DOMINO'S PIZZA ENTERPRISES LIMITED

ACN 010 489 326

Half-year Financial Report for the Financial Half-year Ended 30 December 2012

This half-year report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

CONTENTS

APPENDIX 4D

Current Reporting Period: Half-year ended 30 December 2012

Previous Corresponding Period: Half-year ended 1 January 2012

Section A: Results for announcement to the market

Revenue and net profit	**Percentage change %**	**Amount $million**
Revenue from ordinary activities	Up 7.59%	140.8
Profit from ordinary activities after tax attributable to members	Up 15.71%	14.5
Net profit attributable to members	Up 15.71%	14.5

Dividends	**Amount per security**	**Franked amount per security**
Final dividend in respect of full year ended 1 July 2012 Paid 14 September 2012	14.1 cents	100%
Interim dividend in respect of half-year ended 30 December 2012	15.5 cents	100%
Record date for determining entitlements to the dividend:		25 February 2013

Net tangible assets per security	**Half-year ending 30 December 2012**	**Half-year ending 1 January 2012**
Net tangible assets per security	0.68	0.78

Section B: Commentary on results

For comments on trading performance during the half-year, refer to the media release.

The interim fully franked dividend of 15.5 cents per share was approved by the directors on 12 February 2013. In complying with accounting standards, as the dividend was not approved prior to period end, no provision has been taken up for this dividend in the condensed consolidated half-year financial statements.

Section C: Half-Year Financial Report

Directors' report

The directors of Domino's Pizza Enterprises Limited submit herewith the condensed financial report for the half-year ended 30 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

- Ross Adler
- Barry Alty
- Grant Bourke
- Paul Cave
- Don Meij

The above-named directors held office during and since the end of the half-year.

Review of operations

The consolidated Net Profit After Tax for the half-year was $14.543 million (first half of 2011/12: $12.568 million).

Net Profit After Tax for the half-year ended 30 December 2012 was 15.71% ahead of the 2011/12 half-year, driven by Same Store Sales (SSS) and supported by successful marketing promotions.

During the half-year, Domino's Pizza added 11 new stores to its network in Australia and New Zealand, and 15 in Europe. This brings the total store network to 934 at the end of the period.

An interim fully franked dividend of 15.5 cents per share will be paid on 12 March 2013.

Australia/New Zealand Operations

Revenue for the period increased by 2.44% on the first half of 2011/12 and EBITDA has increased by 12.5%. New store openings, Same Store Sales and Network Sales growth have delivered this result.

European Operations

Reported revenue for the period is up 17.21% on the first half 2011/12 to $53.490 million despite a stronger AUD. New store openings and strong SSS growth along with economies of scale, have delivered this significantly improved result.

Total network sales are up 13.8% on the first half of 2011/12. This has predominantly been the result of scale, but also the continued focus on the creation of customer value and adapting a number of key learnings from Australia to the local market.

The above points have not been audited.

Auditor's independence declaration

The auditor's independence declaration is set out on page 4 of the half-year condensed consolidated financial report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year condensed consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

Ross Adler

Chairman

Sydney, 12 February 2013.

Don Meij

Managing Director/Chief Executive Officer

Sydney, 12 February 2013.

Deloitte Touche Tohmatsu
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The Directors
Domino's Pizza Enterprises Limited
Level 8, TAB Building
240 Sandgate Road
ALBION QLD 4010

12 February 2013

Dear Board Members

Domino's Pizza Enterprises Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Domino's Pizza Enterprises Limited.

As lead audit partner for the review of the financial statements of Domino's Pizza Enterprises Limited for the half-year ended 30 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P Forrester

Peter Forrester
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of Domino's Pizza Enterprises Limited

We have reviewed the accompanying half-year financial report of Domino's Pizza Enterprises Limited, which comprises the condensed consolidated statement of financial position as at 30 December 2012, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising Domino's Pizza Enterprises Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of Domino's Pizza Enterprises Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Domino's Pizza Enterprises Limited's financial position as at 30 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Domino's Pizza Enterprises Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Domino's Pizza Enterprises Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Domino's Pizza Enterprises Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of Domino's Pizza Enterprises Limited's financial position as at 30 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P. Forrester

Peter Forrester
Partner
Chartered Accountants
Brisbane, 12 February 2013

Directors' declaration

The directors declare that:

1. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

2. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Don Meij

Managing Director/Chief Executive Officer

Sydney, 12 February 2013

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 December 2012

	Consolidated	
	Half-year ended 30 December 2012 $'000	**Half-year ended 1 January 2012 $'000**
Continuing operations		
Revenue	140,806	130,876
Other income	2,375	982
Food and paper expenses	(40,102)	(38,472)
Employee benefits expense	(36,187)	(33,119)
Plant and equipment expenses	(4,440)	(4,122)
Depreciation and amortisation expense	(5,953)	(4,861)
Occupancy expenses	(4,022)	(4,084)
Finance costs	(315)	(323)
Marketing expenses	(5,646)	(5,439)
Store related expenses	(3,405)	(2,864)
Communication expenses	(3,219)	(3,037)
Other expenses	(19,677)	(17,791)
Profit before tax	**20,215**	**17,746**
Income tax expense	(5,672)	(5,178)
Profit for the period from continuing operations	**14,543**	**12,568**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
(Loss)/gain on net investment hedge relating to foreign operations (Europe)	(282)	745
Exchange gains/(losses) arising on translation of foreign operations	1,362	(2,247)
Gain on cash flow hedges	-	137
Income tax on items	1,069	(264)
Other	255	149
Other comprehensive income/(loss)	2,404	(1,480)
Total comprehensive income for the period	**16,947**	**11,088**
Earnings per share:		
From continuing operations		
Basic (cents per share)	20.8	18.2
Diluted (cents per share)	20.6	18.0

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes which form an integral part of the half-year condensed consolidated financial statements.

Condensed consolidated statement of financial position as at 30 December 2012

	Note	Consolidated Half-year ended 30 December 2012 $'000	Consolidated Full year ended 1 July 2012 $'000
Current assets			
Cash and cash equivalents		24,948	40,340
Trade and other receivables		21,800	21,018
Other financial assets		1,836	2,449
Inventories		7,119	5,706
Current tax asset		91	-
Other		5,460	3,781
		61,254	73,294
Non-current assets held for sale		727	704
Total current assets		**61,981**	**73,998**
Non-current assets			
Other financial assets		5,464	5,698
Property, plant & equipment	(2)	38,370	35,031
Goodwill	(9)	47,461	46,927
Deferred tax assets		423	829
Other intangible assets		15,225	12,809
Other		21	27
Total non-current assets		**106,964**	**101,321**
Total assets		**168,945**	**175,319**
Current liabilities			
Trade and other payables		33,511	34,172
Borrowings		41	11,534
Current tax payables		2,370	3,544
Provisions		2,749	2,360
Total current liabilities		**38,671**	**51,610**
Non-current liabilities			
Borrowings		16,565	2,509
Provisions		449	574
Deferred tax liabilities		2,310	3,098
Other financial liabilities		204	252
Other		637	235
Total non-current liabilities		**20,165**	**6,668**
Total liabilities		**58,836**	**58,278**
Net assets		**110,109**	**117,041**
Equity			
Issued capital	(3)	55,876	69,872
Reserves		(6,244)	(8,648)
Retained earnings		60,477	55,817
Total equity		**110,109**	**117,041**

The condensed consolidated statement of financial position should be read in conjunction with the accompanying notes which form an integral part of the half-year condensed consolidated financial statements.

Condensed consolidated statement of changes in equity for the half-year ended 30 December 2012

	Issued capital $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained earnings $'000	Total $'000
Balance at 3 July 2011	64,523	2,044	(9,064)	1,578	45,835	104,916
Profit for the period	-	-	-	-	12,568	12,568
Exchange differences arising on translation of foreign operations	-	-	(2,247)	-	-	(2,247)
Gain on cash flow hedges	-	137	-	-	-	137
Gain on net investment hedge relating to foreign operations	-	745	-	-	-	745
Income tax directly relating to components of comprehensive income	-	(264)	-	-	-	(264)
Other comprehensive income	-	-	-	149	-	149
Total comprehensive income for the period	-	618	(2,247)	149	12,568	11,088
Shares issued	2,726	-	-	-	-	2,726
Payment of dividends	-	-	-	-	(7,867)	(7,867)
Balance at 1 January 2012	**67,249**	**2,662**	**(11,311)**	**1,727**	**50,536**	**110,863**
Balance at 1 July 2012	69,872	2,296	(12,842)	1,898	55,817	117,041
Profit for the period	-	-	-	-	14,543	14,543
Exchange differences arising on translation of foreign operations	-	-	1,362	-	-	1,362
Loss on net investment hedge relating to foreign operations	-	(282)	-	-	-	(282)
Income tax directly relating to components of comprehensive income	-	1,069	-	-	-	1,069
Other comprehensive income	-	-	-	255	-	255
Total comprehensive income for the period	-	787	1,362	255	14,543	16,947
Shares issued	1,026	-	-	-	-	1,026
Capital Return	(15,021)					(15,021)
Payment of dividends	-	-	-	-	(9,883)	(9,883)
Balance at 30 December 2012	**55,876**	**3,083**	**(11,480)**	**2,153**	**60,477**	**110,109**

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes which form an integral part of the half-year condensed consolidated financial statements.

