SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 24, 2002

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: ___________ to ___________

Commission file number: 333-74797

Domino's, Inc.

(Exact name of registrant as specified in its charter)

Delaware	38-3025165
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

30 Frank Lloyd Wright Drive
Ann Arbor, Michigan 48106
(Address of principal executive offices)

(734) 930-3030
(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

The number of shares outstanding of the registrant's common stock as of April 29, 2002 was 10 shares.

Domino's, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

(In thousands) Assets	March 24, 2002 (Unaudited)	December 30, 2001 (Note)
Current assets:		
Cash and cash equivalents	$ 5,223	$ 34,842
Accounts receivable	52,454	54,225
Notes receivable	4,786	4,024
Inventories	19,583	22,088
Prepaid expenses and other	5,975	4,892
Deferred income taxes	11,302	11,302
Total current assets	99,323	131,373
Property, plant and equipment:		
Land and buildings	15,873	15,983
Leasehold and other improvements	55,937	50,684
Equipment	132,013	114,904
Construction in progress	5,677	5,837
	209,500	187,408
Accumulated depreciation and amortization	102,880	99,763
Property, plant and equipment, net	106,620	87,645
Other assets:		
Deferred financing costs	23,243	24,594
Goodwill	27,364	12,673
Capitalized software	33,424	34,408
Deferred income taxes	63,965	66,270
Other	25,983	25,330
Total other assets	173,979	163,275
Total assets	$ 379,922	$ 382,293
Liabilities and stockholder's deficit		
Current liabilities:		
Current portion of long-term debt	$ 38,046	$ 43,157
Accounts payable	39,385	30,125
Accrued income taxes	7,461	2,164
Insurance reserves	8,089	7,365
Other accrued liabilities	62,231	71,323
Total current liabilities	155,212	154,134
Long-term liabilities:		
Long-term debt, less current portion	602,185	611,532
Insurance reserves	7,396	6,334
Other accrued liabilities	33,762	35,167
Total long-term liabilities	643,343	653,033
Stockholder's deficit:		
Common stock	-	-
Additional paid-in capital	120,202	120,202
Retained deficit	(536,641)	(542,540)
Accumulated other comprehensive loss	(2,194)	(2,536)
Total stockholder's deficit	(418,633)	(424,874)
Total liabilities and stockholder's deficit	$ 379,922	$ 382,293

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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.

See accompanying notes.

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

(In thousands)	Fiscal Quarter Ended March 24, 2002	March 25, 2001
Revenues:		
Domestic corporate stores	$ 89,906	$ 90,843
Domestic franchise	34,559	30,625
Domestic distribution	165,745	150,603
International	17,846	15,560
Total revenues	308,056	287,631
Operating expenses:		
Cost of sales	225,338	212,246
General and administrative	44,293	46,543
Total operating expenses	269,631	258,789
Income from operations	38,425	28,842
Interest income	218	595
Interest expense	13,397	16,591
Income before provision for income taxes	25,246	12,846
Provision for income taxes	9,341	5,037
Net income	$ 15,905	$ 7,809

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See accompanying notes.

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

(In thousands)	Fiscal Quarter Ended March 24, 2002	March 25, 2001
Cash flows from operating activities:		
Net cash provided by operating activities	$ 38,741	$10,262
Cash flows from investing activities:		
Capital expenditures	(17,767)	(9,735)
Acquisitions of franchise operations	(21,850)	-
Other	(4,261)	2,001
Net cash used in investing activities	(43,878)	(7,734)
Cash flows from financing activities:		
Repayments of debt	(14,454)	(6,900)
Distributions to Parent	(10,006)	-
Net cash used in financing activities	(24,460)	(6,900)
Effect of exchange rate changes on cash and cash equivalents	(22)	(21)
Decrease in cash and cash equivalents	(29,619)	(4,393)
Cash and cash equivalents, at beginning of period	34,842	25,136
Cash and cash equivalents, at end of period	$ 5,223	$20,743

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See accompanying notes.

Domino's, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited; tabular amounts in thousands)

March 24, 2002

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair presentation have been included. Operating results for the fiscal quarter ended March 24, 2002 are not necessarily indicative of the results that may be expected for the year ended December 29, 2002. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 30, 2001 included in our Form 10-K.

