14 stores, the Company recorded a $1.7 million pre-tax gain on the related assets, which was net of a $0.5 million reduction in goodwill. The gain was recorded in general and administrative expense in the Company's condensed consolidated statements of income. As a result of this capital gain, the Company also released $0.3 million of a deferred tax valuation allowance.

10. Legal Matters

In 2013, the Company was named as a defendant in a lawsuit along with a large franchisee and the franchisee's delivery driver. The jury delivered a $32.0 million judgment for the plaintiff where the Company was found to be 60% liable. The Company denied liability and filed an appeal of the verdict on a variety of grounds. In the first quarter of 2015, the appellate court reversed the trial court's decision and dismissed the claims against the Company. The plaintiff has filed a writ of review with the Texas Supreme Court. The Company's response is due on or before October 19, 2015. The Company continues to deny liability in this matter and assert that the claims were appropriately dismissed by the Texas Court of Appeals.

11. Supplemental Disclosures of Cash Flow Information

At September 6, 2015, the Company had $1.0 million of non-cash investing activities related to accruals for capital expenditures.

During the first quarter of 2015, the Company renewed the capital lease of a supply chain center building and extended the term of the lease through August 2028. As a result of the new lease, the Company recorded non-cash financing activities of $3.4 million for the increase in capital lease assets and liabilities during the first quarter of 2015.

During the third quarter of 2015, the Company entered into a capital lease for a Company-owned store. As a result, the Company recorded non-cash financing activities of $0.6 million for the increase in capital lease assets and liabilities during the third quarter of 2015.

12. Debt

Subsequent to the third quarter of 2015, the Company announced its intention to complete a recapitalization transaction. Certain of the Company's subsidiaries intend to issue approximately $1.5 billion of new fixed rate notes and use the proceeds to prepay and retire 35% of the Company's existing Series 2012-1 5.216% Fixed Rate Senior Secured Notes (the 2012 Notes) at par, for approximately $551.3 million, to pay transaction fees and for general corporate purposes. The Company also expects to enter into a new $125 million variable funding note facility, which will replace its existing $100 million variable funding note facility. The Company anticipates that the refinancing transaction will close during the fourth quarter of 2015. On the closing date of the anticipated refinancing transaction, the Company expects that its defined leverage ratios will exceed 4.5x, and as a result, the Company will be required to make up $26.9 million in principal amortization payments it had previously not made in future quarters.

13. Casualty Insurance

The Company has retention programs for workers' compensation, general liability and owned and non-owned automobile liabilities for its corporate stores, offices and supply chain centers. Insurance reserves relating to these retention programs are based on independent actuarial estimates. During the third quarter of 2015, the Company recorded approximately $5.7 million of pre-tax incremental insurance expense related to updated independent actuarial estimates for its casualty insurance program. This charge increased domestic Company-owned stores cost of sales in the condensed consolidated statements of income by approximately $4.3 million and increased supply chain cost of sales in the condensed consolidated statements of income by approximately $1.4 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Unaudited; tabular amounts in millions, except percentages and store data)

The 2015 and 2014 third quarters referenced herein represent the twelve-week periods ended September 6, 2015 and September 7, 2014. The 2015 and 2014 three fiscal quarters referenced herein represent the thirty-six-week periods ended September 6, 2015 and September 7, 2014.

Overview

Domino's is the second largest pizza restaurant chain in the world, with more than 12,100 locations in over 80 markets. Founded in 1960, our roots are in convenient pizza delivery, while a significant amount of our sales also come from carryout customers. Domino's generates revenues and earnings by charging royalties to our independent franchisees. The Company also generates revenues and earnings by selling food, equipment and supplies to franchisees primarily in the U.S. and Canada, and by operating a number of our own stores. Franchisees profit by selling pizza and other complementary items to their local customers. In our international markets, we generally grant geographical rights to the Domino's Pizza® brand to master franchisees. These master franchisees are charged with developing their geographical area, and they profit by sub-franchising and selling ingredients and equipment to those sub-franchisees, as well as by running pizza stores. Everyone in the system can benefit, including the end consumer, who can feed their family Domino's menu items conveniently and economically.

Our financial results are driven largely by retail sales at our franchise and Company-owned stores. Changes in retail sales are driven by changes in same store sales and store counts. We monitor both of these metrics very closely, as they directly impact our revenues and profits, and strive to consistently increase both metrics. Retail sales drive royalty payments from franchisees, as well as Company-owned store and supply chain revenues. Retail sales are primarily impacted by the strength of the Domino's Pizza® brand, the results of our extensive advertising through various media channels, the impact of technological innovation and digital ordering, our ability to execute our strong and proven business model and the overall global economic environment.

	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Global retail sales growth	+6.1%		+13.8%		+8.0%		+11.4%	
Same store sales growth:								
Domestic Company-owned stores	+11.5%		+6.1%		+13.3%		+3.7%	
Domestic franchise stores	+10.4%		+7.8%		+12.5%		+6.2%	
Domestic stores	+10.5%		+7.7%		+12.6%		+6.0%	
International stores (excluding foreign currency impact)	+7.7%		+7.1%		+7.4%		+7.4%	
Store counts (at end of period):								
Domestic Company-owned stores	377		376					
Domestic franchise stores	4,735		4,640					
Domestic stores	5,112		5,016					
International stores	7,007		6,265					
Total stores	12,119		11,281					
Income statement data:								
Total revenues	$ 484.7	100.0%	$ 446.6	100.0%	$1,475.3	100.0%	$1,350.9	100.0%
Cost of sales	342.7	70.7%	313.1	70.1%	1,023.7	69.4%	945.7	70.0%
General and administrative	61.4	12.7%	56.6	12.7%	184.7	12.5%	162.7	12.0%
Income from operations	80.5	16.6%	76.9	17.2%	267.0	18.1%	242.5	18.0%
Interest expense, net	(19.9)	(4.1)%	(20.0)	(4.4)%	(58.9)	(4.0)%	(60.1)	(4.5)%
Income before provision for income taxes	60.6	12.5%	57.0	12.8%	208.1	14.1%	182.4	13.5%
Provision for income taxes	22.8	4.7%	21.4	4.8%	78.1	5.3%	67.9	5.0%
Net income	$ 37.8	7.8%	$ 35.6	8.0%	$ 130.0	8.8%	$ 114.6	8.5%

During the third quarter and three fiscal quarters of 2015, we sustained our strong domestic same store sales performance and also continued our solid growth in international same store sales. Additionally, we remained focused on growing online ordering and improving the digital customer experience through our technology platforms. Our emphasis on technological innovation helped us generate nearly 50% of U.S. sales from digital channels in the third quarter and three fiscal quarters of 2015.

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We also continued our global expansion with the opening of 194 net new stores in the third quarter of 2015, bringing our year-to-date total to 490 net new stores. We opened 180 net new stores internationally and 14 net new stores domestically during the third quarter of 2015. Overall, we believe this global store growth, along with our strong sales, emphasis on technology, operations and marketing initiatives have combined to strengthen our brand.

Global retail sales, which are total retail sales at franchise and Company-owned stores worldwide, increased 6.1% in the third quarter of 2015 and 8.0% in the three fiscal quarters of 2015. These increases were driven primarily by domestic and international same store sales growth, as well as an increase in our worldwide store counts during the trailing four quarters. The impact of foreign currency exchange rates partially offset these increases, resulting from a generally stronger U.S. dollar when compared to the currencies in the international markets in which we compete. Domestic same store sales growth reflected the sustained positive sales trends and the continued success of our products, marketing and technology platforms. International same store sales growth also reflected continued strong performance.

