# SECURITIES AND EXCHANGE COMMISSION
**Washington, DC 20549**

# FORM 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 18, 2006**

**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 numbers:**

**Domino's Pizza, Inc. 333-114442**
**Domino's, Inc. 333-107774**

# Domino's Pizza, Inc.
# Domino's, Inc.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **38-2511577** |
| **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 ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act). (Check one):
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (only with respect to Domino's Pizza, Inc.)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 15, 2006, Domino's Pizza, Inc. had 62,181,657 shares of common stock, par value $0.01 per share, outstanding. As of July 15, 2006, Domino's, Inc. had 10 shares of common stock, par value $0.01 per share, outstanding. All of the stock of Domino's, Inc. was held by Domino's Pizza, Inc.

This Quarterly Report on Form 10-Q is a combined quarterly report being filed separately by two registrants: Domino's Pizza, Inc. and Domino's, Inc. Except where the context clearly indicates otherwise, any references in this report to Domino's Pizza, Inc. includes all subsidiaries of Domino's Pizza, Inc., including Domino's, Inc. Domino's, Inc. makes no representation as to the information contained in this report in relation to Domino's Pizza, Inc. and its subsidiaries, other than Domino's, Inc. and its subsidiaries.

**Domino's Pizza, Inc.**
**Domino's, Inc.**

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**PART I. FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**Domino's Pizza, Inc. and Subsidiaries**
**Condensed Consolidated Balance Sheets**
**(Unaudited)**

| (In thousands) | June 18, 2006 | January 1, 2006 (Note) |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $ 23,712 | $ 66,919 |
| Accounts receivable | 69,243 | 74,437 |
| Inventories | 20,207 | 24,231 |
| Notes receivable | 430 | 408 |
| Prepaid expenses and other | 20,620 | 13,771 |
| Advertising fund assets, restricted | 23,946 | 35,643 |
| Deferred income taxes | 5,884 | 5,937 |
| Total current assets | 164,042 | 221,346 |
| Property, plant and equipment: | | |
| Land and buildings | 21,943 | 22,107 |
| Leasehold and other improvements | 83,925 | 82,802 |
| Equipment | 165,159 | 163,840 |
| Construction in progress | 3,331 | 2,892 |
| | 274,358 | 271,641 |
| Accumulated depreciation and amortization | (147,976) | (140,186) |
| Property, plant and equipment, net | 126,382 | 131,455 |
| Other assets: | | |
| Deferred financing costs | 10,436 | 11,652 |
| Goodwill | 21,908 | 22,084 |
| Capitalized software, net | 18,663 | 20,337 |
| Other assets | 12,639 | 15,543 |
| Deferred income taxes | 40,958 | 38,657 |
| Total other assets | 104,604 | 108,273 |
| Total assets | $ 395,028 | $ 461,074 |
| Liabilities and stockholders' deficit | | |
| Current liabilities: | | |
| Current portion of long-term debt | $ 316 | $ 35,304 |
| Accounts payable | 52,278 | 60,330 |
| Accrued income taxes | 427 | 8,660 |
| Insurance reserves | 9,404 | 9,681 |
| Advertising fund liabilities | 23,946 | 35,643 |
| Other accrued liabilities | 73,518 | 67,767 |
| Total current liabilities | 159,889 | 217,385 |
| Long-term liabilities: | | |
| Long-term debt, less current portion | 788,446 | 702,358 |
| Insurance reserves | 24,762 | 23,640 |
| Other accrued liabilities | 31,043 | 28,676 |
| Total long-term liabilities | 844,251 | 754,674 |
| Stockholders' deficit: | | |
| Common stock | 621 | 672 |
| Additional paid-in capital | 125,096 | 259,695 |
| Retained deficit | (742,123) | (777,906) |
| Accumulated other comprehensive income | 7,294 | 6,554 |
| Total stockholders' deficit | (609,112) | (510,985) |
| Total liabilities and stockholders' deficit | $ 395,028 | $ 461,074 |

Note: The balance sheet at January 1, 2006 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.

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

| (In thousands, except per share data) | Fiscal Quarter Ended June 18, 2006 | Fiscal Quarter Ended June 19, 2005 | Two Fiscal Quarters Ended June 18, 2006 | Two Fiscal Quarters Ended June 19, 2005 |
|---|---|---|---|---|
| Revenues: | | | | |
| Domestic Company-owned stores | $ 90,225 | $ 91,674 | $ 186,703 | $ 189,900 |
| Domestic franchise | 35,762 | 37,237 | 73,892 | 76,470 |
| Domestic distribution | 170,048 | 188,225 | 352,436 | 390,042 |
| International | 31,706 | 29,818 | 62,364 | 60,210 |
| Total revenues | 327,741 | 346,954 | 675,395 | 716,622 |
| Cost of sales: | | | | |
| Domestic Company-owned stores | 71,230 | 73,093 | 146,436 | 151,232 |
| Domestic distribution | 151,605 | 170,213 | 314,248 | 352,323 |
| International | 16,141 | 15,249 | 31,652 | 31,655 |
| Total cost of sales | 238,976 | 258,555 | 492,336 | 535,210 |
| Operating margin | 88,765 | 88,399 | 183,059 | 181,412 |
| General and administrative | 42,366 | 42,251 | 82,769 | 85,215 |
| Income from operations | 46,399 | 46,148 | 100,290 | 96,197 |
| Interest income | 123 | 76 | 479 | 289 |
| Interest expense | (12,899) | (10,562) | (24,964) | (21,178) |
| Income before provision for income taxes | 33,623 | 35,662 | 75,805 | 75,308 |
| Provision for income taxes | 9,117 | 12,541 | 25,147 | 27,507 |
| Net income | $ 24,506 | $ 23,121 | $ 50,658 | $ 47,801 |
| Earnings per share: | | | | |
| Common stock – basic | $ 0.40 | $ 0.35 | $ 0.79 | $ 0.71 |
| Common stock – diluted | 0.39 | 0.34 | 0.77 | 0.69 |
| Dividends declared per share | $ 0.12 | $ 0.10 | $ 0.24 | $ 0.20 |

See accompanying notes.

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

| (In thousands) | Two Fiscal Quarters Ended June 18, 2006 | June 19, 2005 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 50,658 | $ 47,801 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 14,974 | 14,686 |
| Amortization of deferred financing costs and debt discount | 1,580 | 1,450 |
| Provision (benefit) for deferred income taxes | (2,268) | 579 |
| Non-cash compensation expense | 2,090 | 1,040 |
| Other | 6 | 923 |
| Changes in operating assets and liabilities | (13,116) | (7,545) |
| Net cash provided by operating activities | 53,924 | 58,934 |
| Cash flows from investing activities: | | |
| Capital expenditures | (9,447) | (15,210) |
| Other | 1,162 | 2,486 |
| Net cash used in investing activities | (8,285) | (12,724) |
| Cash flows from financing activities: | | |
| Net proceeds from issuance of common stock | 2,246 | 621 |
| Repurchase of common stock | (145,000) | (75,000) |
| Proceeds from issuance of long-term debt | 100,000 | 40,000 |
| Repayments of long-term debt and capital lease obligation | (45,128) | (50,136) |
| Cash paid for financing fees | (250) | (514) |
| Common stock dividends | (7,419) | (6,903) |
| Proceeds from exercise of stock options | 2,955 | 2,595 |
| Tax benefit from exercise of stock options | 3,666 | 12,664 |
| Other | — | 722 |
| Net cash used in financing activities | (88,930) | (75,951) |
| Effect of exchange rate changes on cash and cash equivalents | 84 | (151) |
| Decrease in cash and cash equivalents | (43,207) | (29,892) |
| Cash and cash equivalents, at beginning of period | 66,919 | 40,396 |
| Cash and cash equivalents, at end of period | $ 23,712 | $ 10,504 |

See accompanying notes.