Condensed consolidated statement of cash flows for the half-year ended 30 December 2012

		Consolidated	
	Note	Half-year ended 30 December 2012 $'000	Half-year ended 1 January 2012 $'000
Cash flows from operating activities			
Receipts from customers		157,175	142,330
Payments to suppliers and employees		(138,445)	(123,683)
Interest received		698	841
Interest and other costs of finance paid		(315)	(323)
Income taxes paid		(6,231)	(4,418)
Net cash provided by operating activities	(5)	**12,882**	**14,747**
Cash flows from investing activities			
Loans repaid from related parties, third parties and franchisees		996	2,346
Payment for intangibles		(4,507)	(2,799)
Payment for property, plant and equipment		(10,155)	(7,556)
Proceeds from sale of property, plant and equipment and intangibles		11,812	11,671
Payment for investment and business operations, net of cash and inventory acquired		(6,092)	(6,394)
Net cash used in investing activities		**(7,946)**	**(2,732)**
Cash flows from financing activities			
Proceeds from issue of equity securities		1,025	2,726
Return of share capital		(15,021)	-
Proceeds from borrowings		16,525	-
Repayment of borrowings		(14,493)	(15)
Dividends paid		(9,883)	(7,867)
Net cash used in financing activities		**(21,847)**	**(5,156)**
Net (decrease)/increase in cash and cash equivalents held		**(16,911)**	**6,859**
Cash and cash equivalents at the beginning of the half-year		**40,340**	**28,085**
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,519	(606)
Cash and cash equivalents at the end of the half-year		**24,948**	**34,338**

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes which form an integral part of the half-year condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Domino's Pizza Enterprises Limited ("the company") is a company domiciled in Australia. The half-year financial report of the company as at and for the half-year ended 30 December 2012 comprises of the condensed consolidated financial statement of the company and its subsidiaries (together referred to as the "Consolidated entity").

The annual financial report of the consolidated entity as at and for the year ended 1 July 2012 is available on request from the company's registered office at Level 8, TAB Building, 240 Sandgate Road, Albion Qld 4010 or at www.dominos.com.au.

Statement of compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual financial report of the consolidated entity as at and for the year ended 1 July 2012.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year condensed consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 1 July 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Comparative figures have been reclassified in accordance with accounting standards.

2. Non-current assets - property, plant and equipment

	Consolidated	
	Half-year ended 30 December 2012 $'000	**Full year ended 1 July 2012 $'000**
Plant and equipment, at cost	62,788	59,763
Less accumulated depreciation	(24,509)	(24,836)
Net plant and equipment	**38,279**	**34,927**
Leased plant and equipment	142	142
Less accumulated depreciation	(51)	(38)
Net leased plant and equipment	**91**	**104**
Total net property, plant and equipment	**38,370**	**35,031**

3. Issued capital

	Consolidated	
	Half-year ended 30 December 2012 $'000	Full year ended 1 July 2012 $'000
70,192,674 fully paid ordinary shares (2012: 69,899,674)	55,876	69,872
	55,876	**69,872**

		Consolidated			
		Half-year ended 30 December 2012		Full year ended 1 July 2012	
	Note	No. '000	$'000	No. '000	$'000
Fully paid ordinary shares					
Balance at beginning of financial year		69,900	69,872	68,408	64,523
Shares issued					
Issue of shares under executive share option plan	(a)	293	1,026	1,492	5,349
Capital Return	(c)	-	(15,021)	-	-
Balance at end of financial period		**70,193**	**55,876**	**69,900**	**69,872**

(a) Options

The company approved the establishment of the Executive Share and Option Plan ("ESOP") to assist in the recruitment, reward and retention of its directors and Executives. The company will not apply for quotation of the options on the ASX.

Subject to any adjustment in the event of a bonus issue, rights issue or reconstruction of capital, each option is convertible into one ordinary share.

Terms and conditions of the ESOP

The Company must not issue any shares or grant any option under this plan if, immediately after the issue or grant, the sum of the total number of unissued shares over which options, rights or other options (which remain outstanding) have been granted under this plan and any other Group employee incentive scheme would exceed 7.5% of the total number of shares on issue on a Fully Diluted Basis at the time of the proposed issue or grant.

Fully Diluted Basis means the number of shares which would be on issue if all those securities of the Company which are capable of being converted into shares, were converted into shares. If the number of shares into which the securities are capable of being converted cannot be calculated at the relevant time, those shares will be disregarded.