Total revenues increased $38.1 million, or 8.5%, in the third quarter of 2015, and $124.4 million, or 9.2%, in the three fiscal quarters of 2015. These increases were due primarily to higher supply chain food volumes as well as increased sales of equipment to stores in connection with our store reimaging program. Higher Company-owned store, domestic franchise and international franchise revenues resulting from same store sales and store count growth also contributed to the increases. These increases were offset in part by the negative impact of changes in foreign currency exchange rates on international franchise royalties and international supply chain revenues, as well as lower cheese and other commodity prices. These changes in revenues are described in more detail below.

Income from operations increased $3.6 million, or 4.7%, in the third quarter of 2015, and $24.5 million, or 10.1%, in the three fiscal quarters of 2015. These increases were driven by higher royalty revenues from domestic and international franchise stores, as well as increased supply chain volumes and higher Company-owned store revenues. The negative impact of changes in foreign currency exchange rates partially offset these increases. Additionally, we recorded $5.7 million in incremental pre-tax insurance expense related to updated independent actuarial estimates for our casualty insurance program during the third quarter of 2015. Also, in the first quarter of 2014, we recognized a non-recurring pre-tax gain of $1.7 million from the sale of 14 Company-owned stores.

Net income increased $2.2 million, or 6.2%, in the third quarter of 2015, and $15.4 million, or 13.5%, in the three fiscal quarters of 2015. These increases were driven by higher income from operations, as noted above. Also, in the first quarter of 2014, we recognized a $0.3 million decrease in our provision for income taxes from the reversal of a tax valuation allowance related to the sale of 14 Company-owned stores.

Revenues

	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Domestic Company-owned stores	$ 86.5	17.8%	$ 77.6	17.4%	$ 267.6	18.1%	$ 238.9	17.7%
Domestic franchise	59.4	12.3%	51.9	11.6%	182.0	12.3%	157.3	11.6%
Supply chain	303.6	62.6%	282.5	63.3%	918.2	62.3%	851.8	63.1%
International franchise	35.3	7.3%	34.6	7.7%	107.6	7.3%	102.9	7.6%
Total revenues	$484.7	100.0%	$446.6	100.0%	$1,475.3	100.0%	$1,350.9	100.0%

Revenues primarily consist of retail sales from our Company-owned stores, royalties and fees from our domestic and international franchised stores and sales of food, equipment and supplies from our supply chain centers to substantially all of our domestic franchised stores and certain international franchised stores. Company-owned store and franchised store revenues may vary from period to period due to changes in store count mix. Supply chain revenues may vary significantly as a result of fluctuations in commodity prices as well as the mix of products we sell.

Domestic Stores Revenues

	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Domestic Company-owned stores	$ 86.5	59.3%	$ 77.6	60.0%	$267.6	59.5%	$238.9	60.3%
Domestic franchise	59.4	40.7%	51.9	40.0%	182.0	40.5%	157.3	39.7%
Domestic stores	$145.8	100.0%	$129.5	100.0%	$449.6	100.0%	$396.2	100.0%

Domestic stores revenues increased $16.3 million, or 12.6%, in the third quarter of 2015, and $53.4 million, or 13.5%, in the three fiscal quarters of 2015. These increases were driven by higher domestic Company-owned same store sales and royalty revenues earned on higher franchise same store sales. These changes in domestic stores revenues are more fully described below.

Domestic Company-Owned Stores

Revenues from domestic Company-owned store operations increased $8.9 million, or 11.3%, in the third quarter of 2015, and $28.7 million, or 12.0%, in the three fiscal quarters of 2015. These increases were due primarily to higher same store sales during the third quarter and three fiscal quarters of 2015, offset in part by the sale of 14 Company-owned stores to a franchisee that occurred in the first quarter of 2014. Domestic Company-owned same store sales increased 11.5% in the third quarter of 2015 and 13.3% in the three fiscal quarters of 2015. This compared to an increase of 6.1% in the third quarter of 2014 and 3.7% in the three fiscal quarters of 2014.

Domestic Franchise

Revenues from domestic franchise operations increased $7.5 million, or 14.5%, in the third quarter of 2015, and $24.7 million, or 15.7%, in the three fiscal quarters of 2015. The increases were driven by growth of 10.4% in same store sales in the third quarter of 2015 and 12.5% in the three fiscal quarters of 2015. This compared to an increase of 7.8% in the third quarter of 2014 and 6.2% in the three fiscal quarters of 2014. An increase in the average number of domestic franchised stores open during the third quarter and three fiscal quarters of 2015 also contributed, to a lesser extent. Revenues further benefited from fees paid by franchisees to reimburse us for expenses we incurred for our internally developed online ordering platform.

Supply Chain Revenues

	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Domestic supply chain	$276.2	91.0%	$254.8	90.2%	$835.0	90.9%	$769.9	90.4%
International supply chain	27.4	9.0%	27.7	9.8%	83.2	9.1%	81.9	9.6%
Total supply chain	$303.6	100.0%	$282.5	100.0%	$918.2	100.0%	$851.8	100.0%

Domestic Supply Chain

Domestic supply chain revenues increased $21.4 million, or 8.4%, in the third quarter of 2015, and $65.1 million, or 8.5%, in the three fiscal quarters of 2015. These increases were primarily attributable to higher volumes from increased order counts at the store level and increases in sales of equipment in connection with our store remodeling program. They were partially offset by lower cheese and other commodity prices. We estimate that the lower cheese block price (passed through directly in domestic supply chain pricing to franchisees) resulted in an approximate $7.6 million decrease in domestic supply chain revenues during the third quarter of 2015, and an approximate $30.5 million decrease in the three fiscal quarters of 2015.

International Supply Chain

Revenues from international supply chain operations decreased $0.3 million, or 1.1%, in the third quarter of 2015, and increased $1.3 million, or 1.6%, in the three fiscal quarters of 2015. Although volumes increased in the third quarter of 2015, a $4.3 million negative impact of foreign currency exchange rates more than offset the increase. The increase in the three fiscal quarters of 2015 resulted primarily from higher volumes, but was partially offset by a $9.9 million negative impact of foreign currency exchange rates.

International Franchise

Revenues from international franchise operations increased $0.7 million, or 2.0%, in the third quarter of 2015, and $4.7 million, or 4.6%, in the three fiscal quarters of 2015. These increases were due to higher same store sales and an increase in the average number of international stores open during each period. They were offset in part by the negative impact of changes in foreign currency exchange rates of approximately $5.5 million in the third quarter of 2015 and $13.5 million in the three fiscal quarters of 2015. Excluding the impact of foreign currency exchange rates, same store sales increased 7.7% in the third quarter of 2015 and 7.4% in the three fiscal quarters of 2015. This compared to an increase of 7.1% in the third quarter of 2014 and 7.4% in the three fiscal quarters of 2014. The impact of foreign currency exchange rates more than offset the increased same store sales at our international franchise stores. As a result, when the impact of foreign currency is included, same store sales decreased 7.1% from the third quarter of 2014 and decreased 5.4% from the three fiscal quarters of 2014.

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Cost of Sales / Operating Margin

	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Consolidated revenues	$484.7	100.0%	$446.6	100.0%	$1,475.3	100.0%	$1,350.9	100.0%
Consolidated cost of sales	342.7	70.7%	313.1	70.1%	1,023.7	69.4%	945.7	70.0%
Consolidated operating margin	$142.0	29.3%	$133.5	29.9%	$ 451.7	30.6%	$ 405.2	30.0%

Cost of sales consists primarily of Company-owned store and supply chain costs incurred to generate related revenues. Components of consolidated cost of sales primarily include food, labor and occupancy costs.

