

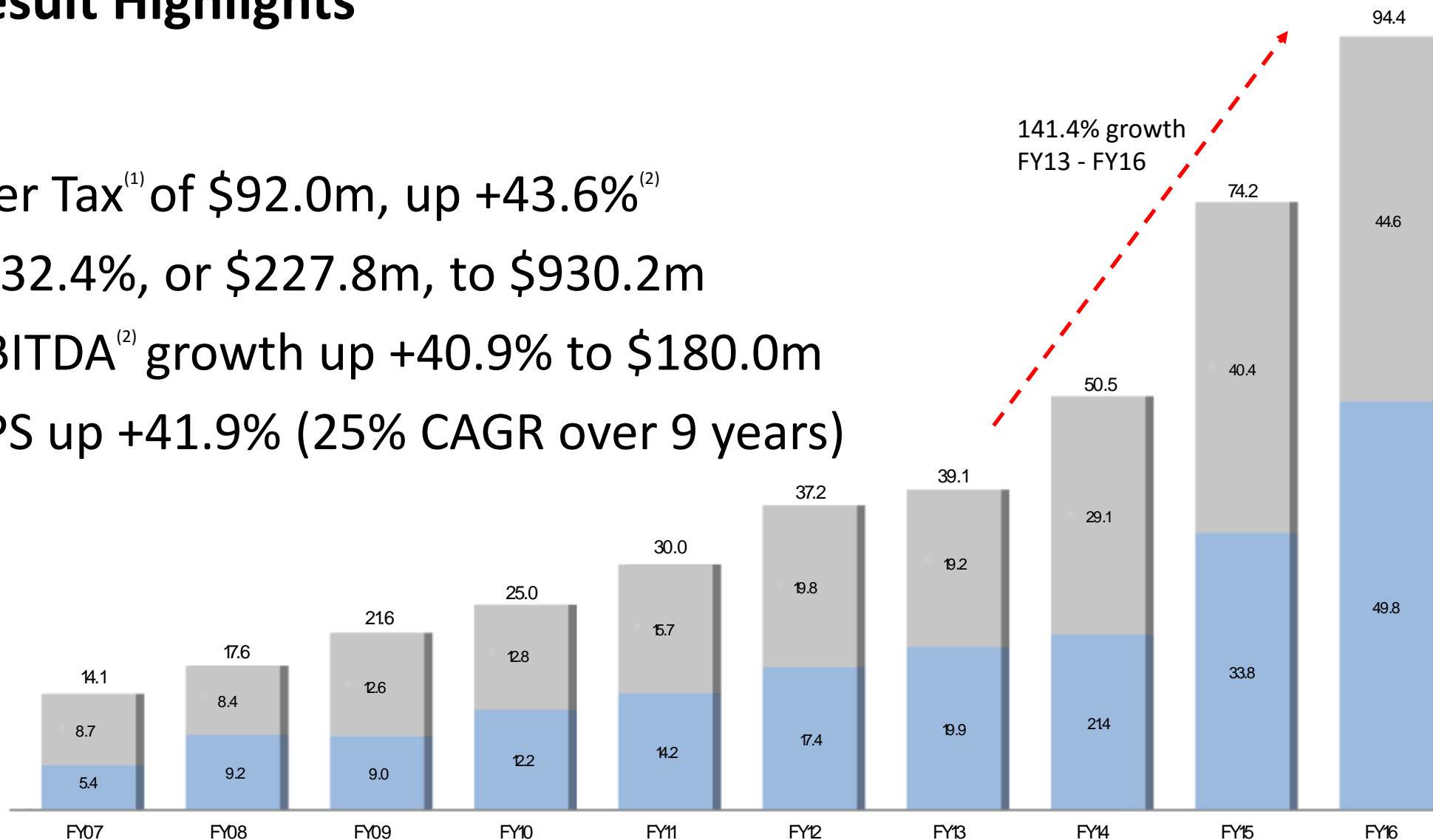


**Chairman's Address**  
**Jack Cowin**



# FY16 Result Highlights

- Net Profit After Tax<sup>(1)</sup> of \$92.0m, up +43.6%<sup>(2)</sup>
- Revenue up +32.4%, or \$227.8m, to \$930.2m
- Underlying EBITDA<sup>(2)</sup> growth up +40.9% to \$180.0m
- Underlying EPS up +41.9% (25% CAGR over 9 years)



(1) Underlying (NPAT) growth after Minority Interest

(2) Comparison to FY15 statutory results

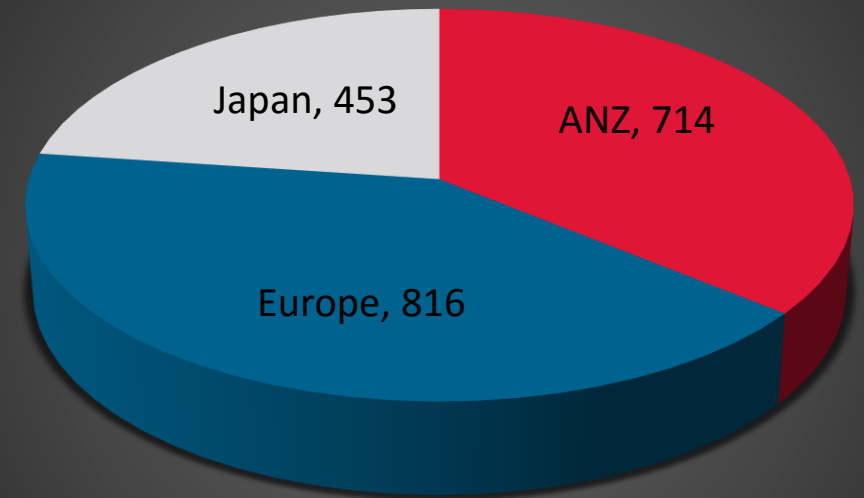
■ H1 ■ H2 Statutory EPS (qps)