**Domino's Pizza, Inc. and Subsidiaries**
**Notes to Condensed Consolidated Financial Statements**
**(Unaudited; tabular amounts in thousands, except percentages, share and per share amounts)**

**June 18, 2006**

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. For further information, refer to the consolidated financial statements and footnotes for the fiscal year ended January 1, 2006 included in our annual report on Form 10-K.

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 and two fiscal quarters ended June 18, 2006 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2006.

Domino's Pizza, Inc. is the parent and holding company of Domino's, Inc. Accordingly, all 10 outstanding shares of Domino's, Inc. common stock, par value $0.01 per share, are owned by Domino's Pizza, Inc. As the holding company of Domino's, Inc., Domino's Pizza, Inc. does not conduct ongoing business operations. As a result, the financial information for Domino's Pizza, Inc. and subsidiaries and Domino's, Inc. and subsidiaries is substantially similar. As the differences are minor, we have presented Domino's Pizza, Inc. and subsidiaries information throughout this filing, except for the supplemental guarantor condensed consolidating financial statements of Domino's, Inc. and subsidiaries included in Note 9.

2. Comprehensive Income

| | Fiscal Quarter Ended | | Two Fiscal Quarters Ended | |
|---|---|---|---|---|
| | June 18, 2006 | June 19, 2005 | June 18, 2006 | June 19, 2005 |
| Net income | $24,506 | $23,121 | $ 50,658 | $ 47,801 |
| Unrealized gains (losses) on derivative instruments, net of tax | 1,012 | (1,730) | 1,591 | 1,475 |
| Reclassification adjustment for gains included in net income, net of tax | (885) | (644) | (1,554) | (942) |
| Currency translation adjustment | 566 | (689) | 703 | (1,387) |
| Comprehensive income | $25,199 | $20,058 | $ 51,398 | $ 46,947 |

3. Segment Information

The following table summarizes revenues, income from operations and earnings before interest, taxes, depreciation, amortization and other, which is the measure by which management allocates resources to its segments and which we refer to as Segment Income, for each of our reportable segments.

| | Fiscal Quarters Ended June 18, 2006 and June 19, 2005 | | | | | |
|---|---|---|---|---|---|---|
| | Domestic Stores | Domestic Distribution | International | Intersegment Revenues | Other | Total |
| Revenues – | | | | | | |
| 2006 | $ 125,987 | $ 193,668 | $ 31,706 | $ (23,620) | $ — | $ 327,741 |
| 2005 | 128,911 | 214,851 | 29,818 | (26,626) | — | 346,954 |
| Income from operations – | | | | | | |
| 2006 | $ 32,371 | $ 12,623 | $ 11,006 | N/A | $ (9,601) | $ 46,399 |
| 2005 | 33,689 | 11,719 | 9,331 | N/A | (8,591) | 46,148 |
| Segment Income – | | | | | | |
| 2006 | $ 35,657 | $ 14,815 | $ 11,281 | N/A | $ (6,441) | $ 55,312 |
| 2005 | 36,562 | 14,132 | 9,702 | N/A | (6,302) | 54,094 |

| | Two Fiscal Quarters Ended June 18, 2006 and June 19, 2005 | | | | | |
|---|---|---|---|---|---|---|
| | Domestic Stores | Domestic Distribution | International | Intersegment Revenues | Other | Total |
| Revenues – | | | | | | |
| 2006 | $ 260,595 | $ 401,486 | $ 62,364 | $ (49,050) | $ — | $ 675,395 |
| 2005 | 266,370 | 445,826 | 60,210 | (55,784) | — | 716,622 |
| Income from operations – | | | | | | |
| 2006 | $ 69,012 | $ 27,339 | $ 22,201 | N/A | $ (18,262) | $ 100,290 |
| 2005 | 70,955 | 24,799 | 17,927 | N/A | (17,484) | 96,197 |
| Segment Income – | | | | | | |
| 2006 | $ 75,303 | $ 31,674 | $ 22,780 | N/A | $ (12,024) | $ 117,733 |
| 2005 | 76,573 | 29,761 | 18,652 | N/A | (12,975) | 112,011 |

The following table reconciles Total Segment Income to consolidated income before provision for income taxes.

| | Fiscal Quarter Ended | | Two Fiscal Quarters Ended | |
|---|---|---|---|---|
| | June 18, 2006 | June 19, 2005 | June 18, 2006 | June 19, 2005 |
| Total Segment Income | $ 55,312 | $ 54,094 | $ 117,733 | $ 112,011 |
| Depreciation and amortization | (7,476) | (7,365) | (14,974) | (14,686) |
| Losses on sale/disposal of assets | (364) | (68) | (379) | (88) |
| Non-cash stock compensation expense | (1,073) | (513) | (2,090) | (1,040) |
| Income from operations | 46,399 | 46,148 | 100,290 | 96,197 |
| Interest income | 123 | 76 | 479 | 289 |
| Interest expense | (12,899) | (10,562) | (24,964) | (21,178) |
| Income before provision for income taxes | $ 33,623 | $ 35,662 | $ 75,805 | $ 75,308 |

4. Earnings Per Share

| | Fiscal Quarter Ended | | Two Fiscal Quarters Ended | |
|---|---|---|---|---|
| | June 18, 2006 | June 19, 2005 | June 18, 2006 | June 19, 2005 |
| Net income available to common stockholders – basic and diluted | $ 24,506 | $ 23,121 | $ 50,658 | $ 47,801 |
| Weighted average number of shares | 62,024,649 | 65,285,749 | 64,122,028 | 67,112,059 |
| Earnings per share – basic | $ 0.40 | $ 0.35 | $ 0.79 | $ 0.71 |
| Diluted weighted average number of shares | 63,340,062 | 67,567,250 | 65,522,650 | 69,282,195 |
| Earnings per share – diluted | $ 0.39 | $ 0.34 | $ 0.77 | $ 0.69 |

The denominator in calculating diluted earnings per share for common stock for both the second quarter and first two quarters of 2006 does not include 1,945,500 options to purchase common stock, as the effect of including these options would have been anti-dilutive.