Consolidated operating margin (which we define as revenues less cost of sales) increased $8.5 million, or 6.3%, in the third quarter of 2015. The consolidated operating margin also increased $46.5 million, or 11.5%, in the three fiscal quarters of 2015. Higher domestic and international franchise revenues contributed to the higher operating margin in both the third quarter and the three fiscal quarters of 2015. Increased margins at our Company-owned stores and higher supply chain margins also contributed to the increase in the three fiscal quarters of 2015. However, we recorded incremental insurance expense related to updated independent actuarial estimates for our casualty insurance program during the third quarter of 2015, which decreased our operating margin by $5.7 million. Franchise revenues do not have a cost of sales component, so changes in franchise revenues have a disproportionate effect on the operating margin.

As a percentage of revenues, the operating margin decreased 0.6 percentage points in the third quarter of 2015 and increased 0.6 percentage points in the three fiscal quarters of 2015. Lower commodity prices, specifically cheese, contributed to higher consolidated operating margins in both the third quarter and three fiscal quarters of 2015. However, the aforementioned incremental insurance expense resulted in a 1.2 percentage point reduction in our consolidated operating margin in the third quarter of 2015 and a 0.4 percentage point reduction in the three fiscal quarters of 2015.

Domestic Company-Owned Stores Operating Margin

Domestic Company-Owned Stores	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Revenues	$86.5	100.0%	$77.6	100.0%	$267.6	100.0%	$238.9	100.0%
Cost of sales	70.0	81.0%	59.8	77.0%	204.3	76.3%	183.3	76.7%
Store operating margin	$16.4	19.0%	$17.9	23.0%	$ 63.4	23.7%	$ 55.7	23.3%

The domestic Company-owned store operating margin (which does not include certain store-level costs such as royalties and advertising) decreased $1.5 million, or 8.2%, in the third quarter of 2015. The operating margin increased $7.7 million, or 13.8%, in the three fiscal quarters of 2015. Lower food costs and higher same store sales positively contributed to operating margins in both the third quarter and the three fiscal quarters of 2015. However, incremental insurance expense, discussed in more detail below, more than offset those positive factors in the third quarter of 2015 and offset them, in part, in the three fiscal quarters of 2015.

As a percentage of store revenues, the store operating margin decreased 4.0 percentage points in the third quarter of 2015, and increased 0.4 percentage points in the three fiscal quarters of 2015, as discussed in more detail below.

- Insurance costs increased 5.1 percentage points to 7.9% in the third quarter of 2015, and 1.6 percentage points to 4.4% in the three fiscal quarters of 2015. During the third quarter of 2015, we recorded $4.3 million in incremental insurance expense related to updated independent actuarial estimates for our casualty insurance program.
- Labor and related costs increased 1.5 percentage points in the third quarter of 2015 to 29.5%, and 1.3 percentage points in the three fiscal quarters of 2015 to 29.2%. These increases were due to an increase in wages resulting from higher volumes and higher bonuses to our corporate store management team for improved performance.
- Food costs decreased 1.8 percentage points to 26.1% in the third quarter of 2015, and 2.1 percentage points to 26.2% in the three fiscal quarters of 2015. These decreases were due primarily to lower overall cheese and other commodity prices. The cheese block price per pound averaged $1.69 in the third quarter of 2015 compared to $2.04 in the third quarter of 2014. For the three fiscal quarters of 2015, the cheese block price per pound averaged $1.61 compared to $2.13 in the three fiscal quarters of 2014.

- Occupancy costs, which include rent, telephone, utilities and depreciation, decreased 0.3 percentage points in the third quarter of 2015 to 9.2%, and 0.9 percentage points to 8.3% in the three fiscal quarters of 2015. These decreases were driven mainly by the positive impact of higher sales per store.

Supply Chain Operating Margin

Supply Chain	Third quarter of 2015		Third quarter of 2014		Three Fiscal Quarters of 2015		Three Fiscal Quarters of 2014	
Revenues	$303.6	100.0%	$282.5	100.0%	$918.2	100.0%	$851.8	100.0%
Cost of sales	272.7	89.8%	253.3	89.7%	819.4	89.2%	762.4	89.5%
Supply chain operating margin	$ 30.9	10.2%	$ 29.2	10.3%	$ 98.8	10.8%	$ 89.3	10.5%

The supply chain operating margin increased $1.7 million, or 5.7%, in the third quarter of 2015, and $9.5 million, or 10.5%, in the three fiscal quarters of 2015. These increases were driven by higher volumes from increased store order counts.

As a percentage of supply chain revenues, the supply chain operating margin decreased 0.1 percentage points in the third quarter of 2015 and increased 0.3 percentage points in the three fiscal quarters of 2015. The operating margin in both the third quarter and the three fiscal quarters of 2015 benefited from lower commodity prices and lower fuel costs. However, the operating margin was negatively impacted by incremental insurance expense of $1.4 million recorded in the third quarter of 2015 related to updated independent actuarial estimates for our casualty insurance program. Decreases in certain food prices have a positive effect on the supply chain operating margin percentage due to the fixed dollar margin earned by supply chain on certain food items. Changes in our U.S. cheese prices decreased both revenues and costs by $7.6 million in the third quarter of 2015 and by $30.5 million in the three fiscal quarters of 2015. If our U.S. cheese prices for 2015 had been in effect during 2014, the supply chain operating margin as a percentage of supply chain revenues would have increased by 0.3 percentage points in the third quarter of 2014 and increased by 0.4 percentage points for the three fiscal quarters of 2014. However, the dollar margin would have been unaffected.

General and Administrative Expenses

General and administrative expenses increased $4.8 million, or 8.6%, in the third quarter of 2015, and $22.0 million, or 13.5%, in the three fiscal quarters of 2015. These increases were driven by continued investments in technological initiatives and labor, primarily in e-commerce, technology and international, as well as higher volume-driven expenses resulting from higher same store sales, including variable performance-based compensation, Company-owned store advertising and franchisee incentives. The non-recurring $1.7 million pre-tax gain recognized from the sale of 14 Company-owned stores during the first quarter of 2014 also contributed to the increase for the three fiscal quarters of 2015.

Interest Expense

Interest expense remained flat at $20.0 million in the third quarter of 2015, and decreased $1.0 million to $59.1 million in the three fiscal quarters of 2015. The decrease in the three fiscal quarters of 2015 was due primarily to the reversal of interest related to the expiration of the statute of limitations on an uncertain tax position, as well as a lower average debt balance during the three fiscal quarters of 2015 compared to the same period in 2014.

Provision for Income Taxes

Provision for income taxes increased $1.4 million to $22.8 million in the third quarter of 2015 and $10.2 million to $78.1 million in the three fiscal quarters of 2015, due primarily to higher pre-tax income. Additionally, during the first quarter of 2014, we recognized a reversal of a deferred tax valuation allowance of approximately $0.3 million in connection with the sale of 14 Company-owned stores. The effective tax rate increased 0.1 percentage point to 37.6% during the third quarter of 2015, from 37.5% in the comparable period in 2014. The effective tax rate increased 0.3 percentage points to 37.5% during the three fiscal quarters of 2015, from 37.2% in the comparable period in 2014.

Liquidity and Capital Resources

Historically, we have operated with minimal positive working capital or negative working capital, primarily because our receivable collection periods and inventory turn rates are faster than the normal payment terms on our current liabilities. We generally collect our receivables within three weeks from the date of the related sale, and we generally experience 30 to 40 inventory turns per year. In addition, our sales are not typically seasonal, which further limits our working capital requirements. These factors, coupled with the use of our ongoing cash flows from operations to service our debt obligations, invest in our business, pay dividends and repurchase our common stock, all reduce our working capital amounts. As of September 6, 2015, we had working capital of $34.1 million, excluding restricted cash and cash equivalents of $91.0 million and including total unrestricted cash and cash equivalents of $32.5 million.