During the half-year ended 30 December 2012, a total of 916,667 share options over ordinary shares were issued under the ESOP. 500,000 of these share options had a fair value at grant date of $1.17 per share option while the remaining 416,667 had a fair value at grant date of $1.16.

During the half-year ended 30 December 2012, a total of 293,000 options were exercised.

3. Issued capital (continued)

(b) Dividend reinvestment plan

On listing, the Board adopted but did not commence operation of a Dividend Reinvestment Plan ("DRP"). The DRP provides shareholders the choice of reinvesting some or all of their dividends in shares rather than receiving those dividends in cash.

The Board of Directors resolved to activate the DRP on 17 August 2006 with a commencement date of 21 August 2006. Shareholders with registered addresses in Australia or New Zealand are eligible to participate in the DRP. Shareholders outside Australia and New Zealand are not able to participate due to legal requirements applicable in their place of residence.

Shares allocated under the DRP will rank equally with existing shares. Shares will be issued under the DRP at a price equal to the average of the daily volume weighted average market price of the company's shares (rounded to the nearest cent) traded on the ASX during a period of ten trading days commencing on the second business day following the relevant record date, discounted by an amount determined by the Board. For the dividend paid on 26 September 2008, the Board has determined a discount for the shares issued to participants in the DRP of 2.5%.

The Domino's Pizza Enterprises Limited renewed its Underwriting Agreement with Goldman Sachs JBWere for four dividend payments commencing with the final dividend for the year ended 29 June 2008.

On 18 August 2009, the Board resolved to suspend the DRP until further notice effective immediately. Therefore, the final dividend for the year ended 1 July 2012 was paid on 15 September 2011 in cash only.

(c) Capital Return

The Consolidated Entity made a return of capital to its shareholders of $0.214 per share amounting to $15 million on 21st December 2012, following approval by shareholders on 7th November 2012. A second payment of $0.214 per share will be paid in June 2013.

4. Contingent liabilities and contingent assets

	Consolidated	
	Half-year ended 30 December 2012 $'000	Full year ended 1 July 2012 $'000
Guarantees	10,321	10,740

Guarantees are provided to third party financial institutions in relation to franchisee loans. The amount disclosed as a contingent liability represents the amounts guaranteed in respect of franchisees that would, without the guarantee, not have been granted loans. The directors believe that if the guarantees are ever called on, the company will be able to recover the amounts paid upon disposal of the stores.

Other

Set out below are details of claims against the Group. The Company believes that no provision is required as it is not probable that a future sacrifice of future economic benefit will be required or the amount is not capable of reliable measurement.

4. Contingent liabilities and contingent assets (continued)

There are various separate French legal proceedings by a competitor, Speed Rabbit Pizza (SRP) and its franchisees against subsidiary, Domino's Pizza France and its franchisees. The allegations are that DPF and its franchisees breached French laws governing payment time limitations and lending, thereby giving DPF franchisees an unfair competitive advantage. SRP claims significant damages for impediment of the development of its franchise network, lost royalty income from SRP franchisees and harm to SRP's image. DPF has denied liability and will vigorously defend the claims.

5. Notes to the cash flow statement

Reconciliation of profit for the period to net cash flows from operating activities:

	Consolidated	
	Half-year ended 30 December 2012 $'000	**Half-year ended 1 January 2012 $'000**
Profit for the period	**14,543**	**12,568**
Profit on sale of non-current assets	(1,854)	(1,008)
Equity settled share-based payments	255	149
Depreciation and amortisation	5,953	4,861
Other	(280)	1,114
Net cash provided by operating activities before change in assets and liabilities	18,617	17,684
Change in assets and liabilities during the half-year:		
(Increase)/decrease in other current assets	(1,619)	730
(Increase)/decrease in current receivables	(444)	(3,024)
(Increase)/decrease in inventory	(1,299)	(1,433)
(Increase)/decrease in current tax asset	(91)	-
(Decrease)/increase in current payables	(1,008)	34
(Decrease)/increase in current tax liabilities	(1,165)	622
(Decrease)/increase in deferred tax balances	(372)	(74)
Increase/(decrease) in provisions	263	208
Net cash from operating activities	**12,882**	**14,747**

6. Dividends

	Consolidated	
	Half-year ended 30 December 2012 $'000	**Half-year ended 1 January 2012 $'000**
Recognised amounts		
Final fully franked dividend for full year ended 1 July 2012: 14.1 cents (3 July 2011: 11.5 cents)	9,883	7,867
Unrecognised amounts		
Interim franked dividend for half-year ended 30 December 2012: 15.5 cents (1 January 2012: 13 cents)	10,880	8,993
	20,763	**16,860**

7. Segment information

The Consolidated entity has identified its operating segments on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Consolidated entity's Chief Executive Officer for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location the consolidated entity operates in. The consolidated entity's reportable segments under AASB 8 are therefore as follows:

- Australia / New Zealand
- Europe

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies.