5. Sale of Certain International Operations

On May 1, 2006, the Company signed a stock purchase agreement to sell its Company-owned operations in France and the Netherlands to its master franchise group in Australia and New Zealand. At the end of the second quarter, these operations had assets of approximately $17.7 million, primarily accounts receivable, property, plant and equipment and cash, and liabilities of approximately $10.5 million, primarily accounts payable and accrued liabilities. The sale closed subsequent to the second fiscal quarter. During the second quarter, the Company recorded a $2.9 million tax benefit as it was apparent that it would realize a benefit resulting from tax losses to be realized upon the sale of these operations.

During the third fiscal quarter ended September 10, 2006, the Company expects to recognize a net gain resulting primarily from the reclassification of accumulated foreign currency translation adjustments to net income, which is not expected to have a material impact on its results of operations.

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6. Supplemental Disclosure of Cash Flow Information

During the first two quarters of 2006, the Company recorded approximately $3.7 million of reductions in income tax payable as a result of tax benefits related to the exercise of stock options.

The Company recorded a $7.5 million dividend payable during the second quarter. The dividend was subsequently paid on June 30, 2006.

7. Effect of Adoption of Statement of Financial Accounting Standard No. 123(R)

During 2005, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 123(R) (revised 2004), "Share-Based Payment" using the modified retrospective method. This method allows the restatement of interim financial statements in the year of adoption based on the amounts previously calculated in the pro forma footnote disclosures required by SFAS No. 123. The amounts presented herein for the second quarter and first two quarters of 2005 have been revised to include the effects of this adoption. As a result of the adoption, net income decreased approximately $280,000 and $558,000 from the amounts previously reported for the second quarter and first two quarters of 2005, respectively.

8. New Accounting Pronouncement

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" (FIN 48). FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is assessing FIN 48 and has not determined the impact that the adoption of FIN 48 will have on its results of operations.

9. Supplemental Guarantor Condensed Consolidating Financial Statements of Domino's, Inc. and Subsidiaries

The tables below present condensed consolidating financial information for the applicable periods for: (1) Domino's, Inc.; (2) on a combined basis, the guarantor subsidiaries of Domino's, Inc.'s senior subordinated notes due 2011, which includes most of the domestic subsidiaries of Domino's, Inc. and one foreign subsidiary of Domino's, Inc.; and (3) on a combined basis, the non-guarantor subsidiaries of Domino's, Inc.'s senior subordinated notes due 2011. The separate financial statements of Domino's, Inc. and subsidiaries are presented using the equity method of accounting. Accordingly, Domino's, Inc.'s investment in subsidiaries is included in "Other assets" and the net earnings of the subsidiaries are included in "Equity earnings in subsidiaries." Except for the minor differences noted in the footnotes to the condensed consolidating financial statements below, the consolidated financial statements of Domino's, Inc. and subsidiaries are substantially similar to the consolidated financial statements of Domino's Pizza, Inc. and subsidiaries. Each of the guarantor subsidiaries is jointly, severally, fully and unconditionally liable under the related guarantee.

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**Domino's, Inc. and Subsidiaries**
**Supplemental Guarantor Condensed Consolidating Balance Sheets**

| | As of June 18, 2006 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and cash equivalents | $ — | $ 21,907 | $ 1,805 | $ — | $ 23,712 |
| Accounts receivable | — | 63,573 | 8,970 | (3,300) | 69,243 |
| Advertising fund assets, restricted | — | — | 23,946 | — | 23,946 |
| Other current assets | 7,160 | 37,797 | 2,184 | — | 47,141 |
| Current assets | 7,160 | 123,277 | 36,905 | (3,300) | 164,042 |
| Property, plant and equipment, net | — | 123,726 | 2,656 | — | 126,382 |
| Other assets | 192,737 | 62,926 | 2,097 | (153,156) | 104,604 |
| Total assets | $ 199,897 | $ 309,929 | $ 41,658 | $ (156,456) | $ 395,028 |
| Current portion of long-term debt | $ — | $ 273 | $ 43 | $ — | $ 316 |
| Accounts payable | — | 48,557 | 7,021 | (3,300) | 52,278 |
| Advertising fund liabilities | — | — | 23,946 | — | 23,946 |
| Other current liabilities | 16,425 | 56,330 | 3,138 | — | 75,893 |
| Current liabilities [(1)] | 16,425 | 105,160 | 34,148 | (3,300) | 152,433 |
| Long-term debt | 782,924 | 5,307 | 215 | — | 788,446 |
| Other long-term liabilities | 2,204 | 53,506 | 95 | — | 55,805 |
| Long-term liabilities | 785,128 | 58,813 | 310 | — | 844,251 |
| Stockholder's equity (deficit) [(1)] | (601,656) | 145,956 | 7,200 | (153,156) | (601,656) |
| Total liabilities and stockholder's equity (deficit) | $ 199,897 | $ 309,929 | $ 41,658 | $ (156,456) | $ 395,028 |

(1) Domino's Pizza, Inc. and subsidiaries had current liabilities of $159,889, or $7,456 more than Domino's, Inc. and subsidiaries at June 18, 2006. Domino's Pizza, Inc. and subsidiaries had total stockholders' deficit of $(609,112), or $7,456 more than Domino's, Inc. and subsidiaries at June 18, 2006. These differences resulted from the inclusion of a dividend payable recorded on Domino's Pizza, Inc. and subsidiaries that was not recorded on Domino's, Inc. and subsidiaries. While Domino's, Inc. and subsidiaries distributed funds to Domino's Pizza, Inc. and subsidiaries subsequent to the second quarter to pay this dividend, it was not a liability for Domino's, Inc. and subsidiaries at June 18, 2006. There were no other differences between Domino's, Inc. and subsidiaries as compared to Domino's Pizza, Inc. and subsidiaries for the periods presented.

| | As of January 1, 2006 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and cash equivalents | $ — | $ 66,389 | $ 530 | $ — | $ 66,919 |
| Accounts receivable | — | 78,533 | 8,281 | (12,377) | 74,437 |
| Advertising fund assets, restricted | — | — | 35,643 | — | 35,643 |
| Other current assets | 6,098 | 36,253 | 1,996 | — | 44,347 |
| Current assets | 6,098 | 181,175 | 46,450 | (12,377) | 221,346 |
| Property, plant and equipment, net | — | 128,724 | 2,731 | — | 131,455 |
| Other assets | 225,980 | 63,168 | 2,068 | (182,943) | 108,273 |
| Total assets | $ 232,078 | $ 373,067 | $ 51,249 | $ (195,320) | $ 461,074 |
| Current portion of long-term debt | $ 35,000 | $ 264 | $ 40 | $ — | $ 35,304 |
| Accounts payable | — | 57,900 | 14,807 | (12,377) | 60,330 |
| Advertising fund liabilities | — | — | 35,643 | — | 35,643 |
| Other current liabilities | 11,349 | 72,062 | 2,697 | — | 86,108 |
| Current liabilities | 46,349 | 130,226 | 53,187 | (12,377) | 217,385 |
| Long-term debt | 696,714 | 5,423 | 221 | — | 702,358 |
| Other long-term liabilities | — | 52,143 | 173 | — | 52,316 |
| Long-term liabilities | 696,714 | 57,566 | 394 | — | 754,674 |
| Stockholder's equity (deficit) | (510,985) | 185,275 | (2,332) | (182,943) | (510,985) |
| Total liabilities and stockholder's equity (deficit) | $ 232,078 | $ 373,067 | $ 51,249 | $ (195,320) | $ 461,074 |