As of September 6, 2015, we had approximately $65.2 million of restricted cash held for future principal and interest payments, $20.8 million of restricted cash held in a three month interest reserve as required by the related debt agreements and $5.0 million of cash held as collateral for outstanding letters of credit, for a total of $91.0 million of restricted cash and cash equivalents.

Subsequent to the third quarter of 2015, the Company announced its intention to complete a recapitalization transaction. The Company's subsidiaries intend to issue $1.5 billion of new fixed rate notes and use the proceeds to prepay and retire 35% of the Company's existing Series 2012-1 5.216% Fixed Rate Senior Secured Notes (the 2012 Notes) at par, for approximately $551.3 million, to pay transaction fees and for general corporate purposes. The Company also expects to enter into a new $125 million variable funding note facility, which will replace its existing $100 million variable funding note facility. The Company anticipates that the refinancing transaction will close during the fourth quarter of 2015.

The 2012 Notes have original scheduled principal amortization payments of $29.5 million in 2015, $37.4 million in 2016, $39.4 million in each of 2017 and 2018, and $9.8 million in 2019. In accordance with the Company's debt agreements, once the Company meets certain conditions (including maximum leverage ratios as defined of less than or equal to 4.5x total debt to EBITDA) it ceases to make the scheduled principal amortization payments. If one of the defined leverage ratios subsequently exceeds 4.5x, the Company must make-up the payments it had previously not made. During the third quarter of 2014, the Company met the maximum leverage ratios of less than 4.5x, and, in accordance with our debt agreements, ceased debt amortization payments in the third quarter of 2014. The Company continued to meet the maximum leverage ratios of less than 4.5x through the third quarter of 2015. However, the Company anticipates that its defined leverage ratios will exceed 4.5x as of the closing date of the anticipated refinancing transaction and as a result, if the transaction closes as anticipated, the Company will be required to make up $26.9 million in principal amortization payments it had previously not made in future quarters.

As of September 6, 2015, we had $43.5 million of outstanding letters of credit and $56.5 million of available capacity under our $100.0 million variable funding note facility. The letters of credit are primarily related to our casualty insurance programs and supply chain center leases. Borrowings under the variable funding notes are available to fund our working capital requirements, capital expenditures and other general corporate purposes. However, our primary source of liquidity is cash flows from operations and availability of borrowings under our variable funding notes.

During the third quarter of 2015, the Company repurchased and retired 365,460 shares of common stock for a total of approximately $40.9 million; during the three fiscal quarters of 2015 the Company repurchased and retired 1,293,924 shares of common stock for approximately $138.6 million. As of September 6, 2015, we had approximately $159.4 million remaining for future share repurchases under the current Board of Directors approved open market share repurchase program, which was reset to $200.0 million during the third quarter of 2015. We continue to maintain our flexibility to use ongoing excess cash flow generation and (subject to certain restrictions in the documents governing the variable funding notes) availability under the variable funding notes for, among other things, the repurchase of shares under the current authorized program, the payment of dividends and other corporate uses.

During the three fiscal quarters of 2015, the Company paid approximately $48.1 million of common stock dividends. Additionally, during the quarter, the Company's Board of Directors declared a $0.31 per share quarterly dividend on its outstanding common stock for shareholders of record as of September 15, 2015 which was paid on September 30, 2015. The Company had approximately $17.3 million accrued for common stock dividends at September 6, 2015. Subsequent to the third quarter, the Company's Board of Directors declared a $0.31 per share quarterly dividend for shareholders of record as of December 15, 2015 to be paid on December 30, 2015.

During the third quarter and three fiscal quarters of 2015, we experienced strong increases in both domestic and international same store sales versus the comparable periods in the prior year. Additionally, our international business continued to grow store counts in the third quarter of 2015. These factors contributed to our continued ability to generate positive operating cash flows. We expect to use our unrestricted cash and cash equivalents, cash flows from operations and available borrowings under the variable funding notes to, among other things, fund working capital requirements, invest in our core business, service our indebtedness, pay dividends and repurchase our common stock. We have historically funded our working capital requirements, capital expenditures, debt repayments and repurchases of common stock primarily from our cash flows from operations and, when necessary, our available borrowings under variable funding note facilities. The Company believes its current unrestricted cash and cash equivalents balance and its expected cash flows from operations will be sufficient to fund operations for at least the next twelve months. We did not have any material commitments for capital expenditures as of September 6, 2015.

Based upon the current level of operations and anticipated growth, we believe that the cash generated from operations, our current unrestricted cash and cash equivalents and amounts available under our variable funding note facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for at least the next twelve months. Our ability to continue to fund these items and continue to reduce debt could be adversely affected by the occurrence of any of the events described under “Risk Factors” in our filings with the Securities and Exchange Commission. There can be no assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available under the variable funding notes or otherwise to enable us to service our indebtedness, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance the fixed rate notes and to service, extend or refinance the variable funding notes will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

The following table illustrates the main components of our cash flows:

(In millions)	Three fiscal Quarters of 2015	Three fiscal Quarters of 2014
Cash Flows Provided By (Used In)		
Net cash provided by operating activities	$ 167.3	$ 118.9
Net cash provided by investing activities	7.9	25.3
Net cash used in financing activities	(174.1)	(127.7)
Exchange rate changes	0.6	0.0
Change in cash and cash equivalents	$ 1.7	$ 16.6

Operating Activities

Cash provided by operating activities was $167.3 million in the three fiscal quarters of 2015. This resulted from net income of $130.0 million generated during the period, which included non-cash expenses of $21.6 million, and a $15.6 million increase in cash from changes in operating assets and liabilities.

Cash provided by operating activities was $118.9 million in the three fiscal quarters of 2014, resulting primarily from net income of $114.6 million, which included non-cash expenses of $23.8 million. Changes in operating assets and liabilities reduced cash inflows by $19.5 million during the three fiscal quarters of 2014.

Investing Activities

Cash provided by investing activities was $7.9 million in the three fiscal quarters of 2015, which consisted primarily of a decrease in restricted cash of $29.9 million and proceeds from the sale of assets of $10.5 million. Capital expenditures totaling $33.8 million (driven by increased investments in our technological initiatives, Company-owned stores and supply chain centers) partially offset the cash provided by investing activities.

Cash provided by investing activities was $25.3 million in the three fiscal quarters of 2014, which consisted primarily of a $51.9 million decrease in restricted cash and $5.8 million of proceeds from the sale of assets. Capital expenditures of $31.0 million partially offset the cash provided by investing activities.

Financing Activities

We used $174.1 million of cash in financing activities in the three fiscal quarters of 2015 compared to $127.7 million during the three fiscal quarters of 2014, both primarily related to purchases of common stock and funding dividend payments to our shareholders. Additionally, in the three fiscal quarters of 2014, we made $12.0 million in payments on our long-term debt obligations. The tax impact of equity-based compensation and proceeds from exercise of stock options offset the use of cash in financing activities in both the three fiscal quarters of 2015 and the three fiscal quarters of 2014. During the third quarter of 2015, we also borrowed and repaid $5.0 million under our variable funding notes.