## FY16 Result Highlights

- Added 484 stores to the network, a DPE record
- ANZ outstanding growth, +14.8% SSS
- Europe EBITDA growth +122.8%
- Netherlands – highest SSS% growth in Europe
- Japan – record 69 stores constructed in 12 months

Network Store Count



■ ANZ ■ Europe ■ Japan



## Dividends

- The Company paid shareholders a final dividend of 38.8c (70% franked)
- Full year dividend was 73.5c, up +41.9% per share on prior year



## **Managing Director – 12 months contract extension**

- Key driver of record growth
- Short-term contract extended until November 1, 2017
- Long-term contract anticipated 2017
- Aligned with executive incentive program



## Conclusion

- FY16 has been another record year for Domino's Pizza Enterprises Limited
- On all key metrics our team met or exceeded guidance
- Thank you to our shareholders







# **Domino's Pizza Enterprises Ltd**

## **Annual General Meeting**

### **Chairman's Address**

### **7 November 2016**

#### ***(SLIDE ONE) – Introduction/Holding Slide***

#### ***(SLIDE TWO) – Chairman's Address***

It is with great pleasure I address you today in my position as Chairman of Domino's Pizza Enterprises Limited.

This afternoon I will present an overview of the financial results of the 2015/2016 Financial Year, and the highlights of the group's performance for the past year.

Then, DPE Group CEO and Managing Director, Don Meij, will provide more information on each of the markets in which we operate, as well as a trading update for this financial year to date.

#### ***(SLIDE THREE) FY16 Result Highlights***

This financial year has seen another record performance across the DPE group.

We reported a Net Profit After Tax<sup>1</sup> increase of 43.6%<sup>2</sup>, an increase of \$28.0 million to \$92.0 million.

The Group's revenue was up 32.4%, or \$227.8 million, to \$930.2 million. To put that in perspective, when I first stood in front of this audience for the 2014 AGM, our group revenue for the year was \$588.7 million on an underlying basis. The impressive result this year has come from all regions reporting improved sales, delivering an underlying EBITDA of \$180.0 million, an increase of 40.9% on the previous year.

This has delivered an underlying earnings per share increase of 41.9%<sup>2</sup>, at a compound annual growth rate of 25% over the past nine years.

#### ***(SLIDE FOUR) Result Highlights***

This financial performance was the result of significant organic growth, yielding strong like-for-like, or Same Store Sales, leveraging innovations in technology while adding 484 stores (another record) to the Group.

In the ANZ Market, we saw an outstanding performance, with record same store sales growth of 14.8%. Don will speak more to this area, but suffice to say organic growth of this volume is the culmination of a number of customer-focused initiatives, designed to make it easier and more rewarding to order from Domino's.

In Europe the local operations are now delivering a larger piece of our earnings, with a 122.8% increase in EBITDA to \$40.8 million. That result came from record organic growth and strong same store sales, led by the Netherlands, which had the highest same store sales growth in Europe.

In Japan, we saw continued strong EBITDA growth, on the back of a broader network (with 69 new stores opened in 12 months) improving economies of scale and a higher number of franchisees.

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<sup>1</sup> Underlying (NPAT) growth after Minority Interest

<sup>2</sup> Comparison to FY15 statutory results





***(SLIDE FIVE) Dividends***

This performance has allowed us to lift the dividend payable to shareholders again, with a final dividend of 38.8 cents per share, and a full year dividend of 73.5 cents per share, 41.9% higher than the previous year.

***(SLIDE SIX) Managing Director – 12 months contract extension***

Our Managing Director, Don Meij, is a key driver of the Company's remarkable record of sustained growth.

The fixed term of his contract ended on 1 November 2016 and we have agreed with him a 12-month extension until 1 November 2017. Don remains highly committed to DPE and we expect to agree on a new long term contract next year.

The reason for this short extension is to align Don's next contract with the Company's broader long term executive incentive program outcomes which are due for consideration in 2017 as part of the ordinary remuneration cycle.

***(SLIDE SEVEN) In Conclusion***

I am very pleased to present these results to you. They are the culmination of a successful year implementing a clear strategy that is understood at all levels of the business. On behalf of the Board of Directors I recognise the performance of the senior executive team who are leading this effort, for delivering these results and for already driving towards another strong year in Financial Year 2017.

I would like to thank you, our shareholders. It is only with the support and buy-in of our shareholders that our business can achieve these successes, which are built on a drive to find new ways of delivering a market-leading product to our customers, even when (or especially) when this means changing the way things have always been done. That support, and buy-in, is delivering ongoing benefits to you, to our customers, and to the franchisees and employees who give their commitment and passion to this enterprise every day.

I would now like to hand over to Don, to speak in more detail about Domino's performance so far this year, to provide more detail on each of our markets, and to give you an insight into the year ahead.