**Domino's, Inc. and Subsidiaries**
**Supplemental Guarantor Condensed Consolidating Statements of Income**

| | Fiscal Quarter Ended June 18, 2006 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenues | $ — | $ 320,392 | $ 7,349 | $ — | $ 327,741 |
| Cost of sales | — | 233,776 | 5,200 | — | 238,976 |
| Operating margin | — | 86,616 | 2,149 | — | 88,765 |
| General and administrative | — | 40,769 | 1,597 | — | 42,366 |
| Income from operations | — | 45,847 | 552 | — | 46,399 |
| Equity earnings in subsidiaries | 32,233 | — | — | (32,233) | — |
| Interest income (expense), net | (12,778) | 6 | (4) | — | (12,776) |
| Income (loss) before provision (benefit) for income taxes | 19,455 | 45,853 | 548 | (32,233) | 33,623 |
| Provision (benefit) for income taxes | (5,051) | 14,168 | — | — | 9,117 |
| Net income (loss) | $ 24,506 | $ 31,685 | $ 548 | $ (32,233) | $ 24,506 |

| | Two Fiscal Quarters Ended June 18, 2006 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenues | $ — | $ 661,404 | $ 13,991 | $ — | $ 675,395 |
| Cost of sales | — | 482,467 | 9,869 | — | 492,336 |
| Operating margin | — | 178,937 | 4,122 | — | 183,059 |
| General and administrative | — | 79,594 | 3,175 | — | 82,769 |
| Income from operations | — | 99,343 | 947 | — | 100,290 |
| Equity earnings in subsidiaries | 65,751 | — | — | (65,751) | — |
| Interest income (expense), net | (24,694) | 222 | (13) | — | (24,485) |
| Income (loss) before provision (benefit) for income taxes | 41,057 | 99,565 | 934 | (65,751) | 75,805 |
| Provision (benefit) for income taxes | (9,601) | 34,748 | — | — | 25,147 |
| Net income (loss) | $ 50,658 | $ 64,817 | $ 934 | $ (65,751) | $ 50,658 |

| | Fiscal Quarter Ended June 19, 2005 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenues | $ — | $ 339,222 | $ 7,732 | $ — | $ 346,954 |
| Cost of sales | — | 253,073 | 5,482 | — | 258,555 |
| Operating margin | — | 86,149 | 2,250 | — | 88,399 |
| General and administrative | — | 39,713 | 2,538 | — | 42,251 |
| Income from operations | — | 46,436 | (288) | — | 46,148 |
| Equity earnings in subsidiaries | 29,778 | — | — | (29,778) | — |
| Interest expense, net | (10,449) | (35) | (2) | — | (10,486) |
| Income (loss) before provision (benefit) for income taxes | 19,329 | 46,401 | (290) | (29,778) | 35,662 |
| Provision (benefit) for income taxes | (3,792) | 16,333 | — | — | 12,541 |
| Net income (loss) | $ 23,121 | $ 30,068 | $ (290) | $ (29,778) | $ 23,121 |

| | Two Fiscal Quarters Ended June 19, 2005 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenues | $ — | $ 700,916 | $ 15,706 | $ — | $ 716,622 |
| Cost of sales | — | 523,959 | 11,251 | — | 535,210 |
| Operating margin | — | 176,957 | 4,455 | — | 181,412 |
| General and administrative | — | 80,191 | 5,024 | — | 85,215 |
| Income from operations | — | 96,766 | (569) | — | 96,197 |
| Equity earnings in subsidiaries | 60,875 | — | — | (60,875) | — |
| Interest income (expense), net | (20,893) | 20 | (16) | — | (20,889) |
| Income (loss) before provision (benefit) for income taxes | 39,982 | 96,786 | (585) | (60,875) | 75,308 |
| Provision (benefit) for income taxes | (7,819) | 35,326 | — | — | 27,507 |
| Net income (loss) | $ 47,801 | $ 61,460 | $ (585) | $ (60,875) | $ 47,801 |

## Domino's, Inc. and Subsidiaries
## Supplemental Condensed Consolidating Statements of Cash Flows

| | Two Fiscal Quarters Ended June 18, 2006 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net cash provided by (used in) operating activities | $ (18,587) | $ 71,113 | $ 1,398 | $ — | $ 53,924 |
| Capital expenditures | — | (9,281) | (166) | — | (9,447) |
| Other | — | 1,162 | — | — | 1,162 |
| Net cash used in investing activities | — | (8,119) | (166) | — | (8,285) |
| Proceeds from the issuance of long-term debt | 100,000 | — | — | — | 100,000 |
| Repayments of debt | (45,000) | (108) | (20) | — | (45,128) |
| Other | (36,413) | (107,389) | — | — | (143,802) |
| Net cash provided by (used in) financing activities | 18,587 | (107,497) | (20) | — | (88,930) |
| Effect of exchange rate changes on cash and cash equivalents | — | 21 | 63 | — | 84 |
| Increase (decrease) in cash and cash equivalents | — | (44,482) | 1,275 | — | (43,207) |
| Cash and cash equivalents, at beginning of period | — | 66,389 | 530 | — | 66,919 |
| Cash and cash equivalents, at end of period | $ — | $ 21,907 | $ 1,805 | $ — | $ 23,712 |

| | Two Fiscal Quarters Ended June 19, 2005 | | | | |
|---|---|---|---|---|---|
| | Domino's, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net cash provided by (used in) operating activities | $ (15,663) | $ 73,917 | $ 680 | $ — | $ 58,934 |
| Capital expenditures | — | (15,136) | (74) | — | (15,210) |
| Other | — | 2,486 | — | — | 2,486 |
| Net cash used in investing activities | — | (12,650) | (74) | — | (12,724) |
| Proceeds from the issuance of long-term debt | 40,000 | — | — | — | 40,000 |
| Repayments of debt | (50,000) | (99) | (37) | — | (50,136) |
| Other | 22,539 | (88,354) | — | — | (65,815) |
| Net cash provided by (used in) financing activities | 12,539 | (88,453) | (37) | — | (75,951) |
| Effect of exchange rate changes on cash and cash equivalents | — | (38) | (113) | — | (151) |
| Increase (decrease) in cash and cash equivalents | (3,124) | (27,224) | 456 | — | (29,892) |
| Cash and cash equivalents, at beginning of period | 3,124 | 36,331 | 941 | — | 40,396 |
| Cash and cash equivalents, at end of period | $ — | $ 9,107 | $ 1,397 | $ — | $ 10,504 |

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited; tabular amounts in millions, except percentages and store data)**

The 2006 and 2005 second quarters referenced herein represent the twelve-week periods ended June 18, 2006 and June 19, 2005, respectively. The 2006 and 2005 first two quarters referenced herein represent the twenty-four week periods ended June 18, 2006 and June 19, 2005, respectively.

