



GERMAN JOINT VENTURE AND ACQUISITION OF JOEY'S PIZZA

16 December 2015



TRANSACTION HIGHLIGHTS

ENTRY INTO GERMAN MARKET

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DPE has entered into inter-conditional agreements to:

- 1 DPE-controlled Joint Venture**

Form a two-thirds owned, DPE-controlled German joint venture (“JV”) with UK-listed Domino’s Pizza Group plc (“DPG”), the existing holder of the Domino’s Pizza Master Franchise Agreement (“MFA”) for Germany
- 2 JV acquisition of Joey’s Pizza**

Acquire Joey’s Pizza, the largest pizza delivery chain in Germany by network sales and number of stores, for up to €79 million
- 3 JV acquisition of certain DPG stores in Germany**

Also acquire approximately 10-15 stores in Germany which DPG already operates under the Domino’s Pizza brand for approximately €2-3 million

Germany is a strategic and synergistic market for DPE which provides another region for long term growth



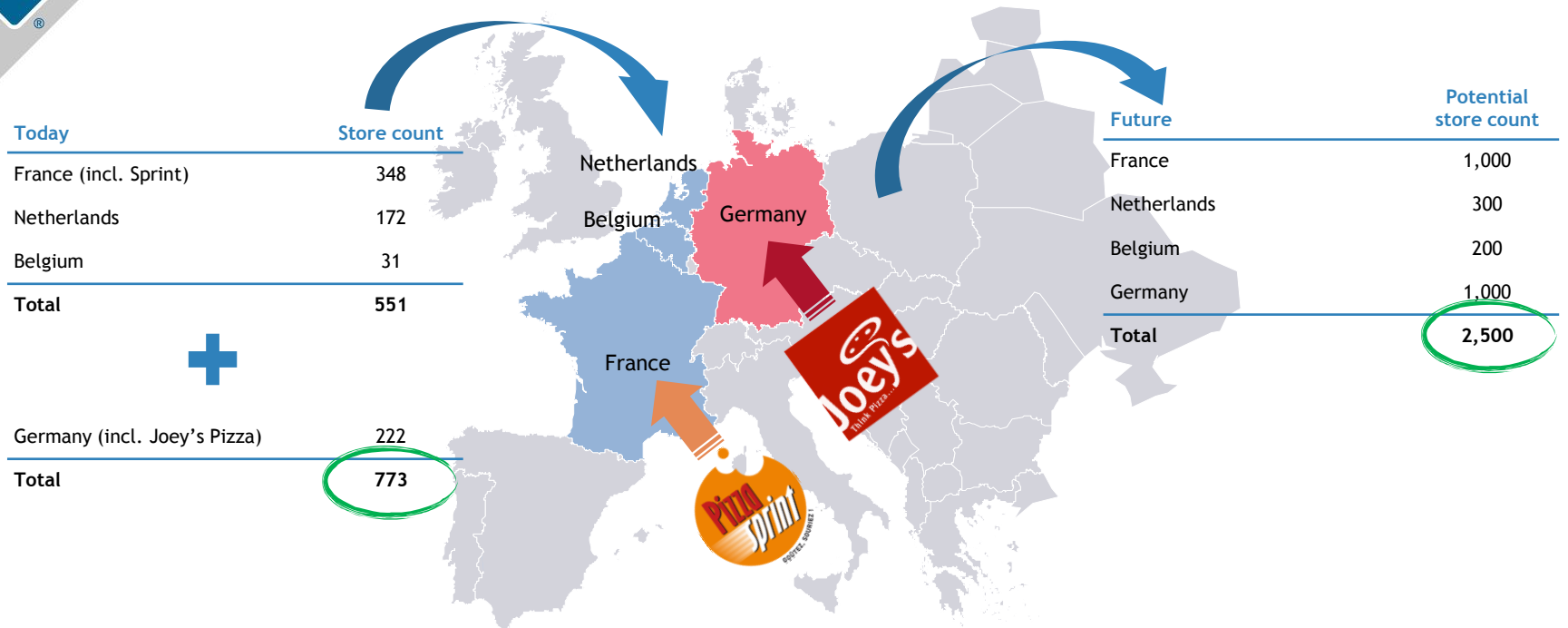
KEY HIGHLIGHTS

- ✓ **#1 market position, with immediate scale** Joey's Pizza is the largest pizza delivery chain in Germany by network sales and number of stores
- ✓ **Long term growth market for DPE** Germany is the fourth largest pizza market in the world, yet chain pizza is underpenetrated comprising only c. 20% of stores, providing DPE with substantial store rollout potential
- ✓ **EPS accretive** 4-5% EPS accretive on a FY15 underlying pro-forma basis, which excludes transaction and conversion costs
- ✓ **Key risks managed** Deferred purchase price manages key investment risks, further enhanced via joint venture structure and management retention
- ✓ **Continues DPE's global transformation** DPE's total store count rises to c. 1,870 and is expected to open 480 to 500 stores in FY16 alone (inclusive of Pizza Sprint and Joey's Pizza acquisitions, with the long term store count target rising by 1,000 to 4,250
- ✓ **Pathway to 100% ownership** Although DPE will initially own two-thirds of the JV and control its operations, it will hold call option rights that it can exercise from January 2022 onwards to acquire full ownership



