

Domino's Pizza Announces Second Quarter 2008 Profit Up

2008-07-22

Domino's Pizza Announces Second Quarter 2008 Financial Results

Domino's Pizza, Inc. (NYSE:DPZ), the recognized world leader in pizza delivery, today announced results for the second quarter ended June 15, 2008. Net income was up \$16.4 million versus the prior year, due primarily to recapitalization expenses incurred during the second quarter of 2007 and gains on the sale of Company-owned stores in 2008, offset in part by continued challenges in the domestic environment and resulting domestic same store sales and supply chain volume decreases. The International division continued its strong performance, posting its 58th consecutive quarter of same store sales growth, up 7.0% during the second quarter of 2008.

Second Quarter Highlights:

(dollars in millions, except per share data)	Second Quarter of 2008	Second Quarter of 2007	First Two Quarters of 2008	First Two Quarters of 2007
Net income	\$18.7	\$2.3	\$32.8	\$10.7
Weighted average diluted shares	58,789,987	64,717,208	59,443,922	64,798,109
Diluted earnings per share, as reported	\$0.32	\$0.04	\$0.55	\$0.17
Items affecting comparability (see section below)	\$(0.10)	\$0.24	\$(0.13)	\$0.49
Diluted earnings per share, as adjusted	\$0.22	\$0.28	\$0.43	\$0.65

Diluted EPS was \$0.32 on an as-reported basis for the second quarter, up \$0.28 from the as-reported prior year period. However, excluding items affecting comparability, diluted EPS declined \$0.06, primarily due to increased interest expense as a result of our 2007 recapitalization and lower operating income from domestic operations.

	Second Quarter of 2008	Second Quarter of 2007			
Same store sales growth: (versus prior year period)					
Domestic Company-owned stores	(1.1)%	+ 4.4%			
Domestic franchise stores	(5.9)%	+ 1.8%			
Domestic stores	(5.4)%	+ 2.1%			
International stores	+ 7.0 %	+ 3.9%			
Global retail sales growth: (versus prior year period)					
Domestic stores	(5.0)%	+ 3.2%			
International stores	+19.6 %	+15.3%			
Total	+ 4.7 %	+ 7.7%			
	Domestic Company-owned Stores	Domestic Franchise Stores	Total Domestic Stores	Inter-national Stores	Total
Store counts:					
Store count at March 23, 2008	542	4,586	5,128	3,513	8,641
Openings	-	22	22	60	82
Closings	-	(43)	(43)	(9)	(52)
Transfers	(27)	27	-	-	-
Store count at June 15, 2008	515	4,592	5,107	3,564	8,671
Second quarter 2008 net growth	(27)	6	(21)	51	30
Trailing four quarters net growth	(52)	31	(21)	243	222

David A. Brandon, Domino's Chairman and Chief Executive Officer, said: "Returning to positive sales comps in the U.S. has proven difficult, as the external environment continues to make it tough to regain lost sales momentum. However, I am excited about our growth initiatives and the way we are transforming our business to better position ourselves for future expansion. I like our new product platforms, our technology innovations and the cost savings we are identifying in our supply chain division. We are driving significant change in our business and our focus on improving our franchisee base -- along with all of these initiatives -- will help to us regain positive momentum. We are in a turnaround mode, which is not fun. However, we see a light at the end of the tunnel and we plan to be growing our domestic business again soon."

Brandon continued, "We continue to achieve excellent results in our international division, along with strong store growth in all regions of the world. Our international division is celebrating its 25th anniversary this year, and we're proud of the impact this growth engine has had on our Company's results." He added, "The current domestic environment continues to be difficult and challenging. However our results show the resiliency of our business model as we have produced \$36.6 million in free cash flow year-to-date, which we continue to deploy in ways that provide value to our shareholders."

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