*Overview*

We are the number one pizza delivery company in the United States and have a leading international presence. We operate through a network of Company-owned stores, substantially all of which are in the United States, and franchise stores located in all 50 states and in more than 50 countries. In addition, we operate regional dough manufacturing and distribution centers in the contiguous United States as well as dough manufacturing and distribution centers in certain locations outside the contiguous United States.

Our financial results are driven largely by retail sales at our Company-owned and franchise stores. Changes in retail sales are driven by changes in same store sales and store counts. We monitor both of these metrics very closely, as they directly impact our revenues and profits, and strive to consistently increase the related amounts. Retail sales drive Company-owned store revenues, royalty payments from franchisees and distribution revenues. Retail sales are primarily impacted by the strength of the Domino's Pizza® brand, the success of our marketing promotions and our ability to execute our store operating model and other business strategies.

| | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| **Global retail sales growth** | +1.3% | | +13.5% | | +1.0% | | +13.7% | |
| **Same store sales growth:** | | | | | | | | |
| Domestic Company-owned stores | (3.2)% | | +8.6% | | (3.1)% | | +11.2% | |
| Domestic franchise stores | (5.2)% | | +6.6% | | (4.6)% | | +8.7% | |
| Domestic stores | (4.9)% | | +6.9% | | (4.4)% | | +9.0% | |
| International stores | +5.7% | | +7.8% | | +4.4% | | +8.2% | |
| **Store counts (at end of period):** | | | | | | | | |
| Domestic Company-owned stores | 577 | | 569 | | | | | |
| Domestic franchise stores | 4,526 | | 4,460 | | | | | |
| Domestic stores | 5,103 | | 5,029 | | | | | |
| International stores | 3,087 | | 2,849 | | | | | |
| Total stores | 8,190 | | 7,878 | | | | | |
| **Income statement data:** | | | | | | | | |
| Total revenues | $327.7 | 100.0% | $347.0 | 100.0% | $675.4 | 100.0% | $716.6 | 100.0% |
| Cost of sales | 239.0 | 72.9% | 258.6 | 74.5% | 492.3 | 72.9% | 535.2 | 74.7% |
| General and administrative | 42.4 | 12.9% | 42.3 | 12.2% | 82.8 | 12.3% | 85.2 | 11.9% |
| Income from operations | 46.4 | 14.2% | 46.1 | 13.3% | 100.3 | 14.8% | 96.2 | 13.4% |
| Interest expense, net | 12.8 | 3.9% | 10.5 | 3.0% | 24.5 | 3.6% | 20.9 | 2.9% |
| Income before provision for income taxes | 33.6 | 10.3% | 35.7 | 10.3% | 75.8 | 11.2% | 75.3 | 10.5% |
| Provision for income taxes | 9.1 | 2.8% | 12.5 | 3.6% | 25.1 | 3.7% | 27.5 | 3.8% |
| Net income | $ 24.5 | 7.5% | $ 23.1 | 6.7% | $ 50.7 | 7.5% | $ 47.8 | 6.7% |

Global retail sales growth in 2006, comprised of retail sales growth at both our franchise and Company-owned stores worldwide, was driven primarily by same store sales growth in our international markets as well as an increase in our worldwide store counts during the trailing four quarters.

The decreases in domestic same store sales for the second quarter and first two quarters of 2006 were due primarily to stronger promotion performance and higher same store sales comparisons in the prior year periods. The increase in international same store sales reflect continued strong promotional and operational performance.

Additionally, we grew our worldwide net store counts by 66 and 312 stores during the second quarter and trailing four quarters, respectively.

Revenues decreased $19.3 million, or 5.5%, in the second quarter of 2006 and decreased $41.2 million, or 5.8%, in the first two quarters of 2006. These decreases were driven by lower volumes in our distribution business, related to decreases in domestic franchise same store sales, lower food prices, primarily cheese, as well as lower Company-owned store revenues.

Income from operations increased $0.3 million, or 0.5%, in the second quarter of 2006 and increased $4.1 million, or 4.3%, in the first two quarters of 2006. These increases were driven by strong performance in our international business, lower cheese prices, which benefited our Company-owned stores operating margins, and improved margins in our distribution business. Additionally, income from operations for the first two quarters of 2006 was positively impacted by a decrease in general and administrative expenses, including lower variable labor costs. These increases in income from operations were offset in part by the aforementioned decreases in revenues.

Net income increased $1.4 million, or 6.0%, in the second quarter of 2006 and increased $2.9 million, or 6.0%, in the first two quarters of 2006. These increases were driven primarily by the aforementioned increases in income from operations and the recognition of a tax benefit related to the sale of our Company-owned operations in France and the Netherlands, offset in part by increases in interest expense due primarily to increases in average borrowing rates.

***Revenues***

| | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| Domestic Company-owned stores | $ 90.2 | 27.5% | $ 91.7 | 26.4% | $186.7 | 27.7% | $189.9 | 26.5% |
| Domestic franchise | 35.8 | 10.9% | 37.2 | 10.7% | 73.9 | 10.9% | 76.5 | 10.7% |
| Domestic distribution | 170.0 | 51.9% | 188.2 | 54.3% | 352.4 | 52.2% | 390.0 | 54.4% |
| International | 31.7 | 9.7% | 29.8 | 8.6% | 62.4 | 9.2% | 60.2 | 8.4% |
| Total revenues | $327.7 | 100.0% | $347.0 | 100.0% | $675.4 | 100.0% | $716.6 | 100.0% |

Revenues primarily consist of retail sales by our Company-owned stores, royalties from our franchise stores, and sales of food, equipment and supplies by our distribution centers to certain franchise stores. Company-owned store and franchise store revenues may vary significantly from period to period due to changes in store count mix while distribution revenues may vary significantly as a result of fluctuations in commodity prices, primarily cheese and meats.

***Domestic Stores Revenues***

| | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| Domestic Company-owned stores | $ 90.2 | 71.6% | $ 91.7 | 71.1% | $186.7 | 71.6% | $189.9 | 71.3% |
| Domestic franchise | 35.8 | 28.4% | 37.2 | 28.9% | 73.9 | 28.4% | 76.5 | 28.7% |
| Domestic stores | $126.0 | 100.0% | $128.9 | 100.0% | $260.6 | 100.0% | $266.4 | 100.0% |

Domestic stores revenues decreased $2.9 million, or 2.3%, in the second quarter of 2006 and decreased $5.8 million, or 2.2%, in the first two quarters of 2006. These decreases in revenues were due primarily to lower domestic same store sales, offset in part by an increase in the average number of domestic stores open during 2006. Domestic same store sales decreased 4.9% and 4.4% in the second quarter and first two quarters of 2006, respectively. Domestic same store sales increased 6.9% and 9.0% in the second quarter and first two quarters of 2005, respectively. These changes in domestic stores revenues are more fully described below.