**Jack Cowin - DPE Chairman**



**Group CEO's Address**  
**Don Meij**



## FY16 Performance - ANZ

- Launched Project 3-10: “Slow where it matters, Fast where it counts”
- +14.8% SSS – record for the region
- Franchisee same store profitability at record levels
- Record sales weeks across 576 of our stores







## FY16 Performance - Europe

- Acquisitions successfully completed
  - German market leader Joey's Pizza (joint venture with Domino's Pizza Group plc)
  - Domino's Germany
  - Pizza Sprint (France)
- 366 stores added in Europe
  - 64 organic new store openings
- Record EBITDA growth of +122.8%
- +8.2% SSS

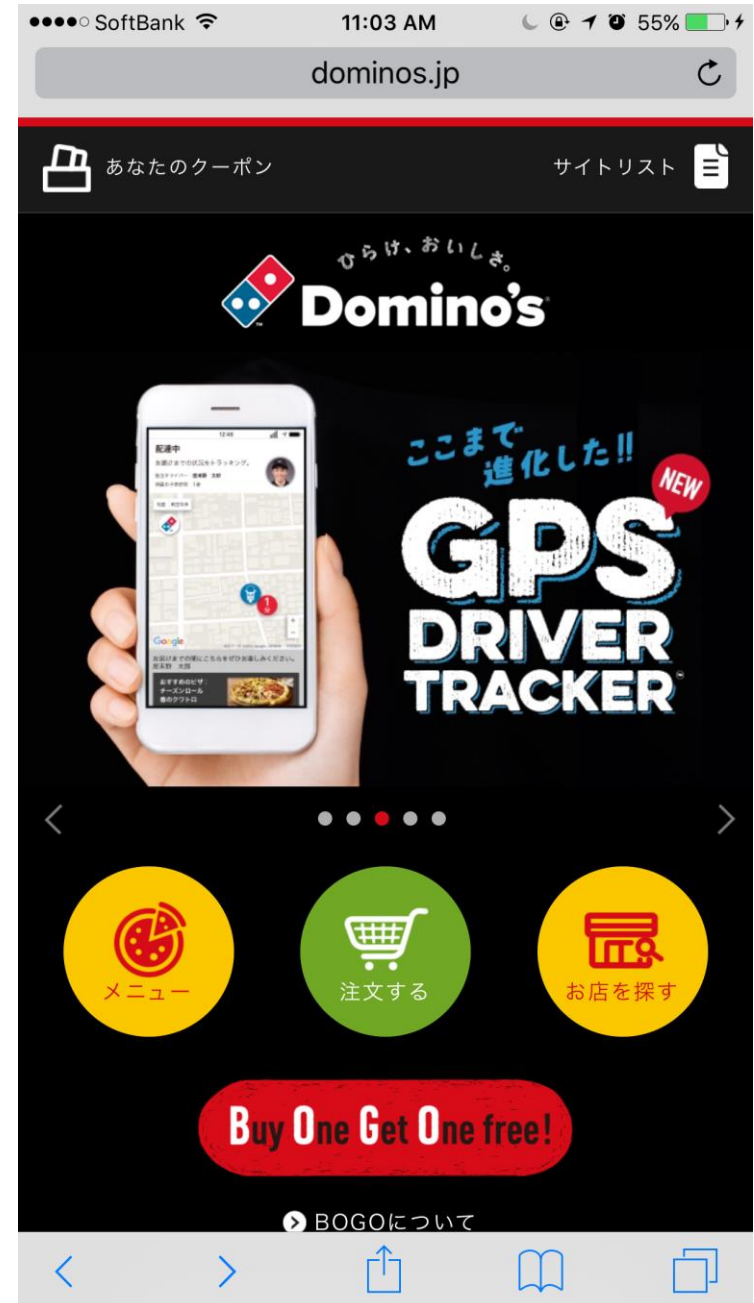






## FY16 Performance - Japan

- Constructed 69 stores in 12 months
- Relocated 34 stores to carry-out friendly locations
- 453 stores operational at FY end
- Significant roll-out of IT projects including GPS Driver Tracker, Pulse and OneDigital
- Network sales up +14.8%, SSS reduced -2.1% (in line with guidance)





## Group store focus in FY16

- Added 484 stores to the network – a DPE record
  - 600<sup>th</sup> store opened in Australia
  - 400<sup>th</sup> store opened in Japan





## FY17 Trading update

- First 16 weeks SSS results FY17 (to October 23)
  - ANZ SSS +17.66%
  - Europe SSS +3.77%
  - Japan SSS -0.59%
  - Group SSS +10.67%





## FY17 Trading update – Digital sales growth

- Year-on-year online sales growth - FY17 (to October 30)
  - ANZ +36.9%
  - Europe +38.1%<sup>1</sup>
  - Japan +24.0%

<sup>1</sup> Excluding Germany





## FY17 Outlook – upgrading guidance

- SSS guidance FY17
  - ANZ SSS guidance – upgraded to +12-14% (up from +10-12%)
  - Europe SSS guidance – affirming +5-7%
  - Japan SSS guidance – affirming 0-+2%
- EBITDA – growth<sup>(2)</sup> expected to be in the region of +30% (up from +25%)
- NPAT<sup>(1)</sup> – growth<sup>(2)</sup> expected to be in the region of +30% (in line with guidance)
- Improved EBITDA margins
  - Europe - 25% within five years (previously 20% within two years)
  - ANZ - 45% within six years (previously 38%)

