Domino's Pizza Announces Record Second Quarter Results

ANN ARBOR, Michigan – July 30, 2002 – Domino's, Inc., the world leader in pizza delivery, today announced record results for the second quarter of 2002, which ended June 16, 2002. The Company also announced the completion of a new $465 million senior credit facility replacing the previously existing $545 million senior credit facility.

Financial Highlights

The following are highlights for the second quarter of 2002 compared to the same period in 2001.

- Net income increased 21.8% to $10.8 million.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 13.9% to a second quarter record of $41.6 million.
- Domestic same store sales increased 4.2%, comprised of a 4.7% increase in domestic franchise same store sales and a 1.5% increase in domestic Company-owned same store sales. Domestic same store sales have shown positive growth in 34 of the last 36 quarters.
- International same store sales increased 4.7%, on a constant dollar basis, marking the 34th consecutive quarter of international same store sales growth.
- System-wide sales increased 6.0% to $904.3 million.
- The Company repaid $17.6 million of debt during the second quarter of 2002, bringing total debt repayments over the most recent four fiscal quarters to nearly $53 million.

"Domino's Pizza continues to produce record results despite the challenges associated with the current economic environment," said Domino's Chairman and Chief Executive Officer David A. Brandon. "We believe our sales momentum is a result of our improved store operations, stronger marketing, and, most importantly, the positive energy being generated by our outstanding franchisees and team members worldwide."

"We are also very pleased to announce our new $465 million senior credit facility," Brandon continued. "We believe the improved pricing and improved covenant flexibility contained in the new facility reflect our continued improvements in financial performance over the past several years, including significant repayments of outstanding debt. This new facility also reflects the credit rating upgrades recently received by Moody's and Standard & Poor's."

Financial Summaries

	Fiscal Quarter Ended			**Two Fiscal Quarters Ended**		
(Dollars in millions)	**June 16, 2002**	**June 17, 2001**	**% Change**	**June 16, 2002**	**June 17, 2001**	**% Change**
System-wide sales	$904.3	$853.1	6.0%	$1,851.9	$1,731.3	7.0%
Total revenues	294.1	283.8	3.6	602.1	571.4	5.4
EBITDA	41.6	36.6	13.9	87.4	73.3	19.2
Income from operations	30.8	29.8	3.3	69.3	58.7	18.2
Net income	10.8	8.9	21.8	26.7	16.7	60.1

The increases in second quarter and year-to-date system-wide sales in 2002 are due primarily to increases in both domestic and international same store sales and worldwide store counts.

The increase in year-to-date total revenues is due primarily to an increase in domestic Company-owned and franchise same store sales, a related increase in distribution volumes and, to a lesser extent, an increase in international revenues. Domestic distribution revenues were negatively impacted by lower food basket prices, including lower cheese prices, during the second quarter and first two quarters of 2002, compared to the same periods in 2001. The lower food basket prices resulted in a decrease in domestic distribution revenues in the second quarter of 2002, compared to same period in 2001.

The increases in second quarter and year-to-date EBITDA in 2002 are due primarily to strong system-wide sales growth as a result of increases in domestic and international same store sales. During the first two quarters of 2002, domestic same store sales increased 6.0%, comprised of a 6.4% increase in domestic franchise same store sales and a 3.3% increase in domestic Company-owned same store sales. The increase in domestic same store sales during the first two quarters of 2002 was due in part to continued success in our overall marketing programs. We also benefited from an increase in distribution volumes as a result of increased domestic sales activity. This EBITDA gain was offset in part by Company-wide increases in insurance costs.

The increases in second quarter and year-to-date net income in 2002 are due primarily to increases in EBITDA, reductions in our interest costs due to lower debt levels and more favorable variable interest rates, the favorable impact of no longer amortizing goodwill and the absence of certain covenant not-to-compete expenses related to an asset that was fully amortized by the end of 2001. These increases in net income were offset in part by the write-off of $5.3 million of capitalized software costs during the second quarter of 2002 as well as increases in provision for income taxes due to increases in pre-tax income. Year-to-date total revenues continue to grow at a faster rate than total general and administrative expenses, reflecting management's commitment to continuous process improvement throughout the Company.

Founded in 1960, Domino's Pizza operates a network of 7,096 Company-owned and franchised stores in the United States and more than 50 international countries. For more information about the Company, visit our website at http://www.dominos.com/.