PROPELS DPE'S VISION IN EUROPE

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Acquisitions during FY16 have reinforced Europe as a major growth region for DPE, with a potential store count growth (inclusive of Germany) of more than 1,700

STRONG GLOBAL PORTFOLIO

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DPE markets

DPI developed markets ⁽¹⁾	Last disclosed store count	Potential store count
United Kingdom	834	1,200
Australia/NZ	670	900
South Korea	415	500
Japan	384	850
Canada	384	650
France	348	1000
Germany ⁽²⁾	220	1,000
Netherlands	172	300
Spain	153	300
Taiwan	130	150
Total	3,710	6,850

DPI emerging markets	Last disclosed store count	Potential store count
India	950	1,800
Mexico	610	700
Turkey	457	700
Saudi Arabia	154	250
Malaysia	142	300
Brazil	129	500
Total	2,442	4,250

DPE will hold MFA rights for the Domino's Pizza brands in five of its top 10 developed markets, following its entry into the German market

(1) DPI published its top developed and emerging markets in its investor presentation on 3 November 2015. DPE has updated the France and Netherland store count and the France potential store count to current as a more recent disclosure than that of DPI. Japan not updated. Australian/NZ updated to the most recent public disclosure; (2) DPE has included Germany in the table based on these transactions occurring and assuming brand conversion is completed

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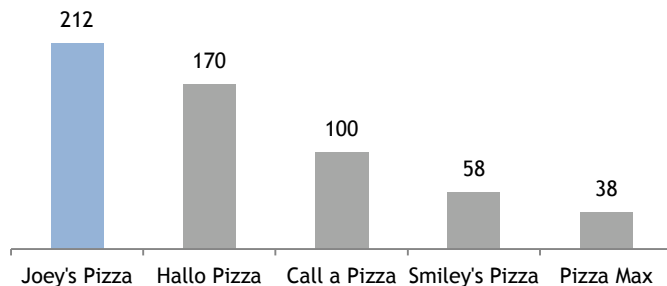


JOEY'S PIZZA

GERMAN PIZZA MARKET

- The German fresh cooked pizza market consists of approximately 4,800⁽¹⁾ stores
 - ~800 operated by pizza chains
 - ~4,000 operated by independents
 - Chain stores relatively underpenetrated when compared to other markets
- Joey’s Pizza is the clear market leader with approximately 25% of chain store locations
- Pizza industry sales growth is well supported by an increasing number of “cash-rich time-poor” consumers and an increasing popularity of “eating out at home”