1) Underlying (NPAT) growth after Minority Interest

2) Comparison to FY16 underlying results



## FY17 Outlook – upgrading guidance

- Total stores today - 2022
- Store openings – on target for higher end of guidance (175-195 new stores)
- Europe long-term store count 2,600 up from 2,500
- Group long-term<sup>(3)</sup> store count 4,650 up from 4,550



3) Long-term store count by 2025





## FY17 Outlook – Taste the Colour

- Largest menu change since 2009
- 21 new or improved ingredients and menu options
- Three phases
  - Phase 1 – September  
New pizzas, desserts, sides, ingredients
  - Phase 2 – November  
New seafood range, two new seafood sides, new dipping sauce
  - Phase 3 – January  
New Chicken Fajita pizza, improved ingredients, loaded fries





## FY17 Outlook – all natural ice cream



- Market opportunity - \$700m in milkshakes and smoothies (AU only)
- Target – 10% of Australia/New Zealand market
- Premium product, natural ice-cream, -14 degrees
- Thick shakes and ice cream cups at launch
- Followed by unique Sundaes to launch shortly
- Australian roll-out, in full, by July 2017.





## FY17 Outlook - DRU

- DRU - Domino's Robotic Unit launched March 2016
- DRU – robotics and AI to improve our customers' experience
- DRU Drone by Flirtey
- Internet of Food™
  - Australian food service industry - \$44.4 billion<sup>(1)</sup>
  - Delivery - \$1.4 billion of food service industry

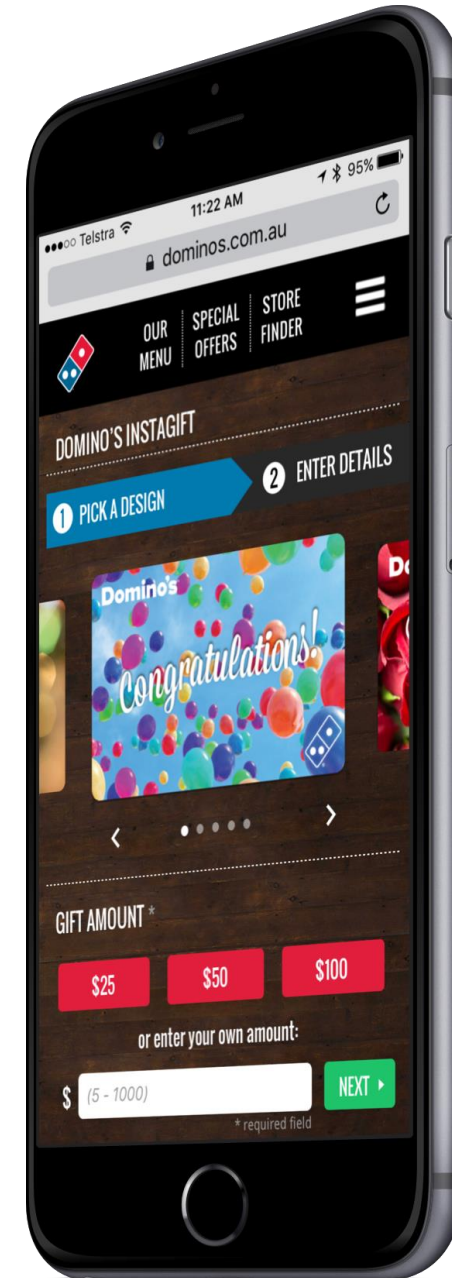


(1) The NPD Group/CREST® AU, Spend - Year End June 2016 Industry Size data (N.B. Annual Delivery Market value is estimated based on data from Jan to June 2016)



## FY17 Outlook – InstaGift™

- A first for the Quick Service Restaurant Industry in Australia
- Instant, digital gift cards
- A fresh new gift option





## FY17 Outlook – My Domino's

- Single employee-focused platform
  - Live information tiles
  - Key metrics that matter
- My Domino's Team Member App in progress





## FY17 Outlook – Project 3-10

- Project 3-10 – 250+ stores enabled by FY17
- Advanced, high-speed ovens
- 102 stores installed







## FY17 Outlook – Abacus

- New initiatives to be unveiled in February 2017
- 2017 event will include market-leading AI





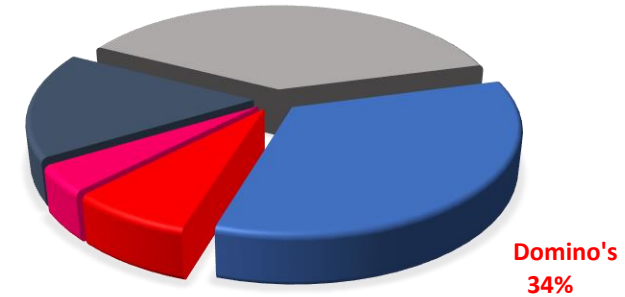
## FY17 Outlook ANZ

- 65 new stores planned
- Increasing market share
  - 38% of the QSR pizza market<sup>(1)</sup>
- Labour update
  - Enterprise agreement negotiations expected to be finalised by in H2, FY17
  - Voluntarily increased rates to drivers by +9%<sup>(2)</sup>
  - Voluntary increase budgeted and intended in January for majority of team members