Forward-Looking Statements

This filing contains forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions that concern our strategy, plans or intentions. These forward-looking statements relating to our anticipated profitability, estimates in same store sales growth, the growth of our international business, ability to service our indebtedness, our future cash flows, our operating performance, trends in our business and other descriptions of future events reflect the Company’s expectations based upon currently available information and data. However, actual results are subject to future risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that could cause actual results to differ materially include: the level of our long-term and other indebtedness, as well as our ability to complete the proposed refinancing on the terms described or at all; uncertainties relating to litigation; consumer preferences, spending patterns and demographic trends; the effectiveness of our advertising, operations and promotional initiatives; the strength of our brand in the markets in which we compete; our ability to retain key personnel; new product, digital ordering and concept developments by us, and other food-industry competitors; the ongoing level of profitability of our franchisees; our ability and that of our franchisees to open new restaurants and keep existing restaurants in operation; changes in operating expenses resulting from changes in prices of food (particularly cheese), labor, utilities, insurance, employee benefits and other operating costs; the impact that widespread illness or general health concerns may have on our business and the economy of the countries where we operate; severe weather conditions and natural disasters; changes in our effective tax rate; changes in foreign currency exchange rates; changes in government legislation and regulations; adequacy of our insurance coverage; costs related to future financings; our ability and that of our franchisees to successfully operate in the current credit environment; changes in the level of consumer spending given the general economic conditions including interest rates, energy prices and weak consumer confidence; availability of borrowings under our variable funding notes and our letters of credit; and changes in accounting policies. Important factors that could cause actual results to differ materially from our expectations are more fully described in our other filings with the Securities and Exchange Commission, including under the section headed “Risk Factors” in our annual report on Form 10-K. These forward-looking statements speak only as of the date of this filing, and you should not rely on such statements as representing the views of the Company as of any subsequent date. Except as required by applicable securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

The Company is exposed to market risk from interest rate changes on our variable rate debt, which consists of variable funding note borrowings that are outstanding from time to time. The Company actively monitors this exposure when present. As of September 6, 2015, we had no outstanding variable funding note borrowings and $56.5 million available for borrowing, which is net of letters of credit of $43.5 million. Our outstanding fixed rate notes, which comprise substantially all of our outstanding borrowings, contain fixed interest rates until January 2019. We do not engage in speculative transactions nor do we hold or issue financial instruments for trading purposes.

The Company is exposed to market risk from changes in commodity prices. During the normal course of business, we purchase cheese and certain other food products that are affected by changes in commodity prices and, as a result, we are subject to volatility in our food costs. We may periodically enter into financial instruments to manage this risk. We do not engage in speculative transactions, nor do we hold or issue financial instruments for trading purposes. In instances where we use fixed pricing agreements with our suppliers, we use these agreements to cover our physical commodity needs; the agreements are not net-settled and are accounted for as normal purchases.

The Company is exposed to various foreign currency exchange rate fluctuations for revenues generated by operations outside the United States, which can adversely impact net income and cash flows. Total revenues of approximately 12.9% in the third quarter of 2015, 13.9% in the third quarter of 2014, 12.9% in the three fiscal quarters of 2015 and 13.7% in the three fiscal quarters of 2014 were derived from sales to customers and royalties from franchisees outside the contiguous United States. This business is conducted in the local currency but royalty payments are generally remitted to us in U.S. dollars. We do not enter into financial instruments to manage this foreign currency exchange risk. A hypothetical 10% adverse change in the foreign currency rates in each of our top ten international markets, based on store count, would have resulted in a negative impact on revenues of approximately $7.4 million in the three fiscal quarters of 2015.

Item 4. Controls and Procedures.

Management, with the participation of the Company’s President and Chief Executive Officer, J. Patrick Doyle, and Executive Vice President and Chief Financial Officer, Jeffrey D. Lawrence, performed an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, Mr. Doyle and Mr. Lawrence concluded that the Company’s disclosure controls and procedures were effective.

During the quarterly period ended September 6, 2015, there were no changes in the Company’s internal controls over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are a party to lawsuits, revenue agent reviews by taxing authorities and administrative proceedings in the ordinary course of business which include, without limitation, workers' compensation, general liability, automobile and franchisee claims. We are also subject to suits related to employment practices as well as intellectual property, including patents.

As previously disclosed in our quarterly report on Form 10-Q filed with the Securities and Exchange Commission on April 23, 2015 and July 16, 2015, in 2013, the Company was named as a defendant in a lawsuit along with a large franchisee and the franchisee's delivery driver. The jury delivered a $32.0 million judgment for the plaintiff where the Company was found to be 60% liable. The Company denied liability and filed an appeal of the verdict on a variety of grounds. In the first quarter of 2015, the appellate court reversed the trial court's decision and dismissed the claims against the Company. The plaintiff has filed a writ of review with the Texas Supreme Court. The Company's response is due on or before October 19, 2015. The Company continues to deny liability in this matter and assert the claims were appropriately dismissed by the Texas Court of Appeals.

While we may occasionally be party to large claims, including class action suits, we do not believe that any existing matters, individually or in the aggregate, will materially affect our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

There have been no material changes in the risk factors previously disclosed in the Company's Form 10-K for the fiscal year ended December 28, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

c. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period	(a) Total Number of Shares Purchased (1)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program (2)	(d) Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
Period #7 (June 15, 2015 to July 12, 2015)	3,915	$ 111.60	2,582	$ 200,000,000
Period #8 (July 13, 2015 to August 9, 2015)	365,711	111.99	362,878	159,367,567
Period #9 (August 10, 2015 to September 6, 2015)	1,518	105.12	—	159,367,567
Total	371,144	$ 111.96	365,460	$ 159,367,567

(1) Includes 5,684 shares purchased as part of the Company's employee stock purchase discount plan. During the third quarter, the shares were purchased at an average price of $112.01. All of the remaining shares presented were purchased pursuant to the publicly announced program.

(2) At its July 15, 2015 meeting, the Board of Directors authorized a $200 million share repurchase program, which reset the open market share repurchase program and has no expiration date. As of September 6, 2015, the Company had approximately $159.4 million remaining for future share repurchases under this program. Authorization for the repurchase program may be modified, suspended, or discontinued at any time. The repurchase of shares in any particular period and the actual amount of such purchases remain at the discretion of the Board of Directors, and no assurance can be given that shares will be repurchased in the future.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

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Item 6. Exhibits.

Exhibit Number	Description
10.1	Employment agreement dated as of August 28, 2015 between Domino's Pizza LLC and Jeffrey D. Lawrence.
31.1	Certification by J. Patrick Doyle pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.
31.2	Certification by Jeffrey D. Lawrence pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.
32.1	Certification by J. Patrick Doyle pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.
32.2	Certification by Jeffrey D. Lawrence pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DOMINO'S PIZZA, INC.
(Registrant)

Date: October 8, 2015

/s/ Jeffrey D. Lawrence
Jeffrey D. Lawrence
Chief Financial Officer

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of August 28, 2015, by Domino’s Pizza LLC, a Michigan limited liability company (the “Company”) and Jeffrey Lawrence (the “Executive”).

RECITALS

1. The Executive has experience and expertise required by the Company and its Affiliates.

2. Subject to the terms and conditions hereinafter set forth, the Company therefore wishes to employ the Executive as its Executive Vice President, Chief Financial Officer and the Executive wishes to accept such employment.

AGREEMENT

NOW, THEREFORE, for valid consideration received, the parties agree as follows:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company offers and the Executive accepts employment hereunder effective as of the date first set forth above (the “Effective Date”).

2. Term. This Agreement shall commence on August 28, 2015 and shall remain in effect for an indefinite time until terminated by either party as set forth in Section 5 hereof.

3. Capacity and Performance.

3.1 Offices. During the Term, the Executive shall serve the Company as Executive Vice President, Chief Financial Officer. The Executive shall have such other powers, duties and responsibilities consistent with the Executive’s position as Executive Vice President, Chief Financial Officer as may from time to time be prescribed by the Chief Executive Officer of the Company (“CEO”).

3.2 Performance. During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform and discharge, faithfully, diligently and to the best of his/her ability, his/her duties and responsibilities hereunder. During the Term, the Executive shall devote his/her full business time exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his/her duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental, political, charitable or academic position during the Term of this Agreement, except for such directorships or other positions which he/she currently holds and has disclosed to the CEO in Exhibit 3.2 hereof and except as otherwise may be approved in advance by the CEO.