Number of pizza delivery stores⁽²⁾



Country comparison

	Australia	France	Japan	Germany
Population	23.1m	66.0m	127.3m	80.6m
GDP / Capita ⁽³⁾	US\$67,458	US\$42,503	US\$38,634	US\$46,269
Estimated chain pizza stores ^(1,4)	2,100	1,700	2,350	800

Note: (1) Number of pizza outlets based on Euromonitor data (September 2014); (2) DPE estimates based on company websites; Joey’s Pizza stores as at December 2015; (3) World Bank estimates; (4) DPE research



JOEY'S PIZZA BUSINESS



- Joey's Pizza was founded in 1988, and has grown to become the #1 pizza delivery business in Germany by both store count and network sales
- Store network of 212 stores, comprising 209 franchise stores and 3 corporate owned stores
 - Comprehensive national network, represented across 103 cities in Germany
 - Store network is operated by 132 franchisees of which 46 are multi-unit owners
- Stores are generally of a small format, catering for delivery or pickup
- Business has approximately 100 employees

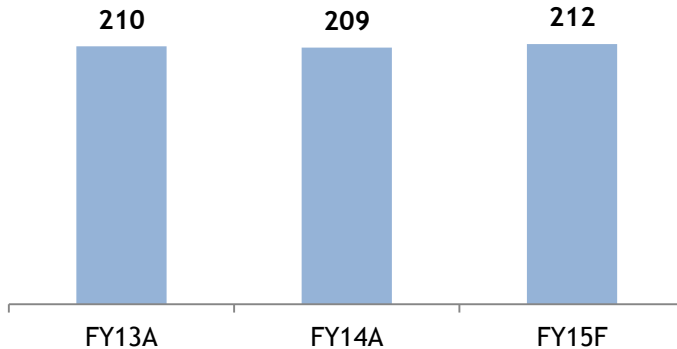


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HISTORICAL STORE COUNT

- Store count has been flat in recent years under prior ownership
- Many franchisees have built strong balance sheets on the back of profits over the past few years and have expressed appetite for new stores
- JV will focus on collaborating with franchisees to enhance systems in early years, during the brand conversion phase, and will pursue meaningful store rollout thereafter to capture what is seen to be a large market opportunity

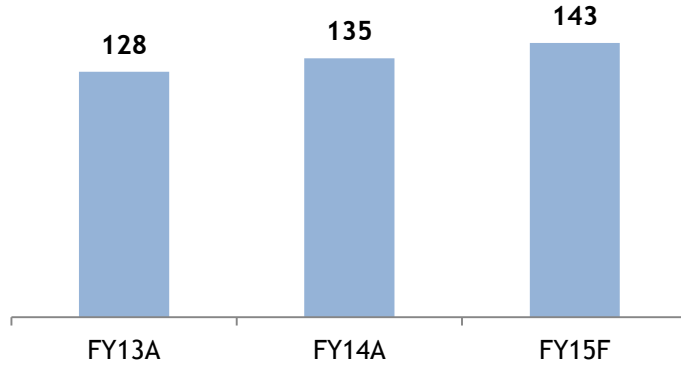
Number of stores



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HISTORICAL SALES

Network sales (€m)

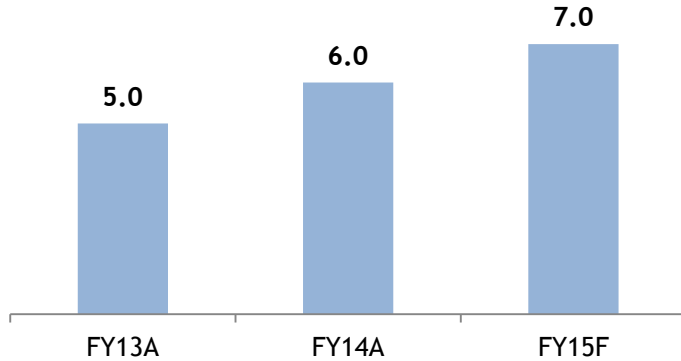


- Revenue expected to increase by a CAGR of c. 6% between FY13A and FY15F
- Revenue growth driven by changes in mix, product changes and price points of some menu items