2. Accounting Pronouncements

On December 31, 2001, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets". Upon adoption of this Statement, the Company ceased amortization of goodwill. Amortization of goodwill was approximately $482,000 and $2.0 million for the first quarter of 2001 and fiscal year 2001, respectively. In accordance with this Statement, the Company will test for impairment of its goodwill within six months of adoption and at least annually thereafter. The Company has not quantified the amount of impairment, if any, that may result from the adoption of this Statement.

On May 1, 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". The Company elected to early adopt this Statement effective for the first quarter of 2002. Upon adoption and in accordance with this Statement, the Company will no longer record its gains and losses on debt extinguishment as extraordinary items. The Company will reclassify prior period gains and losses on debt extinguishment, originally recorded as extraordinary items, and certain future debt extinguishments, if any, as gains or losses in determining income from operations.

3. Comprehensive Income

	Fiscal Quarter Ended	
	March 24, 2002	March 25, 2001
Net income	$ 15,905	$7,809
Cumulative effect of change in accounting principle, net of tax	-	1,692
Unrealized loss on derivative instruments, net of tax	(355)	(1,676)
Reclassification adjustment for (gains) losses included in net income, net of tax	739	(335)
Currency translation adjustment	(42)	(187)
Comprehensive income	$ 16,247	$7,303

4. Segment Information

The following table summarizes revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) for each of the Company's reportable segments. During the first quarter of 2002, the Company purchased 83 stores from our franchisee in Arizona. This acquisition resulted in an approximately $22.4 million increase in Domestic Store assets.

	Fiscal Quarter Ended March 24, 2002 and March 25, 2001					
	Domestic Stores	Domestic Distribution	International	Intersegment Revenues	Other	Total
Revenues -						
2002	$124,465	$189,674	$17,846	$(23,929)	$ -	$308,056
2001	121,468	175,484	15,560	(24,881)	-	287,631
EBITDA -						
2002	$ 40,087	$ 11,837	$ 4,785	$ -	$(10,968)	$ 45,741
2001	32,684	9,488	3,893	-	(9,314)	36,751

The following table reconciles total EBITDA to consolidated income before provision for income taxes.

	Fiscal Quarter Ended	
	March 24, 2002	March 25, 2001
Total EBITDA	$45,741	$36,751
Depreciation and amortization	(7,152)	(6,965)
Interest expense	(13,397)	(16,591)
Interest income	218	595
Loss on debt extinguishment	(335)	-
Gain (loss) on sale of assets	171	(944)
Income before provision for income taxes	$25,246	$12,846

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The 2002 and 2001 first quarters referenced herein represent the twelve-week periods ended March 24, 2002 and March 25, 2001, respectively.

Store Growth Activity

The following is a summary of the Company's store growth activity for the first quarter of 2002 and the first quarter of 2001.

	First Quarter of 2002				
	Beginning of Period	Opened	Closed	Transfers	End of Period
Domestic Corporate Stores	519	1	(5)	83	598
Domestic Franchise	4,294	19	(18)	(83)	4,212
Domestic Stores	4,813	20	(23)	-	4,810
International	2,259	27	(20)	-	2,266
Total	7,072	47	(43)	-	7,076

	First Quarter of 2001				
	Beginning of Period	Opened	Closed	Transfers	End of Period
Domestic Corporate Stores	626	3	(13)	(11)	605
Domestic Franchise	4,192	30	(15)	11	4,218
Domestic Stores	4,818	33	(28)	-	4,823
International	2,159	70	(6)	-	2,223
Total	6,977	103	(34)	-	7,046

Revenues

General. Revenues include retail sales of food by Company-owned stores, royalties and fees from domestic and international franchise stores, and sales of food, equipment and supplies by our distribution centers to domestic and international franchise stores.

Total revenues increased 7.1% to $308.1 million in the first quarter of 2002, from $287.6 million for the comparable period in 2001. This increase in total revenues is due primarily to increases in domestic distribution revenues and, to a lesser extent, an increase in international and domestic franchise revenues. These results are more fully described below.

Domestic Stores

Domestic Corporate Stores. Revenues from domestic corporate store operations decreased 1.0% to $89.9 million in the first quarter of 2002, from $90.8 million for the comparable period in 2001.