4. Compensation and Benefits. During the Term, as compensation for all services performed by the Executive under this Agreement and subject to performance of the Executive's duties and obligations to the Company and its Affiliates, pursuant to this Agreement or otherwise, the Executive shall receive the following:

4.1 Base Salary. The Company shall pay the Executive a base salary at the rate of Four Hundred Thousand Dollars ($400,000.00) per year, payable in accordance with the payroll practices of the Company for its executives and subject to such increases as the Board of Directors of the Company or the Compensation Committee (the "Board") in its sole discretion may determine from time to time (the "Base Salary").

4.2 Bonus Compensation. During the term hereof, the Executive shall participate in the Company's Senior Executive Annual Incentive Plan, as it may be amended from time to time pursuant to the terms thereof (the "Plan," a current copy of which is attached hereto as Exhibit A) and shall be eligible for a bonus award thereunder (the "Bonus"). For purposes of the Plan, the Executive shall be eligible for a Bonus, and the Executive's specified percentage (the "Specified Percentage") for such Bonus shall initially be one hundred percent (100%) of Base Salary and shall thereafter be established annually by the Board of Directors (the "Board") or, if the Board delegates the Specified Percentage determination process to a Committee of the Board, by such Committee. In the event the Board or Committee does not approve the Executive's Specified Percentage within 90 days of the beginning of a fiscal year, such Specified Percentage shall be the same as the immediately preceding year. Whenever any Bonus payable to the Executive is stated in this Agreement to be prorated for any period of service less than a full year, such Bonus shall be prorated by multiplying (x) the amount of the Bonus otherwise earned and payable for the applicable fiscal year in accordance with this Sub-Section 4.2 by (y) a fraction, the denominator of which shall be 365 and the numerator of which shall be the number of days during the applicable fiscal year for which the Executive was employed by the Company. Executive agrees and understands that any prorated Bonus payments will be made only after determination of the achievement of the applicable Performance Measures (as defined in the Plan) in accordance with the terms of the Plan. Any compensation paid to the Executive as Bonus shall be in addition to the Base Salary.

4.3 Vacations. During the Term, the Executive shall be entitled to four weeks of vacation per calendar year, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company. The Executive may not accumulate or carry over from one calendar year to another any unused, accrued vacation time. The Executive shall not be entitled to compensation for vacation time not taken.

4.4 Other Benefits. During the Term and subject to any contribution therefor required of executives of the Company generally, the Executive shall be entitled to participate in all employee benefit plans, including without limitation any 401(k) plan, from time to time adopted by the Board and in effect for executives of the Company generally (except to the extent such plans are in a category of benefit otherwise provided the Executive hereunder). Such participation shall be subject to (i) the terms of the applicable plan documents and (ii) generally applicable policies of the Company. The Company may alter, modify, add to or delete any aspects of its employee benefit plans at any time as the Board, in its sole judgment, determines to be appropriate.

4.5 Business Expenses. The Company shall pay or reimburse the Executive for all reasonable business expenses, including without limitation the cost of first class air travel and dues for industry-related association memberships, incurred or paid by the Executive in the performance of his/her duties and responsibilities hereunder, subject to (i) any expense policy of the Company set by the Board from time to time, including without limitation any portion thereof intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other guidance thereunder ("Section 409A") and (ii) such reasonable substantiation and documentation requirements as may be specified by the Board or CEO from time to time.

4.6 Airline Clubs. Upon receiving the prior written approval of the CEO authorizing the Executive to join a particular airline club, the Company shall pay or reimburse the Executive for dues for not less than two nor more than four airline clubs, provided such club memberships serve a direct business purpose and subject to such reasonable substantiation and documentation requirements as to cost and purpose as may be specified by the CEO from time to time.

4.7 Physicals. The Company shall annually pay for or reimburse the Executive for the cost of a physical examination and health evaluation performed by a licensed medical doctor, subject to such reasonable substantiation and documentation requirements as to cost as may be specified by the Board or CEO from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term of this Agreement under the circumstances described in this Section 5. All references herein to termination of employment, separation from service and similar or correlative terms, insofar as they are relevant to the payment of any benefit that could constitute nonqualified deferred compensation subject to Section 409A, shall be construed to require a "separation from service" within the meaning of Section 409A, and the Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any such termination constitutes a "separation from service" as so defined.

5.1 Retirement or Death. In the event of the Executive's retirement or death during the Term, the Executive's employment hereunder shall immediately and automatically terminate. In the event of the Executive's retirement after the age of 65 with the prior consent of the Board or death during the Term, the Company shall pay to the Executive (or in the case of death, the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to Executive's estate) any Base Salary earned but unpaid through the date of such retirement or death, any Bonus for the fiscal year preceding the year in which such retirement or death occurs that was earned but has not yet been paid and, at the times the Company pays its executives bonuses in accordance with its general payroll policies, an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such retirement or death (prorated in accordance with Section 4.2).

5.2 Disability.

5.2.1 The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during his/her employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his/her duties and responsibilities hereunder for an aggregate of 120 days during any period of 365 consecutive calendar days ; provided, that if the Executive incurs a leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, the Executive, unless he/she earlier returns to service (at a level of service inconsistent with a separation from service under Section 409A) or his/her employment is earlier terminated, shall in all events be deemed to have separated from service not later than by the end of the twenty-ninth (29th) month, commencing with the commencement of such leave of absence.

5.2.2 The Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4.1 and to receive benefits in accordance with Section 4.5, to the extent permitted by the then current terms of the applicable benefit plans, until the Executive becomes disabled within the meaning of Section 409A or until the termination of his/her employment, whichever shall first occur. Upon becoming so disabled, or upon such termination, whichever shall first occur, the Company shall promptly and in all events within thirty (30) days pay to the Executive any Base Salary earned but unpaid through the date of such eligibility or termination and any Bonus for the fiscal year preceding the year of such eligibility or termination that was earned but unpaid. At the times the Company pays its executives bonuses generally, but no later than two and one half (2 ½) months after the end of the fiscal year in which the bonus is earned, the Company shall pay the Executive an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such eligibility or termination (prorated in accordance with Section 4.2). During the eighteen (18) month period from the date of such disability (as determined under Section 409A), the Company shall pay the Executive, at its regular pay periods, an amount equal to the difference between the Base Salary and the amounts of any disability income benefits that the Executive receives in respect of such period.

5.2.3 Except as provided in Section 5.2.2, while receiving disability income payments under any disability income plan maintained by the Company, the Executive shall not be entitled to receive any Base Salary under Section 4.1 or Bonus payments under Section 4.2 but shall continue to participate in benefit plans of the Company in accordance with Section 4.4 and the terms of such plans, until the termination of his/her employment. During the 18-month period from the date of disability (as determined under Section 409A) or termination, whichever shall first occur, the Company shall contribute to the cost of the Executive's participation in group medical plans of the Company, provided that the Executive is entitled to continue such participation under applicable law and plan terms.

5.2.4 If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his/her duties and responsibilities hereunder, or for purposes of Section 409A the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or his/her duly appointed guardian, if any, has no reasonable objection, to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Board's determination of the issue shall be binding on the Executive.