HISTORICAL EARNINGS

Pro forma underlying EBITDA⁽¹⁾ (€m)



- EBITDA growth primarily driven by increased network sales and higher food margins
- Results shown include DPE's assessment of normalisation adjustments



Note: (1) Pro forma, underlying adjustments include the removal of expenses relating to vendor salaries and other general and administrative costs which are non-recurring in nature and other items which differ under the future ownership structure. Total normalisation adjustments determined in conjunction with EY and comprise approximately €3.2 million in the 2015 calendar year, €3.0 million in 2014 and €2.3 million in 2013

MANAGEMENT OF JV AND JOEY'S PIZZA

- JV will be controlled by DPE under the terms of the JV agreement with DPG
- The existing joint CEOs of Joey's Pizza, Karsten Freigang and Friedrich Niemax, have been retained by the JV under contracts until at least the end of calendar 2018
- Senior management across DPE will also provide ongoing support to the JV, particularly via DPE's successful management team in the Netherlands



Karsten Freigang (Existing Joint CEO of Joey's Pizza)

- Joined 2007
- Primary focus on franchisee management and store network development



Friedrich Niemax (Existing Joint CEO of Joey's Pizza)

- Joined 1994
- Primary focus on finance and operations



STRATEGIC PLAN FOR GROWTH

Our strategic plan is methodical across three distinct phases

- 1** Conversion phase (0-2 years)
 - Focus on the brand conversion exercise to transition franchisees, contractual arrangements and infrastructure to the Domino's Pizza brand
 - DPE recognises that there are many areas in which Joey's Pizza does well and it wants to ensure that its customer insights and the best of its skills and culture are retained
- 2** Test phase (years 1-3)
 - Focus on testing various initiatives in order to better understand the German market and learn how to execute DPE's strategic growth initiatives in Germany
- 3** Growth phase (thereafter)
 - Focus on store rollouts and initiatives to increase sales
 - Fully leverage the expertise and infrastructure of DPE's other regional markets

DPE is not anticipating substantial earnings growth during the conversion and test phases, however the long term growth opportunity is substantial



BENEFITS FOR FRANCHISEES



Drive a digital advantage

- Introduction of PULSE and Global OLO to provide a competitive advantage in terms of digital sophistication
- Opportunity to increase proportion of online orders (37% via company website and a further 11% via aggregator websites)



Leverage sophisticated marketing

- Access the benefits of DPE's strength in social media and online marketing



New product innovation

- Introduction of new and expanded range of menu products



Drive carry-out sales

- Opportunity to drive an increased proportion of carry-out sales and drive a high volume mentality (currently c. 9%)



Capture synergies

- Leverage the operational and management expertise of DPE in the Netherlands, Belgium and France as well as facilities in these existing territories



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JOINT VENTURE

FORMATION OF JOINT VENTURE

DPE and DPG to form JV	<ul style="list-style-type: none">• Subject to regulatory and other approvals, DPE and DPG have agreed to form a JV to acquire Joey's Pizza and certain of DPG's existing stores in Germany
Majority DPE owned	<ul style="list-style-type: none">• DPE will own two-thirds of the equity in the JV and will have full operational control, with DPG holding minority protections
Board structure	<ul style="list-style-type: none">• Board of JV to comprise up to 7 directors, 2 nominated by DPG and 5 nominated by DPE inclusive of an independent German representative (if desired)
Future exit rights	<ul style="list-style-type: none">• JV agreements provide DPE with a pathway to full ownership of the business at a future date as well as provide DPG with clearly defined exit rights<ul style="list-style-type: none">– DPG is to hold a put option over its interest to DPE which is exercisable any time after 31 December 2019– DPE is to hold a call option over DPG's interest which is exercisable any time after 31 December 2021– The price paid on exercise of either option is equivalent and based on an enterprise valuation determined from capitalisation of future adjusted EBITDA at a multiple of between 10 and 12 times– DPE will carry a provision in its accounts for this future payment obligation