This decrease is due primarily to a decrease in the average number of domestic Company-owned stores open during 2002, offset in part by an increase in same store sales. The average number of domestic Company-owned stores in operation decreased by 72 to 545 stores in the first quarter of 2002, compared to the same period in 2001. This decrease in revenues was offset in part by an increase in same store sales for domestic Company-owned stores of 5.2% in the first quarter of 2002, compared to the same period in 2001.

Domestic Franchise. Revenues from domestic franchise operations increased 12.8% to $34.6 million in the first quarter of 2002, from $30.6 million for the comparable period in 2001.

This increase is due primarily to an increase in same store sales and an increase in the average number of domestic franchise stores open during 2002. Same store sales for domestic franchise stores increased 8.0% in the first quarter of 2002, compared to the same period in 2001. The average number of domestic franchise stores in operation increased by 98 to 4,235 stores in the first quarter of 2002, compared to the same period in 2001.

Domestic Distribution

Revenues from domestic distribution operations increased 10.1% to $165.7 million in the first quarter of 2002, from $150.6 million for the comparable period in 2001.

This increase is due primarily to increased volumes relating to an increase in domestic franchise same store sales and average store counts in the first quarter of 2002, as well as a market increase in overall food prices, including cheese prices.

International

Revenues from international operations increased 14.7% to $17.8 million in the first quarter of 2002, from $15.6 million for the comparable period in 2001.

This increase is due primarily to an increase in same store sales and an increase in the average number of international stores open during 2002. On a constant dollar basis, same store sales for international stores increased 3.3% in the first quarter of 2002, compared to the same period in 2001. On a historical dollar basis, same store sales for international stores increased 0.5% in the first quarter of 2002, compared to the same period in 2001, reflecting a strong U.S. dollar. The average number of international stores in operation increased by 56 to 2,235 stores in the first quarter of 2002, compared to the same period in 2001.

Operating Expenses

Cost of sales increased 6.2% to $225.3 million in the first quarter of 2002, from $212.2 million for the comparable period in 2001. Gross profit increased 9.7% to $82.7 million in the first quarter of 2002, from $75.4 million for the comparable period in 2001. This increase in gross profit is due primarily to an increase in domestic store revenues, improved unit economics at our Company-owned stores and an increase in distribution volumes. This increase in gross profit was offset in part by an increase in food costs, including higher cheese costs. The average cheese block price increased 9.6% to approximately $1.26 per pound in the first quarter of 2002, from approximately $1.15 per pound for the comparable period in 2001.

As a percentage of total revenues, gross profit increased 0.7% to 26.9% in the first quarter of 2002, from 26.2% for the comparable period in 2001. This increase is due primarily to an increase in revenues resulting from strong domestic sales growth, and improved unit economics at our Company-owned stores.

General and administrative expenses decreased 4.8% to $44.3 million in the first quarter of 2002, from $46.5 million for the comparable period in 2001. As a percentage of total revenues, general and administrative expenses decreased 1.8% to 14.4% in the first quarter of 2002, from 16.2% for the comparable period in 2001.

This decrease in general and administrative expenses in the first quarter of 2002 is due primarily to a decrease in variable general and administrative costs in our domestic Company-owned stores, as well as losses from the sale of assets in 2001.

Interest Expense

Interest expense decreased 19.3% to $13.4 million in the first quarter of 2002, from $16.6 million for the comparable period in 2001. This decrease is due primarily to a decrease in related variable interest rates on our senior credit facility and reduced debt levels.

Provision for Income Taxes

Provision for income taxes increased $4.3 million to $9.3 million in the first quarter of 2002, from $5.0 million for the comparable period in 2001. This increase is due primarily to an increase in pre-tax income.

Liquidity and Capital Resources

We had negative working capital of $55.9 million and cash and cash equivalents of $5.2 million at March 24, 2002. Historically, we have operated with minimal positive working capital or negative working capital primarily because our receivable collection periods and inventory turn rates are faster than the normal payment terms on our current liabilities. In addition, our sales are not typically seasonal, which further limits our working capital requirements. Our primary sources of liquidity are cash flows from operations and availability of borrowings under our revolving credit facility. We expect to fund planned capital expenditures and debt commitments from these sources.