5.3 <u>By the Company for Cause</u>. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following events or conditions shall constitute "Cause" for termination: (i) Executive's willful failure to perform (other than by reason of disability), or gross negligence in the performance of his/her duties to the Company or any of its Affiliates and the continuation of such failure or negligence for a period of ten (10) days after notice to the Executive; (ii) the Executive's willful failure to perform (other than by reason of disability) any lawful and reasonable directive of the CEO; (iii) the commission of fraud, embezzlement or theft by the Executive with respect to the Company or any of its Affiliates; or (iv) the conviction of the Executive of, or plea by the Executive of *nolo contendere* to, any felony or any other crime involving dishonesty or moral turpitude. Anything to the contrary in this Agreement notwithstanding, upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company and its Affiliates shall have no further obligation or liability to the Executive hereunder, other than for Base Salary earned but unpaid through the date of termination. Without limiting the generality of the foregoing, the Executive shall not be entitled to receive any Bonus amounts which have not been paid prior to the date of termination.

5.4 By the Company Other Than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon notice to the Executive. In the event of such termination, the Company shall pay the Executive: (i) promptly following termination and in all events within thirty (30) days thereof, Base Salary earned but unpaid through the date of termination, plus (ii) severance payments for a period to end twelve (12) months after the termination date ("Severance Term"), of which (a) the first severance payment shall be made on the date that is six (6) months from the date of termination and in an amount equal six (6) times the Executives monthly base compensation in effect at the time of such termination and (b) the balance of the severance shall be paid in six (6) monthly payments beginning on the date that is seven (7) months from the date of termination and continuing through the date that is twelve (12) months from the date of termination, each such monthly payment in an amount equal to the Executive's monthly base compensation in effect at the time of such termination (i.e., 1/12th of the Base Salary), plus (iii) promptly following termination and in all events within thirty (30) days thereof, any unpaid portion of any Bonus for the fiscal year preceding the year in which such termination occurs that was earned but has not been paid, plus (iv) at the times the Company pays its executives bonuses generally, but no later than two and one half (2 ½) months after the end of the fiscal year in which the Bonus is earned, an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such termination (prorated in accordance with Section 4.2).

5.5 By the Executive for Good Reason. The Executive may terminate employment hereunder for Good Reason, upon notice to the Company setting forth in reasonable detail the nature of such Good Reason. The following shall constitute "Good Reason" for termination by the Executive: (i) any material diminution in the nature and scope of the Executive's responsibilities, duties, authority or title, however, a change in reporting structure shall not constitute a material diminution of authority; (ii) material failure of the Company to provide the Executive the Base Salary and benefits in accordance with the terms of Section 4 hereof; or (iii) relocation of the Executive's office to a location outside a 50-mile radius of the Company's current headquarters in Ann Arbor, Michigan. In the event of termination in accordance with this Section 5.5, then the Company shall pay the Executive: (x) promptly following termination and in all events within thirty (30) days thereof, Base Salary earned but unpaid through the date of termination, plus (y) six months after the termination date, an amount equal to six times the Executive's monthly base compensation in effect at the time of such termination (i.e., 1/12th of the Base Salary) and thereafter, monthly severance payments, each equal to the Executive's monthly base compensation for a period of six months , plus (z) at the times the Company pays its executives bonuses generally, but no later than two and one half (2 ½) months after the end of the fiscal year in which the bonus is earned, an amount equal to that portion of any Bonus earned but unpaid during the fiscal year of such termination (prorated in accordance with Section 4.2).

5.6 By the Executive Other Than for Good Reason. The Executive may terminate employment hereunder at any time upon 90 days written notice to the Company. In the event of termination of the Executive's employment pursuant to this Section 5.6, the CEO or the Board may elect to waive the period of notice or any portion thereof. The Company will pay the Executive his/her Base Salary for the notice period, except to the extent so waived by the Board. Upon the giving of notice of termination of the Executive's employment hereunder pursuant to this Section 5.6, the Company and its Affiliates shall have no further obligation or liability to the Executive, other than (i) payment to the Executive of his/her Base Salary for the period (or portion of such period) indicated above, (ii) continuation of the provision of the benefits set forth in Section 4.4 for the period (or portion of such period) indicated above, and (iii) any unpaid portion of any Bonus for the fiscal year preceding the year in which such termination occurs that was earned but has not been paid. The payments made under subsections (i) and (iii) hereof shall be made promptly following termination and in all events within thirty (30) days thereof.

5.7 Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following termination of this Agreement, by the expiration of the Term or otherwise, then such employment shall be at will.

5.8 Delayed Payments for Specified Employees. Notwithstanding the foregoing provisions of this Section 5, if the Executive is a "specified employee" as defined in Section 409A, determined in accordance with the methodology established by the Company as in effect on the Executive's termination, amounts payable hereunder on account of the Executive's termination that would constitute nonqualified deferred compensation for purposes of Section 409A and that would, but for this Section 5.9, be payable within the six (6) month period commencing with the Executive's termination shall instead be accumulated and paid in a lump sum at the conclusion of such six-month period.

6. Effect of Termination of Employment. The provisions of this Section 6 shall apply in the event of termination of Executive's employment, pursuant to Section 5, or otherwise.

6.1 Payment in Full. Payment by the Company or its Affiliates of any Base Salary, Bonus or other specified amounts that are due to the Executive under the applicable termination provision of Section 5 shall constitute the entire obligation of the Company and its Affiliates to the Executive, except that nothing in this Section 6.1 is intended or shall be construed to affect the rights and obligations of the Company or its Affiliates, on the one hand, and the Executive, on the other, with respect to any option plans, option agreements, subscription agreements, stockholders agreements or other agreements to the extent said rights or obligations therein survive termination of employment.

6.2 Termination of Benefits. If Executive is terminated by the Company without Cause, or terminates employment with the Company for Good Reason, and provided that Executive elects continuation of health coverage pursuant to Section 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended (“COBRA”), Company shall pay Executive an amount equal to the monthly COBRA premiums for the Severance Term; provided further, such payment will cease upon Executive’s entitlement to other health insurance without charge. Except for medical insurance coverage continued pursuant to Section 5.2 hereof, all other benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive’s employment without regard to any continuation of Base Salary or other payments to the Executive following termination of employment. Executive and Company agree to make such changes to the reimbursement for COBRA as may be required to ensure compliance with Internal Revenue Code section 409A.

6.3 Survival of Certain Provisions. Provisions of this Agreement shall survive any termination of employment if so provided herein or if necessary to accomplish the purpose of other surviving provisions, including, without limitation, the obligations of the Executive under Sections 7 and 8 hereof. The obligation of the Company to make payments to or on behalf of the Executive under Sections 5.2, 5.4 or 5.5 hereof is expressly conditioned upon the Executive’s continued full performance of his/her obligations under Sections 7 and 8 hereof. The Executive recognizes that, except as expressly provided in Section 5.2, 5.4 or 5.5, no compensation is earned after termination of employment.

7. Confidential Information; Intellectual Property.

7.1 Confidentiality. The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information (as that term is defined in Section 11.2, below); that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of his/her employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never use or disclose to any Person (except as required by applicable law or for the proper performance of his/her duties and responsibilities to the Company) any Confidential Information obtained by the Executive incident to his/her employment or other association with the Company and its Affiliates. The Executive understands that this restriction shall continue to apply after employment terminates, regardless of the reason for such termination.

7.2 Return of Documents. All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company and its Affiliates and any copies, in whole or in part, thereof (the “Documents”), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company and its Affiliates at the time employment terminates, or at such earlier time or times as the Board or CEO designee may specify, all Documents then in the Executive’s possession or control.

7.3 Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns to the Company (or as otherwise directed by the Company) the Executive’s full right, title and interest in and to all Intellectual Property. The Executive shall execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company or its Affiliates to assign the Intellectual Property to the Company and to permit the Company and its Affiliates to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company or its Affiliates for time spent in complying with these obligations. All copyrightable works that the Executive creates shall be considered “Work For Hire” under applicable laws.