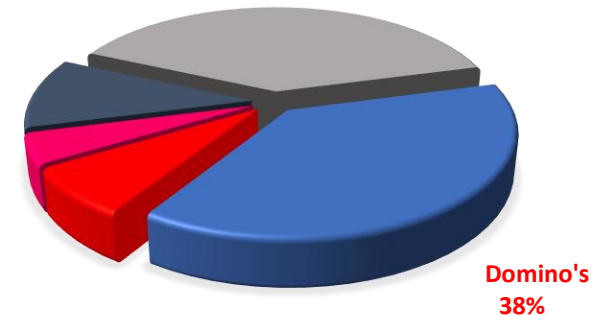
1) The NPD Group/CREST ® AU, Spend - Year End September 2016

2) In addition to +2.4% federal wage increase

DOMINO'S % OF PIZZA SPEND YR END SEP 16



DOMINO'S % OF PIZZA TRAFFIC YR END SEP 16





## FY17 Outlook Europe

- Launch of SMS ordering in Belgium
- Completion of roll-out of GPSDT in Netherlands
- Launch of Project 3-10 in Netherlands
- Order Anywhere functionality in Netherlands
- Joey's Pizza conversion to be completed by December 8<sup>th</sup>
- Pizza Sprint conversion of majority of stores by end of FY17







## FY17 Outlook Europe

- Record organic new store growth in FY17
- 300<sup>th</sup> store in France opened – July 2016
- 50<sup>th</sup> store in Belgium to open in FY17
- 250 stores in Netherlands/Belgium today
- New French commissary – annualised savings of €2m
- Continued EBITDA margin growth
  - 25% within five years



## Outlook – Spotlight on Netherlands

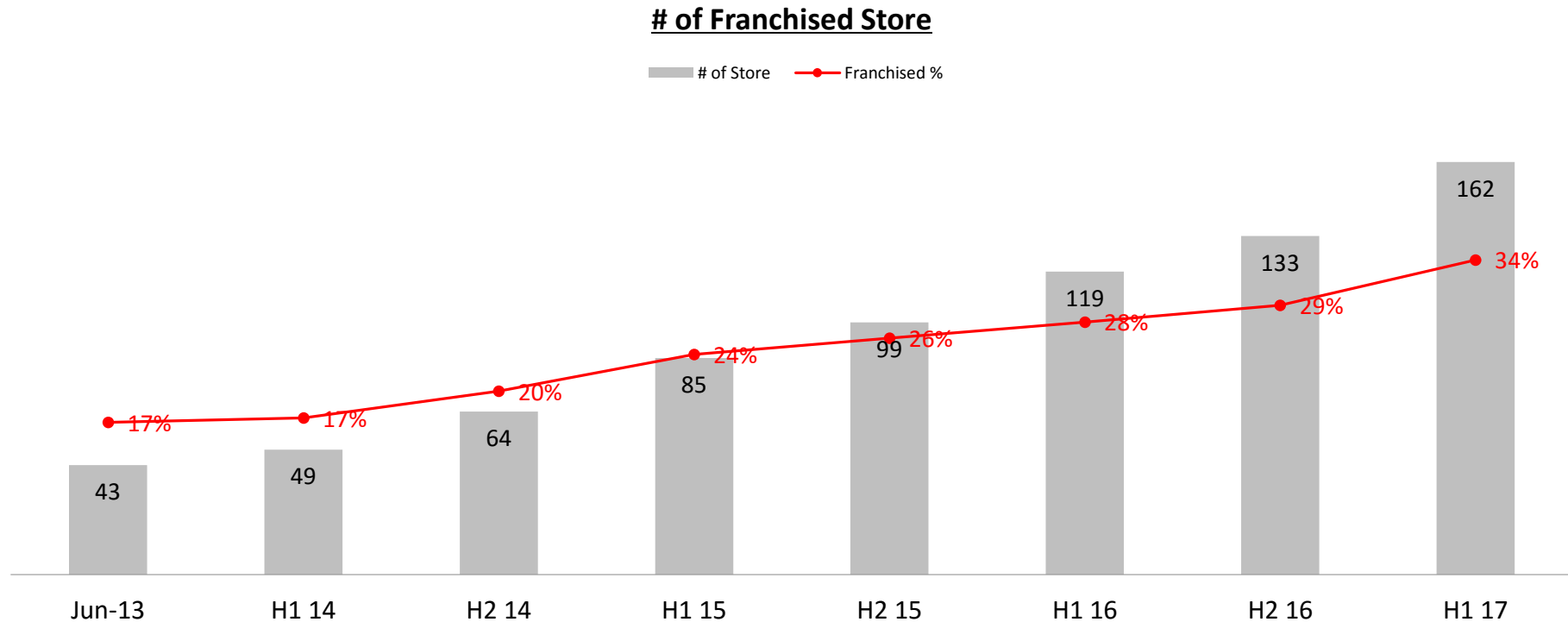
- 200<sup>th</sup> store opened in Netherlands
- Second largest QSR by sales and store count
- Upgrading store count to 400 stores within eight years
- Netherlands/Belgium long-term store count of 600 stores





## FY17 Outlook Japan

- Opening the 500<sup>th</sup> store in FY2017
- Additional 31 franchise stores by the end of 2016







