media release

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# Domino's Pizza Enterprises Limited buys European pizza chains

Australian owned and operated Domino's Pizza Enterprises Limited (DPE) has bolstered its international expansion drive with the purchase of two separate pizza chains Al Capone's and Alvolo in Europe.

The deals, which both closed overnight, were fully funded from debt for an undisclosed price. Alvolo is an eight-store pizza chain in Belgium, and Al Capone's operates 17 stores in the Netherlands.

Prior to the purchase, DPE comprised of 63 stores in the Netherlands and four stores in Belgium. With the purchases, DPE increases the size of its Netherlands business by more than 20% and tripled the size of its Belgium operations.

The purchases are part of DPE's plans to expand the European operation in France, Belgium and the Netherlands from the current 163 stores to a total of 1,000 stores.

DPE CEO Don Meij said the acquisition of the two pizza chains was in line with the Company's 10-year growth plan.

He said the acquisitions would also increase the store growth expectations for Europe this year to in excess of 30 stores, instead of the original forecast of 20 stores.

"Since Domino's Pizza Enterprises purchased existing Domino's operations in Europe last year, we have grown the pizza market by offering consumers greater menu choice, better value and better delivery," he said.

"The purchase of Al Capone's and Alvolo, in the Netherlands and Belgium respectively, is part of Domino's Pizza' Enterprises' expansion plan in the European markets, where management estimates the market has potential to be in excess of 1,000 stores alone.

"We are passionate about pizza and know there is huge demand for quality pizza at a fair price in Europe. The purchase of the pizza chains will assist Domino's Pizza Enterprises' ability to grow profits in 2007-08 and into the future."

The majority of Al Capone's and Alvolo outlets are expected to be converted to Domino's Pizza stores over the next six months. It is not expected that the purchases will provide any material financial benefit to DPE's 2006-07 financial year results, with the integration and training costs expected to equate to any margin gain from the purchases.

DPE and its franchisees operate 620 stores across Australia, New Zealand, France, Belgium and the Netherlands, employing more than 14,000 casual and full-time staff and making more than 60 million pizzas each year. DPE is Australia's first publicly-listed pizza chain, making its debut on the Australian Stock Exchange in May 2005.

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