The following is an analysis of the revenue and results by reportable operating segment for the periods under review:

	Half-year ended 30 December 2012			**Half-year ended 1 January 2012**		
	Australia/ New Zealand	**Europe**	**Consolidated**	**Australia/ New Zealand**	**Europe**	**Consolidated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Continuing operations						
Revenue	87,316	53,490	140,806	85,240	45,636	130,876
EBITDA	23,337	3,146	26,483	20,753	2,177	22,930
Depreciation	(3,843)	(2,110)	(5,953)	(3,310)	(1,551)	(4,861)
EBIT	19,494	1,036	20,530	17,443	626	18,069
Interest			(315)			(323)
Net profit before tax			**20,215**			**17,746**

The revenue reported above represents revenue generated from external customers and franchisees. There were no intersegment sales during the period.

Segment net profit before tax represents the profit earned by each segment using the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

7. Segment information (continued)

The following is an analysis of the Consolidated entity's assets by reportable operating segment:

	Half-year ended 30 December $'000	Full year ended 1 July 2012 $'000
Continuing operations		
Australia / New Zealand	104,606	121,956
Europe	64,339	53,363
Total segment assets	**168,945**	**175,319**
Unallocated assets	-	-
Total assets	**168,945**	**175,319**

8. Acquisition of business

Name of businesses acquired	Principal activity	Date of acquisition	Proportion of shares acquired (%)	Cost of acquisition $'000
Acquisition of stores				
During half-year ended 30 December 2012:				
Significant acquisitions:				
4 Australian stores	Pizza stores	November 2012	100%	833
8 European stores	Pizza stores	July 2012	100%	2,151
Other acquisitions:				
7 stores in aggregate in Australia	Pizza stores	July - December 2012	100%	1,982
6 stores in aggregate in Europe	Pizza stores	July - December 2012	100%	1,150
Total store acquisitions during half-year ended 30 December 2012				**6,116**

The cost of acquisition comprises cash paid for all of the acquisitions. For each acquisition, the Consolidated entity has paid a premium for the acquiree as it believes the acquisitions will introduce additional synergies to its existing operations.

8. Acquisition of Business (continued)

The net assets acquired and the goodwill arising are as follows:

	30 December 2012		
Net assets acquired	**Book Value $'000**	**Fair value adjustment $'000**	**Fair value on acquisition $'000**
Current assets			
Cash and cash equivalents	4	-	4
Inventories	20	-	20
	24	**-**	**24**
Non-current assets			
Plant & equipment	1,998	-	1,998
	1,998	**-**	**1,998**
Net assets	**2,022**	**-**	**2,022**
Goodwill on acquisition			4,094
			6,116

The amount of the acquiree's profit or loss since the acquisition date included in the acquirer's profit or loss for the half-year has not been disclosed as it is impracticable to do so given the number of acquisitions during the half-year.

9. Goodwill

	Consolidated	
	Half-year 30 December $'000	**Year ended 1 July 2012 $'000**
Gross carrying amount		
Balance at beginning of financial year	46,927	47,485
Additional amounts recognised from business combinations occurring during the period (note 8)	4,094	8,648
Amounts disposed of during the period	(4,070)	(7,978)
Effects of foreign currency exchange differences	510	(1,352)
Other		124
Balance at end of financial year	**47,461**	**46,927**
Net book value		
At the beginning of the financial year	46,927	47,485
At the end of the financial year	47,461	46,927

10. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. In addition, during the half-year, a cash bonus of $135,250 was paid to key management personnel in line with the bonus scheme. In August 2012, Andrew Megson returned to Australia to take the role of National Franchisee Operations Manager and has been replaced in The Netherlands by Andre ten Wold as President – The Netherlands.

11. Subsequent events

On 12 February 2013, the directors of Domino's Pizza Enterprises Limited declared an interim dividend on fully paid ordinary shares in respect of the December 2012 half-year. The total amount of dividend is $10.880 million, which represents a fully franked dividend of 15.5 cents per share. The dividend has not been provided for in the 30 December 2012 half-year financial statements.

In the opinion of the directors, no item, transaction or event of a material or unusual nature has arisen in the interval between the end of the half year and the date of this report, that affects significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.