*Domestic Company-Owned Stores Revenues*

Revenues from domestic Company-owned store operations decreased $1.5 million, or 1.6%, in the second quarter of 2006 and decreased $3.2 million, or 1.7%, in the first two quarters of 2006. These decreases in revenues were due primarily to lower same store sales. Domestic Company-owned same store sales decreased 3.2% and 3.1% in the second quarter and first two quarters of 2006, respectively. Domestic Company-owned same store sales increased 8.6% and 11.2% in the second quarter and first two quarters of 2005, respectively. There were 577 and 569 domestic Company-owned stores in operation as of June 18, 2006 and June 19, 2005, respectively.

*Domestic Franchise Revenues*

Revenues from domestic franchise operations decreased $1.4 million, or 4.0%, in the second quarter of 2006 and decreased $2.6 million, or 3.4%, in the first two quarters of 2006. These decreases in revenues were due primarily to lower same store sales, offset in part by an increase in the average number of domestic franchise stores open during 2006. Domestic franchise same store sales decreased 5.2% and 4.6% in the second quarter and first two quarters of 2006, respectively. Domestic franchise same store sales increased 6.6% and 8.7% in the second quarter and first two quarters of 2005, respectively. There were 4,526 and 4,460 domestic franchise stores in operation as of June 18, 2006 and June 19, 2005, respectively.

***Domestic Distribution Revenues***

Revenues from domestic distribution operations decreased $18.2 million, or 9.7%, in the second quarter of 2006 and decreased $37.6 million, or 9.6%, in the first two quarters of 2006. These decreases in revenues were due primarily to lower volumes, related to decreases in domestic franchise same store sales, as well as decreases in cheese prices. The published cheese block price-per-pound averaged $1.17 and $1.24 in the second quarter and first two quarters of 2006, respectively, down from $1.51 and $1.53 in the comparable periods in 2005. Had the 2006 average cheese prices been in effect during 2005, distribution revenues for the second quarter and first two quarters of 2005 would have been approximately $10.4 million and $19.2 million, respectively, lower than the reported 2005 amounts.

***International Revenues***

Revenues from international operations increased $1.9 million, or 6.3%, in the second quarter of 2006 and increased $2.2 million, or 3.6%, in the first two quarters of 2006. These increases in revenues were due to higher royalty revenues due to increases in same store sales and the average number of international stores open during 2006, and related increases in revenues from our international distribution operations. These increases were offset in part by lower revenues as a result of the sale or closing of 14 international Company-owned stores in 2005. On a constant dollar basis, same store sales increased 5.7% and 4.4% in the second quarter and first two quarters of 2006, respectively. International same store sales increased 7.8% and 8.2%, on a constant dollar basis, in the second quarter and first two quarters of 2005, respectively. There were 3,087 and 2,849 international stores in operation as of June 18, 2006 and June 19, 2005, respectively.

***Cost of Sales / Operating Margin***

| | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| Consolidated revenues | $327.7 | 100.0% | $347.0 | 100.0% | $675.4 | 100.0% | $716.6 | 100.0% |
| Consolidated cost of sales | 239.0 | 72.9% | 258.6 | 74.5% | 492.3 | 72.9% | 535.2 | 74.7% |
| Consolidated operating margin | $ 88.8 | 27.1% | $ 88.4 | 25.5% | $183.1 | 27.1% | $181.4 | 25.3% |

Consolidated cost of sales primarily consists of domestic Company-owned store and domestic distribution costs incurred to generate related revenues. Components of consolidated cost of sales primarily include food, labor and occupancy costs.

The consolidated operating margin, which we define as revenues less cost of sales, increased $0.4 million, or 0.4%, in the second quarter of 2006 and increased $1.7 million, or 0.9%, in the first two quarters of 2006. These increases were due primarily to higher margins in our international business, improved margins at our Company-owned stores, driven by lower food prices, primarily cheese, and improved margins in our distribution operations, offset in part by lower domestic franchise royalty revenues. Franchise revenues do not have a cost of sales component and, as a result, changes in franchise revenues have a disproportionate effect on the consolidated operating margin.

As a percentage of revenues, the consolidated operating margin increased 1.6 percentage points in the second quarter of 2006 and increased 1.8 percentage points in the first two quarters of 2006. The consolidated operating margin as a percentage of revenues was positively impacted by lower cheese costs, which benefited both domestic Company-owned store and distribution operating margins as a percentage of revenues, as well as improvements in the operating margins in our international operations. The consolidated operating margin as a percentage of revenues was negatively impacted by lower domestic same store sales, which generated lower domestic franchise royalty revenues, lower distribution volumes and lower domestic Company-owned store revenues.

As mentioned above, the consolidated operating margin as a percentage of revenues was positively impacted by lower cheese costs. Cheese price changes are a "pass-through" in domestic distribution revenues and cost of sales and, as such, have no impact on the related operating margin. However, cheese price changes do impact operating margin as a percentage of revenues. For example, if the 2006 average cheese prices had been in effect during 2005, the consolidated operating margin for the second quarter and first two quarters of 2005 would have been approximately 26.3% and 26.0% of total revenues, respectively, versus the reported 25.5% and 25.3%.

***Domestic Company-Owned Stores Operating Margin***

| Domestic Company-Owned Stores | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| Revenues | $90.2 | 100.0% | $91.7 | 100.0% | $186.7 | 100.0% | $189.9 | 100.0% |
| Cost of sales | 71.2 | 78.9% | 73.1 | 79.7% | 146.4 | 78.4% | 151.2 | 79.6% |
| Store operating margin | $19.0 | 21.1% | $18.6 | 20.3% | $ 40.3 | 21.6% | $ 38.7 | 20.4% |

The domestic Company-owned store operating margin increased $0.4 million, or 2.2%, in the second quarter of 2006 and increased $1.6 million, or 4.1%, in the first two quarters of 2006. These increases were due primarily to lower food prices, primarily cheese, and lower insurance costs, offset in part by higher occupancy costs, including utilities and rent.

As a percentage of store revenues, the store operating margin increased 0.8 percentage points in the second quarter of 2006 and increased 1.2 percentage points in the first two quarters of 2006.

As a percentage of store revenues, food costs decreased 2.5 percentage points to 25.8% in the second quarter of 2006 and decreased 2.8 percentage points to 25.9% in the first two quarters of 2006. These decreases in food costs as a percentage of store revenues were due primarily to a reduction in food prices, primarily cheese, and a higher average ticket.

As a percentage of store revenues, labor costs increased 0.3 percentage points to 29.9% in the second quarter of 2006 and increased 0.4 percentage points to 29.8% in the first two quarters of 2006. These increases in labor costs as a percentage of store revenues were due primarily to the negative impact of lower revenues.

As a percentage of store revenues, occupancy costs, which include rent, telephone, utilities and depreciation, increased 1.3 percentage points to 12.1% in the second quarter of 2006 and increased 1.2 percentage points to 11.7% in the first two quarters of 2006. These increases in occupancy costs as a percentage of store revenues were due primarily to higher utilities and rent as well as the negative impact of lower revenues.