## Conclusion

- Upgraded EBITDA – growth<sup>(2)</sup> expected to be in the region +30%
- NPAT<sup>(1)</sup> – growth<sup>(2)</sup> expected to be in the region of +30%
- Upgrade ANZ SSS guidance – expected to be +12-14% (up from +10-12%)
- EBITDA margin forecasts increased in Europe and Australia/NZ
  - Europe – 25% within five years
  - Australia/New Zealand – 45% within six years
- Continued commitment to more innovation projects
- New store openings – on target for higher end of guidance (175-195 stores)

1) Underlying (NPAT) growth after Minority Interest

2) Comparison to FY16 underlying results







**Domino's Pizza Enterprises Ltd  
Annual General Meeting  
Managing Director's Address  
7 November 2016**

**(SLIDE 8) – Group CEO's Address**

Thank you Mr Chairman and thank you to our shareholders here today. It's my pleasure to address you again as Group CEO and Managing Director of DPE and to provide an update on the performance of our business following another very strong year.

**(SLIDE 9) FY16 Performance – ANZ**

In Australia and New Zealand we again lead the market.

We launched **Project 3-10**, with the aim of having a pizza ready for pick-up from our stores in three minutes, or delivered in 10 minutes. We are now seeing pick-up times of less than six minutes, down from 12 to 15 minutes.

We unveiled DRU, DRU Drone and innovative technology like On-Time Cooking and Zero Click, surprising our customers with fresh new ways to make ordering from us easier and faster.

These initiatives delivered a **+14.8% growth in like-for-like sales**, a DPE record.

We saw record sales weeks across **576 stores of our ANZ** this year, and profitability for franchisees is at a record high.

Let me highlight that. Early last month I received an email from one of our franchisees in Victoria. He and his wife previously owned another pizza franchise that, despite their best efforts, closed in 2012.

Quote: "I averaged 100 hour weeks and did sales of 8 grand maybe 9 if town was busy, I thought this was 'ok' in fact I remember thinking it was the best it could be....."

- 8 Grand a week
- 28 minute delivery times and that was if we even quoted a time

We brought this franchisee into the Domino's network, and what a difference it has made. He wrote: "I still do the long hours but I love this brand, I love the head office staff, I love the product, I love the passion but most of all I love the vision.

"Two weeks ago I broke my previous sales record, I thought awesome. But the week just passed ... here's my last week.

- Sales: \$28,519.47
- Estimated delivery time: 18:32

**(SLIDE 10) FY16 Performance - Europe**

Our acquisitions in Europe have been strategic and are delivering results.

We successfully completed acquisitions of Domino's Germany and the German market leader Joey's Pizza (in conjunction with Domino's Pizza Group plc), and Pizza Sprint in France. We added 366 stores in FY16, including opening 64 new stores, and 302 stores through successful acquisitions.

We had record EBITDA market growth of +122.8%. Only a small contribution came from our Sprint and Joey's acquisitions, as these were completed later in the financial year.

Our European stores added +8.2% in same store sales for the Financial Year (including our acquisitions in France and Germany), reflecting fresh new menu options such as the Signature range in France, and bold new customer initiatives.

**(SLIDE 11) FY16 Performance – Japan**



We continue to increase our network in Japan, realigning our store locations and offerings. We opened 69 stores and relocated 34 to locations more aligned with pick-up orders. At the end of the financial year we had 453 stores operational in this market, up from 259 just three years ago.

We have been investing in a significant IT roll-out in this market this year, including GPS Driver Tracker, Pulse, a phone pre-ringer system, and OneDigital.

We are building an incredible business in Japan. Our same stores sales were down -2.1% in a challenging economic environment, in line with guidance, but network sales were +14.8% higher. I am confident the innovations we are implementing here, are delivering.

***(SLIDE 12) Group Store focus in FY16***

This financial year we added 484 stores to our network, a record for Domino's Pizza Enterprises Limited. That includes our 600<sup>th</sup> store in Australia and our 400<sup>th</sup> store in Japan.

***(SLIDE 13) FY17 Trading Update***

I am very happy with our results this financial year. Reporting to October 23, we are seeing heightened same store sales growth in Australia/New Zealand and in Europe. Japan continues to perform in line with our expectations.

Same store sales results across the group for the first 16 weeks are:

ANZ SSS: +17.66%, Europe SSS: +3.77%, Japan SSS: -0.59%, and the Group SSS: +10.67%

Our Australia/New Zealand results are outstanding.

In October, our Australian stores delivered **the largest like-for-like growth for the country in the Company's history**.

I am proud of all of the teams whose efforts are delivering these results.

In Japan, we are already tracking well for the year; above our position reported at the full year results. Same store sales is a positive result considering a very strong sales performance in September last year.

In Europe, our results show our forecasts on track for the full year. They come on the back of already strong sales in the previous year.

***(Slide 14) FY17 Trading update – Digital sales growth***

An increasing number of customers' orders are being placed through our websites, in all of our regions.

This financial year we are seeing very strong digital growth, with digital sales growth outpacing offline growth, with year-on-year growth in digital sales of +36.9% in Australia/New Zealand, +38.1% in Europe, and +24% in Japan.

***(SLIDE 15) FY17 Outlook – Upgrading Guidance***

- Today I am upgrading our ANZ SSS guidance from +10-12% to +12-14% for the full year.
- In Europe we are affirming our SSS guidance of +5-7% for the full year.
- Japan SSS guidance remains unchanged at between 0-+2% for the full year.