8. Restricted Activities.

8.1 Agreement Not to Compete With the Company. During the Executive’s employment hereunder and for a period of 24 months following the date of termination thereof (the “Non-Competition Period”), the Executive will not, directly or indirectly, own, manage, operate, control or participate in any manner in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, principal, member, manager, consultant, agent or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, venture or activity which in any material respect competes with the following enumerated business activities to the extent then being conducted or being planned to be conducted by the Company or its Affiliates or being conducted or known by the Executive to being planned to be conducted by the Company or by any of its Affiliates, at or prior to the date on which the Executive's employment under this Agreement is terminated (the "Date of Termination"), in the United States or any other geographic area where such business is being conducted or being planned to be conducted at or prior to the Date of Termination (a "Competitive Business", defined below). For purposes of this Agreement, "Competitive Business" shall be defined as: (i) any company or other entity engaged as a "quick service restaurant" ("QSR") which offers pizza for sale; (ii) any "quick service restaurant" which is then contemplating entering into the pizza business or adding pizza to its menu; (iii) any entity which at the time of Executive's termination of employment with the Company, offers, as a primary product or service, products or services then being offered by the Company or which the Company is actively contemplating offering; and (iv) any entity under common control with an entity included in (i), (ii) or (iii), above. Notwithstanding the foregoing, ownership of not more than 5% of any class of equity security of any publicly traded corporation shall not, of itself, constitute a violation of this Section 8.1.

8.2 Agreement Not to Solicit Employees or Customers of the Company. During employment and during the Non-Competition Period the Executive will not, directly or indirectly, (i) recruit or hire or otherwise seek to induce any employees of the Company or any of the Company's Affiliates to terminate their employment or violate any agreement with or duty to the Company or any of the Company's Affiliates; or (ii) solicit or encourage any franchisee or vendor of the Company or of any of the Company's Affiliates to terminate or diminish its relationship with any of them or to violate any agreement with any of them, or, in the case of a franchisee, to conduct with any Person any business or activity that such franchisee conducts or could conduct with the Company or any of the Company's Affiliates.

9. Enforcement of Covenants. The Executive acknowledges that he/she has carefully read and considered all the terms and conditions of this Agreement, including without limitation the restraints imposed upon his/her pursuant to Sections 7 and 8 hereof. The Executive agrees that said restraints are necessary for the reasonable and proper protection of the Company and its Affiliates and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Executive further acknowledges that, were he/she to breach any of the covenants or agreements contained in Sections 7 or 8 hereof, the damage to the Company and its Affiliates could be irreparable. The Executive, therefore, agrees that the Company and its Affiliates, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants or agreements. The parties further agree that in the event that any provision of Section 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his/her obligations hereunder will not breach or be in conflict with any other agreement to which or by which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or solicitation or similar covenants or other obligations that would affect the performance of his/her obligations hereunder. The Executive will not disclose to or use on behalf of the Company or any of its Affiliates any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 or as specifically defined elsewhere in this Agreement. For purposes of this Agreement, the following definitions apply:

11.1 Affiliates. "Affiliates" shall mean Domino's Pizza, Inc., Domino's, Inc. and all other persons and entities controlling, controlled by or under common control with the Company, where control may be by management authority or equity interest.

11.2 Confidential Information. "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by others with whom they compete or do business, or with whom they plan to compete or do business, and any and all information the disclosure of which would otherwise be adverse to the interest of the Company or any of its Affiliates. Confidential Information includes without limitation such information relating to (i) the products and services sold or offered by the Company or any of its Affiliates (including without limitation recipes, production processes and heating technology), (ii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iii) the identity of the suppliers to the Company and its Affiliates, and (iv) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates have received belonging to others with any understanding, express or implied, that it would not be disclosed.

11.3 ERISA. "ERISA" means the federal Employee Retirement Income Security Act of 1974 and any successor statute, and the rules and regulations thereunder, and, in the case of any referenced section thereof, any successor section thereto, collectively and as from time to time amended and in effect.

11.4 Intellectual Property. "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts, recipes and ideas (whether or not patentable or copyrightable or constituting trade secrets or trademarks or service marks) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to either the business activities or any prospective activity of the Company or any of its Affiliates.

11.5 Person. "Person" means an individual, a corporation, an association, a partnership, a limited liability company, an estate, a trust and any other entity or organization.

12. Withholding/Other Tax Matters. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law. This Agreement shall be construed consistent with the intent that all payment and benefits hereunder comply with the requirements of, or the requirements for exemption from, Section 409A. Notwithstanding the foregoing, the Company shall not be liable to the Executive for any failure to comply with any such requirements.

13. Miscellaneous.

13.1 Assignment. Neither the Company nor the Executive may assign this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into, any other Person or transfer all or substantially all of its properties or assets to any other Person, in which event such other Person shall be deemed the "Company" hereunder, as applicable, for all purposes of this Agreement; provided, further, that nothing contained herein shall be construed to place any limitation or restriction on the transfer of the Company's Common Stock in addition to any restrictions set forth in any stockholder agreement applicable to the holders of such shares. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, representatives, heirs and permitted assigns.

13.2 Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the application of such provision in such circumstances shall be deemed modified to permit its enforcement to the maximum extent permitted by law, and both the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable and the remainder of this Agreement shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.3 Waiver; Amendment. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. This Agreement may be amended or modified only by a written instrument signed by the Executive and any expressly authorized representative of the Company.

13.4 Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed (i) in the case of the Executive, to: Jeffrey Lawrence, 30 Frank Lloyd Wright, Ann Arbor, Michigan 48106, and (ii) in the case of the Company, to the attention of Chief Executive Officer, at 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48106, or to such other address as either party may specify by notice to the other actually received.

13.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior communications, agreements and understandings, written or oral, between the Executive and the Company, or any of its predecessors, with respect to the terms and conditions of the Executive’s employment.

13.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

13.7 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of Michigan without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

13.8 Consent to Jurisdiction. Each of the Company and the Executive evidenced by the execution hereof, (i) hereby irrevocably submits to the jurisdiction of the state courts of the State of Michigan for the purpose of any claim or action arising out of or based upon this Agreement or relating to the subject matter hereof and (ii) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert by way of motion, as a defense or otherwise, in any such claim or action, any claim that it or he/she is not subject personally to the jurisdiction of the above-named courts, that its or his/her property is exempt or immune from attachment or execution, that any such proceeding brought in the above-named courts is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each of the Company and the Executive hereby consents to service of process in any such proceeding in any manner permitted by Michigan law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 13.4 hereof is reasonably calculated to give actual notice.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE COMPANY: DOMINO’S PIZZA LLC

By: /s/ J. Patrick Doyle
Name: **J. Patrick Doyle**
Title: **Chief Executive Officer**

THE EXECUTIVE:

/s/ Jeffrey Lawrence
Jeffrey Lawrence

EXHIBIT A

DOMINO’S PIZZA SENIOR EXECUTIVE ANNUAL INCENTIVE PLAN

EXHIBIT 3.2

(None, unless additional information is set forth below.)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, DOMINO'S PIZZA, INC.

I, J. Patrick Doyle certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino's Pizza, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 8, 2015	/s/ J. Patrick Doyle
Date	J. Patrick Doyle
	Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER, DOMINO’S PIZZA, INC.

I, Jeffrey D. Lawrence, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino’s Pizza, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

October 8, 2015
Date

/s/ Jeffrey D. Lawrence
Jeffrey D. Lawrence
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended September 6, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, J. Patrick Doyle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Patrick Doyle
J. Patrick Doyle
Chief Executive Officer

Dated: October 8, 2015

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended September 6, 2015, as filed with the Securities and Exchange Commission (the "Report"), I, Jeffrey D. Lawrence, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey D. Lawrence
Jeffrey D. Lawrence
Chief Financial Officer

Dated: October 8, 2015

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.