***Domestic Distribution Operating Margin***

| Domestic Distribution | Second Quarter of 2006 | | Second Quarter of 2005 | | First Two Quarters of 2006 | | First Two Quarters of 2005 | |
|---|---|---|---|---|---|---|---|---|
| Revenues | $170.0 | 100.0% | $188.2 | 100.0% | $352.4 | 100.0% | $390.0 | 100.0% |
| Cost of sales | 151.6 | 89.2% | 170.2 | 90.4% | 314.2 | 89.2% | 352.3 | 90.3% |
| Distribution operating margin | $ 18.4 | 10.8% | $ 18.0 | 9.6% | $ 38.2 | 10.8% | $ 37.7 | 9.7% |

The domestic distribution operating margin increased $0.4 million, or 2.4%, in the second quarter of 2006 and increased $0.5 million, or 1.2%, in the first two quarters of 2006. These increases were due primarily to lower food and labor costs, offset in part by higher delivery costs.

As a percentage of distribution revenues, the distribution operating margin increased 1.2 percentage points in the second quarter of 2006 and increased 1.1 percentage points in the first two quarters of 2006. These increases were due primarily to lower food prices, primarily cheese, and were offset in part by lower volumes as a result of lower domestic franchise same store sales. Had the 2006 average cheese prices been in effect during 2005, the distribution operating margin for the second quarter and first two quarters of 2005 would have been approximately 10.1% and 10.2% of distribution revenues, respectively, versus the reported 9.6% and 9.7%.

***General and Administrative Expenses***

General and administrative expenses increased $0.1 million, or 0.3%, in the second quarter of 2006 and decreased $2.4 million, or 2.9%, in the first two quarters of 2006. General and administrative expenses were positively impacted by decreases in variable labor costs and, to a lesser extent, negatively impacted by increases in non-cash compensation costs related to the expensing of stock options.

***Interest Expense***

Interest expense increased $2.3 million, or 22.1%, in the second quarter of 2006 and increased $3.8 million, or 17.9%, in the first two quarters of 2006. These increases were due primarily to higher effective borrowing rates during 2006.

Our effective borrowing rate increased 1.1 percentage points to 6.4% during the second quarter of 2006 and increased 1.1 percentage points to 6.4% during the first two quarters of 2006. The effective borrowing rate for the second quarter and first two quarters of 2006 was negatively impacted by changes in our outstanding interest rate swaps as well as higher market interest rates and was offset in part by reduced senior credit facility margin pricing.

The average outstanding debt balance, excluding capital lease obligations, increased $21.9 million to $793.3 million in the second quarter of 2006 and decreased $6.5 million to $755.7 million in the first two quarters of 2006.

***Provision for Income Taxes***

Provision for income taxes decreased $3.4 million in the second quarter of 2006 and decreased $2.4 million in the first two quarters of 2006. The effective tax rate decreased 8.1 percentage points to 27.1% during the second quarter of 2006, from 35.2% in the comparable period in 2005, and decreased 3.3 percentage points to 33.2% during the first two quarters of 2006, from 36.5% in the comparable period in 2005.

The provision for income taxes and effective tax rates for the second quarter and first two quarters of 2006 was positively impacted by the recognition of a $2.9 million tax benefit in the second quarter related to the sale of the Company-owned operations in France and the Netherlands which closed subsequent to the second fiscal quarter.

**Liquidity and Capital Resources**

We had working capital of $4.2 million and cash and cash equivalents of $23.7 million at June 18, 2006. Historically, we have operated with minimal positive 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. We generally collect our receivables within three weeks from the date of the related sale and we generally experience 40 to 50 inventory turns per year. In addition, our sales are not typically seasonal, which further limits our working capital requirements. These factors, coupled with significant and ongoing cash flows from operations, which are primarily used to repay debt, invest in long-term assets, and pay dividends, reduce our working capital amounts. 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, debt repayments and dividends from these sources. We did not have any material commitments for capital expenditures as of June 18, 2006.

As of June 18, 2006, we had $788.8 million of debt, of which $0.3 million was classified as a current liability. Letters of credit issued under the $125.0 million revolving credit facility were $31.3 million. These letters of credit are primarily related to our casualty insurance programs and distribution center leases. Borrowings under the revolving credit facility are available to fund our working capital requirements, capital expenditures and other general corporate purposes.

The Company has repaid more than $45.0 million of debt during the first two quarters of 2006, including $10.0 million in the second quarter. The Company also borrowed $100.0 million in the first quarter which, along with cash from operations, was used to repurchase and retire $145.0 million of common stock from its largest shareholder.

Cash provided by operating activities was $53.9 million and $58.9 million in the first two quarters of 2006 and 2005, respectively. The $5.0 million decrease was due primarily to a $5.6 million net change in operating assets and liabilities and a $2.8 million increase in benefit for deferred income taxes, offset in part by a $2.9 million increase in net income.

Cash used in investing activities was $8.3 million and $12.7 million in the first two quarters of 2006 and 2005, respectively. The $4.4 million decrease was due primarily to a $5.8 million decrease in capital expenditures.

Cash used in financing activities was $88.9 million and $76.0 million in the first two quarters of 2006 and 2005, respectively. The $12.9 million increase was due primarily to a $70.0 million increase in purchases of common stock and a $9.0 million decrease in tax benefit from the exercise of stock options. These increases in cash used in financing activities were offset in part by a $60.0 million increase in proceeds from the issuance of long-term debt and a $5.0 million decrease in repayments of long-term debt.

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, dividend payments and working capital needs for the next twelve months. Our ability to continue to fund these items and continue to reduce debt could be adversely affected by the occurrence of any of the events described under “Risk Factors” in our filings with the Securities and Exchange Commission. 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 secured credit facility or otherwise to enable us to service our indebtedness, including the senior secured credit facility and the senior subordinated notes, or to make anticipated capital expenditures, or to make anticipated dividend payments. Our future operating performance and our ability to service or refinance the senior subordinated notes and to service, extend or refinance the senior secured credit facility will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control. Additionally, Domino’s, Inc. may be requested to provide funds to its parent company, Domino’s Pizza, Inc. for dividends, distributions and/or other cash needs of Domino’s Pizza, Inc.

**Forward-Looking Statements**

This filing contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relating to our anticipated profitability and operating performance reflect management's expectations based upon currently available information and data. However, actual results are subject to future risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that can cause actual results to differ materially include: the uncertainties relating to litigation; consumer preferences, spending patterns and demographic trends; the effectiveness of our advertising, operations and promotional initiatives; our ability to retain key personnel; new product and concept developments by Domino's and other food-industry competitors; the ongoing profitability of our franchisees and the ability of Domino's and our franchisees to open new restaurants; changes in food prices, particularly cheese, labor, utilities, insurance, employee benefits and other operating costs; the impact that widespread illness or general health concerns may have on our business and the economy of the countries in which we operate; severe weather conditions and natural disasters; changes in our effective tax rate; changes in government legislation and regulations; adequacy of our insurance coverage; costs related to future financings and changes in accounting policies. Further information about factors that could affect Domino's financial and other results is included in 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.