INTER-CONDITIONAL TRANSACTIONS

German Market Access Payment	<ul style="list-style-type: none">• JV to acquire DPG's existing rights to operate the Domino's Pizza brand in Germany• DPG will be entitled to receive future capital payments from DPE of up to €25 million over six years, based on the incremental profits achieved by the JV in each year above existing levels
Acquire Joey's Pizza	<ul style="list-style-type: none">• JV to acquire Joey's Pizza for up to €79 million (A\$120 million)<ul style="list-style-type: none">– Initial consideration of €45 million, payable on completion of the transaction at the end of January 2016– €5 million of this consideration will be satisfied via 148,206 new DPE shares– Subsequent tiered payments for up to a further €34 million subject to earn-out criteria over up to three years• Other terms and conditions are customary for a transaction of this nature
Acquire DPG stores in Germany	<ul style="list-style-type: none">• DPG currently operates c. 20 stores across Germany• JV to acquire c. 10 to 15 of these stores, generally those which are not in conflicting locations to Joey's Pizza stores, for consideration c. €2-3 million
Closure of DPG's other German operations	<ul style="list-style-type: none">• JV will have access to new infrastructure in Germany made available by DPE and Joey's Pizza• Shortly following closing of other transactions, DPG will close other parts of its German operations at DPG's cost, including its Dusseldorf head office and Berlin commissary





IMPACT ON DPE

DPI APPROVAL AND EXTENSION OF MFAs

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- Domino's Pizza, Inc. (DPI), is fully supportive of the transaction
- Domino's Pizza International Franchising Inc., a wholly-owned subsidiary of DPI, has provided the necessary consents and also agreed to extend the terms of the MFAs of DPE in certain of its European markets
- Specifically, inclusive of the exercise of options to renew, the MFAs will extend as follows:
 - France and Belgium until 2041 (25 years)
 - Netherlands and Germany until 2043 (27 years)

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JV ACQUISITION FUNDING

Uses by JV	€ million (initial)	€ million (total)	Sources by JV	€ million (initial)	€ million (total)	%
JP acquisition cost ⁽¹⁾	45	79	DPE funding	39	61	67%
<i>Of which: Cash</i>	40	74	<i>Of which: New debt / c/flow</i>	34	56	
<i>DPE shares⁽²⁾</i>	5	5	<i>DPE shares</i>	5	5	
Estimated brand conversion costs ⁽³⁾	10	10	DPG funding	19	31	33%
DPG German stores ⁽⁴⁾	3	3				
Total	58	92	Total	58	92	

- Initial consideration of €45 million to largely be paid in cash from new debt facilities
 - DPE has highly confident debt funding commitments in place, with facilities to be available for drawdown prior to completion. Cost of funds will be similar to other existing DPE facilities
 - Approximately €5 million of the initial consideration will be satisfied through the issue of 148,206 new DPE shares⁽²⁾ to the vendors of Joey's Pizza and subject to a 12 month escrow period
- Earn-out payments of up to €34 million will be paid to the vendors of Joey's Pizza for over up to 3 years dependent on certain criteria
 - Funding for these payments will be based on incremental drawdown on the above acquisition facilities
 - Payments will be provided for in DPE accounts
- DPE will continue to maintain conservative leverage post transaction

(1) Comprises €45m up-front and up to €34m over up to three years; (2) Based on 10 day VWAP prior to execution on 15 December 2015 and converted at the 10 day average closing FX rate. Subject to 12 month escrow; (3) DPE management estimate. Other unusual non-recurring costs for business optimisation, market research etc are expected during the first years and which would be additional to this estimate; (4) Allows for up to 15 stores to be acquired



OTHER DPE PAYMENTS

Cost components for German transactions	€ million	Sources of DPE funding
DPE transaction costs	1.3 - 2	Existing cash reserves
German Market Access over 6 years	Up to 25	New debt facilities and cash flow
Put / call option liability	<i>Present value to be estimated</i>	To be determined closer to exercise date