We now expect underlying EBITDA growth to be in the region of +30% (up from our previous guidance of +25%), and NPAT growth to be in line with our guidance of +30%, on an underlying basis.

Greater scale and improved efficiencies are producing improved margins. We are upgrading our EBITDA margin forecast in Europe to 25% in the next five years, and in Australia/New Zealand to 45% within six years.

#### ***(SLIDE 16) FY17 Outlook – Upgrading Guidance***

Today we have 2022 stores, including acquired stores from Pizza Sprint and Joeys Pizza.

We have opened 22 stores in Europe and 13 stores in Australia/New Zealand, including our 100<sup>th</sup> store in New Zealand. By this time last year we had opened six new stores in Europe. We expect the number of new stores to be opened this year will be at the **upper end of our guidance** of 175 to 195 new stores.

We believe our acquisitions in Europe position us for growth in both the short- and long-term. For example, Germany is the world's fourth largest pizza market in the world, yet pizza brands like ours collectively have just 20% of the market. In the past few weeks we have become the number one pizza brand in Germany.

Europe is an exciting market for us. We are upgrading our store guidance in the Netherlands to 400 stores, up from 300. Accordingly, we are upgrading our European store count guidance to **2,600**, and our group long-term store count guidance, to **4,650 stores**, by 2025.

#### ***(SLIDE 17) FY17 Outlook – Taste the colour***

In September, we launched our biggest menu change since 2009, **Taste the colour**, which will add 21 new or improved ingredients and menu options.

September was **phase one**. At the end of November, we are launching **phase two**; an all new seafood range, two new seafood sides, and a premium dipping sauce. Phase two is a perfect example of how we are **democratising five-star food**.

In **phase three**, January, we will be adding a new pizza and side and improved ingredients to make our existing pizzas even more flavoursome.

#### ***(SLIDE 18) FY17 Outlook – all natural ice cream***

Thickshakes are part of a \$700 million milkshake and smoothie market in Australia alone and, coupled with ice cream and sundaes, the market opportunity is even larger.

Our aim, is to target 10% of that market.

This is an entirely new product line and a delicious new flavour offering to our customers, to which we will add a market-leading **unique Sundae**.

We will be rolling out thickshakes and ice cream cups throughout Australia, in full, by July 2017.

#### ***(SLIDE 19) FY17 Outlook – DRU***

DRU, or Domino's Robotic Unit, is the name of our autonomous pizza delivery vehicle. But DRU also includes a suite of projects under development, using robotics and artificial intelligence to improve our customers' experience.

This is part of what we've called, the **Internet of Food™**. The Australian food service industry is worth \$44.4 billion, and delivery currently accounts for \$1.4b of that market.<sup>1</sup> Australians are increasingly hungry to order online, and we are well placed to capture that pent-up demand.

The Internet of Food™ means customers want to order online for delivery, and carry-out, and our technology initiatives will meet this demand.

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<sup>1</sup> The NPD Group/CREST © AU, Spend - Year End June 2016 Industry Size data (N.B. Annual Delivery Market value is estimated based on data from Jan to June 2016)

We have proudly partnered with Flirtey, an Australian company and a leading drone developer. I am very excited to announce that, **DRU Drone by Flirtey** has started comprehensive testing and trials in New Zealand, as demonstrations in full compliance with Part 101 of the Civil Aviation Regulations.

The project is preparing for the launch of the world's first pizza-by-drone delivery service.

***(SLIDE 20) FY17 Outlook – InstaGifts***

Last week we launched **InstaGifts**, a first for the QSR industry in Australia – instant, digital gift cards. These will allow our customers to order a fresh new gift option for their colleagues, friends, and loved ones.

Customers can buy InstaGifts through our website, personalise them, and have them in their inbox almost instantaneously.

***(SLIDE 21) FY17 Outlook – My Domino's***

Our franchisees, managers and employees will have the right tools to be empowered to do their jobs.

**My Domino's** is a single platform aimed at all employees, that uses live information tiles to put all of our applications, and all of the key metrics that matter, in one place.

We will then launch a My Domino's Team Member App, bringing together more tools to our team members' fingertips.

***(SLIDE 22) FY17 Outlook – Project 3-10***

We will have more than 250 of our stores **Project 3-10 ready** this financial year, with advanced, **high-speed ovens** to ensure the fastest cook time in our industry.

Today, we have completed installation at **102 stores**.

We believe this is the future for our industry, a disruption more significant than the first 30-minute guarantee decades ago.

***(SLIDE 23) FY17 Outlook – Abacus***

We announced Project 3-10 at the first of our digital disruptor days, the Abacus Tech Series.

Abacus is a showcase of our digital developments and first-to-market technology.

I look forward to unveiling the next initiatives in our ambitious technology roadmap, including market-leading artificial intelligence projects, at the next Abacus event, in February.

***(SLIDE 24) FY17 Outlook - ANZ***

We believe these initiatives will lead to heightened growth, and to capture this growth we plan to open 65 new stores in Australia/New Zealand this year.

