

Domino's Pizza Announces Third Quarter 2008 Financial Results
2008-10-14

Net income was negatively impacted versus the prior year quarter by continued challenges in the domestic environment and resulting decreases in domestic same store sales and supply chain volumes. The International division continued its strong performance, posting its 59th consecutive quarter of same store sales growth, up 5.4% during the third quarter of 2008.

Third Quarter Highlights:

(dollars in millions,
except per share data)

	Third Quarter of 2008	Third Quarter of 2007	First Three Quarters of 2008	First Three Quarters of 2007
Net income	\$10.1	\$11.0	\$42.9	\$21.7
Weighted average diluted shares	58,042,743	63,971,505	58,859,220	64,534,801
Diluted earnings per share, as reported	\$0.17	\$0.17	\$0.73	\$0.34
Items affecting comparability (see section below)	\$(0.05)	\$-	\$(0.17)	\$0.49
Diluted earnings per share, as adjusted	\$0.13	\$0.17	\$0.56	\$0.82

Diluted EPS was \$0.17 on an as-reported basis for the third quarter, flat from the as-reported prior year period. However, excluding items affecting comparability, diluted EPS declined \$0.04, primarily due to lower operating income from domestic operations.

		Third Quarter of 2008	Third Quarter of 2007		
Same store sales growth: (versus prior year period)					
Domestic Company-owned stores		(3.4)%	+0.8%		
Domestic franchise stores		(6.4)%	(2.0)%		
Domestic stores		(6.1)%	(1.6)%		
International stores		+5.4%	+8.3%		
Global retail sales growth: (versus prior year period)					
Domestic stores		(5.8)%	(0.4)%		
International stores		+14.1%	+20.4%		
Total		+2.4%	+7.2%		
	Domestic Company-owned Stores	Domestic Franchise Stores	Total Domestic Stores	International Stores	Total
Store counts:					
Store count at June 15, 2008	515	4,592	5,107	3,564	8,671
Openings	1	34	35	84	119
Closings	-	(56)	(56)	(8)	(64)
Transfers	(4)	4	-	-	-
Store count at September 7, 2008	512	4,574	5,086	3,640	8,726
Third quarter 2008 net growth	(3)	(18)	(21)	76	55
Trailing four quarters net growth	(53)	3	(50)	266	216

David A. Brandon, Domino's Chairman and Chief Executive Officer, said: "A key component of our turnaround plan is the renewal of our brand - including significantly expanding our menu, improving our existing products, entering new day parts, increasing store traffic and energizing our franchise system. Reversing negative trends in the current environment is very tough. Our operators face the powerful forces of high commodity prices, consumers who are reluctant to spend, and a credit crunch that has slowed domestic new store growth, re-investment in stores, and our ability to expedite the turnover of poor-performing franchisees. Despite these macroeconomic challenges, we believe in our turnaround plan for our domestic business and are encouraged by the initial results of many of our new initiatives. Internationally, we continue to experience strong sales and continued expansion. Most important, our strong cash flows remain the mainstay of our business model. We believe 'cash is king' in today's uncertain market conditions."

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