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Contact: Tim McIntyre, Vice President of Corporate Communications - Domino's, Inc. 734.930.3563

Conference Call Information

On July 30, 2002, Domino's, Inc. will hold a conference call to review its 2002 mid year financial results. The details are as follows:

Time:	1:00 p.m. EST
Domestic telephone number:	877-209-9921
International telephone number:	612-332-1214
Call ID:	Ask for the Domino's, Inc. conference call moderated by Tim McIntyre

A playback of the conference call will be available approximately 48 hours after the completion of the call through August 5, 2002, 5:00 p.m. EST, by dialing 800-475-6701 (domestic) or 320-365-3844 (international) and dialing the ID number 645946. If you have any questions, please call Tim McIntyre at 734-930-3563.

Use of Pro Forma Financial Information

EBITDA represents earnings before interest, taxes, depreciation, amortization, gain or loss on sale/disposal of assets, and loss on debt extinguishment. EBITDA information is provided as we use it extensively in internal management reporting to evaluate our business segments, we believe it assists the investing community in evaluating our company, and it is an important measure in our debt agreements. EBITDA should not be considered as an alternative to cash flow from operating activities as a measure of liquidity, as an alternative to net income as a measure of our financial performance, or as an alternative to any other measure of performance in accordance with accounting principles generally accepted in the United States.

The following table reconciles EBITDA to consolidated income before provision for income taxes (in thousands):

	Fiscal Quarter Ended		**Two Fiscal Quarters Ended**	
	June 16, 2002	**June 17, 2001**	**June 16, 2002**	**June 17, 2001**
Total EBITDA	$ 41,647	$ 36,580	$ 87,388	$ 73,331
Interest expense, net	(13,644)	(15,269)	(26,945)	(31,265)
Depreciation and amortization	(6,671)	(7,029)	(13,823)	(13,995)
Gain (loss) on sale/disposal of assets	(3,473)	258	(3,303)	(685)
Loss on debt extinguishment	(704)	-	(916)	-
Income before provision for income taxes	$ 17,155	$ 14,540	$ 42,401	$ 27,386

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Certain statements contained in this release relating to our anticipated profitability and operating performance are forward-looking and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Among these risks and uncertainties are competitive factors, increases in our operating costs, ability to retain our key personnel, our substantial leverage, ability to implement our growth and cost-saving strategies, industry trends and general economic conditions, adequacy of insurance coverage and other factors, all of which are described in our Form 10-K for the year ended December 30, 2001 and other filings with the Securities and Exchange Commission. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Domino's, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 16, 2002	June 17, 2001	June 16, 2002	June 17, 2001
(In thousands)				
Revenues:				
Domestic corporate stores	$ 88,482	$ 81,926	$ 178,388	$ 172,769
Domestic franchise	32,037	30,044	66,596	60,669
Domestic distribution	154,721	156,229	320,466	306,832
International	18,822	15,553	36,668	31,113
Total revenues	294,062	283,752	602,118	571,383
Operating expenses:				
Cost of sales	215,790	211,965	441,128	424,211
General and administrative	47,473	41,978	91,644	88,521
Total operating expenses	263,263	253,943	532,772	512,732
Income from operations	30,799	29,809	69,346	58,651
Interest expense, net	13,644	15,269	26,945	31,265
Income before provision for income taxes	17,155	14,540	42,401	27,386
Provision for income taxes	6,346	5,664	15,687	10,701
Net income	$ 10,809	$ 8,876	$ 26,714	$ 16,685

Domino's, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

(In thousands)	June 16, 2002 (Unaudited)	December 30, 2001 (Note)
Assets		
Current assets:		
Cash and cash equivalents	$ 8,127	$ 34,842
Accounts receivable	53,396	54,225
Inventories	19,341	22,088
Other	25,121	20,218
Total current assets	105,985	131,373
Property, plant and equipment, net	106,929	87,645
Other assets	162,519	163,275
Total assets	$ 375,433	$ 382,293
Liabilities and stockholder's deficit		
Current liabilities:		
Current portion of long-term debt	$ 40,694	$ 43,157
Accounts payable	35,286	30,125
Insurance reserves	8,222	7,365
Other accrued liabilities	76,950	73,487
Total current liabilities	161,152	154,134
Long-term liabilities	622,936	653,033
Stockholder's deficit	(408,655)	(424,874)
Total liabilities and stockholder's deficit	$ 375,433	$ 382,293

Note: The balance sheet at December 30, 2001 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.