This quarter saw Domino's continue to outpace the market in terms of year on year growth of both spend and traffic.<sup>2</sup>

Dominos have gained more traffic share both from three years and six years ago than the pizza category meaning that we have gained share from other categories.<sup>3</sup>

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<sup>2</sup> The NPD Group/CREST ® AU, Traffic & Spend - Year End September 2016

<sup>3</sup> The NPD Group/CREST ® AU, Traffic & Spend - Year End September 2016

We have 38% of traffic share and 34% of spend share of the QSR pizza market, more than the other four major chains combined.<sup>4</sup>

There has been much discussion about labour costs, and the progress of our enterprise agreement negotiations.

As these negotiations have taken some time, longer than we anticipated largely as a result of significant disruption in the industrial relations environment, we voluntarily increased the rates paid to our drivers by +9% early this year, in addition to a +2.4% federal wage increase.

We expect the negotiations to conclude in the second half of the financial year. In the interim, we budgeted, and intend to, voluntarily increase our wages for the majority of our team members in January.

We are extremely confident that we will finalise this process, and continue to flourish.

#### ***(SLIDE 25) FY17 Outlook Europe***

Investing in technology and in quality, are our focus areas in Europe this financial year.

We expect positive feedback when we introduce **SMS ordering** to Belgium this year.

We will be completing our roll-out of **GPS Driver Tracker in the Netherlands**, this year, and launching Project 3-10 at the start of next year.

We have just launched **Order Anywhere** functionality in the Netherlands, freeing up our customers so they can order a pizza not just to their home or office, but to anywhere they choose, using the customer's GPS location to have a pizza delivered directly to them in a park or on the beach.

The conversion of Joey's Pizza stores in Germany have exceeded our initial plans and we expect to see all stores fully converted by the end of December, six months ahead of schedule.

The Pizza Sprint stores which have converted have exceeded our expectations, and we expect the clear majority of Pizza Sprint stores to be converted by the end of FY17.

#### ***(SLIDE 26) FY17 Outlook Europe***

We anticipate record organic store growth in Financial Year 2017. We have recently opened our 300<sup>th</sup> store in France, and will open our 50<sup>th</sup> in Belgium this financial year. In the past few days, we have reached a combined 250 stores in Belgium and the Netherlands.

Our new French commissary – the most automated Domino's commissary in the world – is expected to achieve annualised savings of €2m a year.

#### ***(SLIDE 27) Spotlight on Netherlands***

I want to shine a spotlight on our operations in the Netherlands. It has a population of 17 million people (against the Australian population of 24 million people).

We saw our highest same store sales growth in Europe this Financial Year in the Netherlands. I am pleased to announce we will be upgrading our outlook to 400 stores within eight years.

With our 200<sup>th</sup> store opening recently, we are already the second largest Quick Service Restaurant by sales and store count. We expect to pass McDonalds in store count in the next 18 to 24 months.

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<sup>4</sup> The NPD Group/CREST © AU, Traffic & Spend - Year End September 2016



Our long-term store count outlook for the Netherlands and Belgium is now 600 stores. This is greater than the forecast for the Australia/New Zealand market when we listed DPE on the ASX in May, 2005.

**(SLIDE 28) FY17 Outlook Japan**

We will open our 500<sup>th</sup> store in Japan this Financial Year and will relocate an extra nine stores to more carry-out friendly locations in the first half of this Financial Year.

Since we acquired Domino's Japan, we have been progressively rolling out a plan to increase the number of franchise stores, to improve total market penetration and company profitability.

In June 2013 we had 43 franchised stores, representing 17% of our network. In the first half of this financial year, just three years later, we will have 162 franchised stores, representing 34% of our network.

**(SLIDE 29) Conclusion**

The past 12 months has validated the strategy we are executing, and the next 12 months will continue apace. This is the most exciting time in our company's history, and I am overwhelmingly positive about our future.

Let me underline the following points:

- This has been a record year for DPE, with increasing sales, expansion of our network through acquisitions and organic openings, and increasing profitability for our franchisees
- The early figures in our update today bode well for this Financial Year, particularly with the growth we are seeing from the Australia/New Zealand market and Europe.
- We forecast SSS growth to be in the range of +12-14% in ANZ, an increase from our previous guidance of +10-12 %.
- Our EBITDA margin forecasts have increased in Europe and Australia/New Zealand, to 25% in five years and 45% in six years respectively.
- Our commitment to continuous innovation will expand in this Financial Year, through customer-focused initiatives such as DRU Drone by Flirtey.
- Our execution of exciting new menu options, both through our Taste the Colour launch, and the new products available soon, including ice cream products such as Thickshakes, will add additional sales and profitability.
- Our approach will lead to continued growth and more opportunities this year, with new store openings planned to be at the upper end of our guidance of 175-195 new stores.

Before closing I would like to take this opportunity to thank all of the people involved in this business:

- To the Board members who provide guidance and support to our leadership team as we execute on a business we believe is world-class;
- To our leaders who accept only the highest standards of their business areas;
- To our shareholders who continue to believe in what we are accomplishing, and the opportunities that lie ahead; and
- Most importantly to our franchisees and employees. They are our best asset. They're the first and last impression our customers have of our business, the engine room in our people powered pizza business. Thank you.

In closing, I want to bring you back to the franchisee I referred to earlier. He wrote of his pride of being part of the Domino's business, saying: "I remember why I go everywhere around town in something that has our logo on it."

He ended his email, excited about the future and noting: "We have room for improvement."

I look forward to keeping you up to date with our progress and the successes we will enjoy together.