As of March 24, 2002, we had $640.2 million of long-term debt, of which $38.0 million was classified as a current liability. There were no borrowings under our $100 million revolving credit facility. Letters of credit issued under the revolving credit facility increased $5.5 million to $17.4 million in the first quarter of 2002, from $11.9 million at December 30, 2001. This increase is a result of additional letters of credit issued under our casualty insurance program. Borrowings under the revolving credit facility are available to fund our working capital requirements, capital expenditures and other general corporate purposes.

Cash provided by operating activities was $38.7 million and $10.3 million in the first quarter of 2002 and 2001, respectively. The $28.4 million increase is due primarily to an $8.1 million increase in net income, a $2.2 million change in the deferred tax provision and a $19.5 million net change in operating assets and liabilities. These increases in cash provided by operating activities were offset in part by a $1.1 million change in (gain) loss on the sale of assets.

Cash used in investing activities was $43.9 million and $7.7 million in the first quarter of 2002 and 2001, respectively. The $36.2 million increase is due primarily to a $21.9 million increase in acquisitions of franchise operations, an $8.0 million increase in capital expenditures and a $6.3 million net change in other assets, including a $5.7 million net change in notes receivable. The increase in acquisitions of franchise operations is due primarily to the Company's purchase of 83 domestic franchise stores in Arizona during the first quarter of 2002.

Cash used in financing activities was $24.5 million and $6.9 million in the first quarter of 2002 and 2001, respectively. The $17.6 million increase is due primarily to a $10.0 million increase in distributions to parent and a $7.6 million increase in repayments of long-term debt. This increase in repayments of long-term debt is due primarily to the retirement of $2.5 million of outstanding senior subordinated notes and an increase in senior credit facility cash sweep payments made in the first quarter of 2002 compared to the first quarter of 2001.

Based upon the current level of operations and anticipated growth, we believe that the cash generated from operations and amounts available under the revolving credit facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for the next several years. There can be no assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available under the senior credit facilities or otherwise to enable us to service our indebtedness, including the senior credit facilities and the Senior Subordinated Notes, to redeem or refinance TISM's, our Parent company, Cumulative Preferred Stock when required or to make anticipated capital expenditures. Our future operating performance and our ability to service or refinance the Senior Subordinated Notes and to service, extend or refinance the senior credit facilities will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Forward-Looking Statements

Certain statements contained in this filing relating to capital spending levels and the adequacy of our capital resources are forward-looking. Also, statements that contain words such as "believes," "expects," "anticipates," "intends," "estimates" or similar expressions are forward-looking statements. Forward-looking statements 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 the Form 10-K for the year ended December 30, 2001 and our 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The Company is exposed to market risks primarily from interest rate changes on our variable rate debt. Management actively monitors this exposure. The Company does not engage in speculative transactions nor does it hold or issue financial instruments for trading purposes.

Interest Rate Derivatives

The Company may enter into interest rate swaps, collars or similar instruments with the objective of reducing volatility relating to our borrowing costs.

During 2001, we entered into an interest rate collar and three interest rate swap agreements to effectively convert the variable Eurodollar component of the effective interest rate on a portion of the Company's debt under Term Loans A, B and C to various fixed rates over various terms. These agreements are summarized as follows:

Derivative	Total Notional Amount	Term	Rate
Interest Rate Collar	$75.0 million	June 2001 - June 2003	3.86% - Floor 6.00% - Ceiling
Interest Rate Swap	$75.0 million	June 2001 - June 2004	4.90%
Interest Rate Swap	$37.5 million	September 2001 - September 2003	3.645%
Interest Rate Swap	$37.5 million	September 2001 - September 2004	3.69%

Interest Rate Risk

The Company's variable interest expense is sensitive to changes in the general level of interest rates. As of March 24, 2002, a portion of the Company's debt is borrowed at Eurodollar rates plus a blended margin rate of approximately 3.1%. At March 24, 2002, the weighted average interest rate on our $157.9 million of variable interest debt was approximately 5.0%.

The Company had total interest expense of approximately $13.4 million in the first quarter of 2002. The estimated increase in interest expense from a hypothetical 200 basis point adverse change in applicable variable interest rates would be approximately $758,000.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities and Use of Proceeds

None.

Item 3. Defaults Under Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

None.

b. Current Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended March 24, 2002.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOMINO'S, INC.
(Registrant)

Date: May 7, 2002

/s/ Harry J. Silverman

Chief Financial Officer