- Transaction costs are estimated at €1.3 - 2 million relating to the German transactions. Costs for the previously disclosed Pizza Sprint transaction are estimated at €1 -1.5 million
- DPE will make payments to DPG of up to €25 million for inter alia transition to DPE of MFA rights to the Domino's Pizza brand for Germany and the existing franchise system
 - Determined annually contingent on earnings exceeding thresholds
 - Payments likely to be modest in early years of the JV
 - Amounts will be provided for in DPE's 2H16 accounts
- DPE holds call options rights which will allow it to acquire 100% ownership of the JV from January 2022
 - Value of option exercise based on multiple of EBITDA of between 10 and 12 times
 - Similar accounting treatment to DPE's interest Japan is expected. Accordingly, a put / call option liability will be provided for in DPE's 2H16 accounts



PRO FORMA FY15 TRANSACTION IMPACTS

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A\$m	DPE Group 30 June 2015 Underlying (post Sprint)	Joey's Pizza + DPG stores to 30 December 2015 normalised ^(1,3)	Pro-forma FY15 for acquisitions	Change (%)
Stores	1,595	222	1,817	+ 14%
Network sales	1,528	219	1,747	+14%
EBITDA	133	10	143	+8%
NPAT to equity holders	67	3	70	+4-5%

- The transaction is of the order of 4-5% EPS accretive on a FY15 underlying, pro-forma basis
- No change in leverage policy or dividend payout ratio

(1) Joey's Pizza and DPG expected results to 30 December 2015. Pro forma, underlying adjustments include the removal of expenses relating to vendor salaries and other general and administrative costs which are non-recurring in nature and other items which differ under the future ownership structure. Total normalisation adjustments comprise approximately €3.2 million in the 2015 calendar year; (2) Converted at €0.68 / A\$; (3) Reflects impact of debt financing. Assumes 10 DPG stores transfer to the JV. Numbers may not add due to rounding

EXPECTED IMPACT ON FY16

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Pizza Sprint	€ million	Germany	€ million
Underlying FY15 EBITDA	3.5	Underlying FY15 EBITDA	7.0
Expected completion date	Jan 2016	Expected completion date	1Q CY16
Ownership interest	100%	Ownership interest	67%
One-off costs in the year	2-3	One-off costs in the year	3.3-5
• Transaction (DPE)	1-1.5	• Transaction (DPE)	1.3-2
• Conversion (DPE)	1-1.5	• Conversion (JV)	2-3

- Based on the timing of completion, the German JV will make only a small positive contribution to underlying earnings on a FY16 basis
- Reported results will be impacted by transaction and non-capitalised brand conversion costs in 2H16 of an aggregate €5 to 8 million between the acquisition of Pizza Sprint and the German transactions
- A further update will be provided along with 1H16 results



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OUTLOOK

UPGRADED GUIDANCE

	Original FY16 Guidance per 11 Aug 2015	Revised guidance per 4 Nov 2015 (incl. Sprint)	Current guidance as at 16 Dec 2015 (incl. Germany)
SSS %			
- ANZ	6 - 8%	9 - 11%	9 - 11%
- Europe	4 - 6%	6 - 8%	6 - 8%
- Japan	1 - 2%	1 - 2%	1 - 2%
New store openings	180 - 200	260 - 280	480 - 500
Underlying EBITDA growth	In the region of 20%	In the region of 25%	In the region of 30%
Underlying NPAT growth	In the region of 20%	In the region of 25%	In the region of 30%
Net capex (incl. capital and expensed amounts for acquisitions)	\$70 - 80m	\$120 - 135m incl. Sprint	\$180 - 195m incl. initial German payments



UPGRADED STORE TARGET

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Australia / NZ
900 stores



Europe
↑ **New: 2,500 stores**
Prior: 1,500 stores



Japan
850 stores

- Europe store count target upgraded from 1,500 to 2,500 stores, inclusive of Germany
- The updated Group plan now reaches 4,250 stores by 2025