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## Item 3. Quantitative and Qualitative Disclosures About Market Risk

***Market Risk***

We are exposed to market risks from interest rate changes on our variable rate debt. Management actively monitors this exposure. We do not engage in speculative transactions nor do we hold or issue financial instruments for trading purposes.

***Interest Rate Derivatives***

We enter into interest rate swaps, collars or similar instruments with the objective of managing volatility relating to our borrowing costs.

We are party to an interest rate swap agreement which effectively converts the variable LIBOR component of the effective interest rate on a portion of our debt under our senior secured credit facility to a fixed rate over a specified term. We are also party to two interest rate swap agreements which effectively convert the 8.25% interest rate on our senior subordinated notes to variable rates over the term of the senior subordinated notes.

These agreements are summarized in the following table.

| Derivative | Total Notional Amount | Term | Company Pays | Counterparty Pays |
|---|---|---|---|---|
| Interest Rate Swap | $50.0 million | August 2003 – July 2011 | LIBOR plus 319 basis points | 8.25% |
| Interest Rate Swap | $50.0 million | August 2003 – July 2011 | LIBOR plus 324 basis points | 8.25% |
| Interest Rate Swap | $350.0 million | June 2005 – June 2007 | 3.21% | LIBOR |

Subsequent to the second quarter, the notional amount on the Company's interest rate swap that converts the variable LIBOR component of the effective interest rate on a portion of our debt under our senior secured credit facility to a fixed rate decreased to $300.0 million.

***Interest Rate Risk***

Our variable interest expense is sensitive to changes in the general level of interest rates. At June 18, 2006, the weighted average interest rate on our $263.0 million of variable interest debt was 7.5%.

We had total interest expense of approximately $25.0 million in the first two quarters of 2006. The estimated increase in interest expense for this period from a hypothetical 200 basis point adverse change in applicable variable interest rates would be approximately $2.2 million.

## Item 4. Controls and Procedures

Management, with the participation of Domino's Pizza, Inc.'s Chairman and Chief Executive Officer, David A. Brandon, and Executive Vice President and Chief Financial Officer, L. David Mounts, performed an evaluation of the effectiveness of Domino's Pizza, Inc.'s and Domino's, Inc.'s disclosure controls and procedures (as that term is defined in Rule 13a-15(e) under the Securities Exchange of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, Messrs. Brandon and Mounts concluded that each of Domino's Pizza, Inc.'s and Domino's, Inc.'s disclosure controls and procedures were effective.

During the quarterly period ended June 18, 2006 there have been no changes in either Domino's Pizza, Inc.'s or Domino's, Inc.'s internal controls over financial reporting that have materially affected or are reasonably likely to materially affect Domino's Pizza, Inc.'s or Domino's, Inc.'s internal control over financial reporting.

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## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

We are a party to lawsuits, revenue agent reviews by taxing authorities and administrative proceedings in the ordinary course of business which include workers' compensation, general liability, automobile and franchisee claims. We are also subject to suits related to employment practices and, specifically in California, wage and hour claims and two class actions pending in California brought by former employees. On June 10, 2003, a class action complaint was filed, in Orange County Superior Court, alleging that we failed to provide meal and rest breaks to our employees (*Vega vs. Domino's Pizza*). This case is in the discovery/deposition stage and no determination with respect to class certification has been made.

On August 19, 2004, a class action complaint was filed by a former general manager, in Orange County Superior Court, alleging that we misclassified the position of general manager. The case was removed to federal District Court for the Central District of California on September 17, 2004 and the motion for class certification was heard on June 5, 2006 (*Jimenez vs. Domino's Pizza*). We classify the general manager of a Domino's Pizza store as an exempt employee. This case involves the issue of whether employees and former employees in the general manager position who worked in our 60 California stores during specified time periods were misclassified as exempt and deprived of overtime pay and meal and rest periods. We believe this case is without merit and intend to vigorously defend against the related claims. We are awaiting the Court's decision on the motion for class certification.

We believe that these matters, individually and in the aggregate, will not have a significant adverse effect on our financial condition and that our established reserves adequately provide for the resolution of such claims.

### Item 1A. Risk Factors

There have been no material changes in the risk factors previously disclosed in the Company's Form 10-K for the year ended January 1, 2006.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

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

(a) We held our 2006 Annual Meeting of Shareholders on May 3, 2006.

(b) The following matters were voted upon at the 2006 Annual Meeting of Shareholders:

1. The election of the nominees for the Board of Directors who will serve a term to expire at the 2009 Annual Meeting of Shareholders. The nominees, all of whom were elected, were David A. Brandon, Mark E. Nunnelly and Diana F. Cantor. The Inspector of Election certified the following vote tabulations:

| | Votes For | Votes Withheld |
|---|---|---|
| David A. Brandon | 53,536,584 | 1,836,312 |
| Mark E. Nunnelly | 52,421,484 | 2,951,412 |
| Diana F. Cantor | 54,623,245 | 749,651 |

2. A proposal to approve the Domino's Pizza Senior Executive Annual Incentive Plan. The Inspector of Election certified the following vote tabulations:

| Votes For | Votes Against | Votes Abstaining |
|---|---|---|
| 53,789,589 | 1,475,214 | 108,090 |

The proposal passed with 97.1% of the voted shares being voted "FOR" the proposal.

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3. A proposal to approve the Amended Domino's Pizza, Inc. 2004 Equity Incentive Plan. The Inspector of Election certified the following vote tabulations:

| Votes For | Votes Against | Votes Abstaining | Broker Non-Votes |
|---|---|---|---|
| 33,848,785 | 15,573,500 | 85,681 | 5,864,929 |

The proposal passed with 68.4% of the voted shares being voted "FOR" the proposal.

4. A proposal to ratify the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for the Company for fiscal year 2006 was approved by the shareholders. The Inspector of Election certified the following vote tabulations:

| Votes For | Votes Against | Votes Abstaining |
|---|---|---|
| 55,353,873 | 12,953 | 6,068 |

The proposal passed with more than 99.9% of the voted shares being voted "FOR" the proposal.

### Item 5. Other Information

None.

### Item 6. Exhibits

| Exhibit Number | Description |
|---|---|
| 10.1 | Amended Domino's Pizza, Inc. 2004 Equity Incentive Plan. |
| 10.2 | Domino's Pizza Senior Executive Annual Incentive Plan. |
| 10.3 | Board of Directors Compensation Schedule. |
| 31.1 | Certification by David A. Brandon pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc. |
| 31.2 | Certification by L. David Mounts pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc. |
| 31.3 | Certification by David A. Brandon pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's, Inc. |
| 31.4 | Certification by L. David Mounts pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's, Inc. |
| 32.1 | Certification by David A. Brandon pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc. |
| 32.2 | Certification by L. David Mounts pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc. |
| 32.3 | Certification by David A. Brandon pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's, Inc. |
| 32.4 | Certification by L. David Mounts pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's, Inc. |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned duly authorized officer.

DOMINO'S PIZZA, INC.
DOMINO'S, INC.
(Registrants)

Date: July 20, 2006

/s/ L. David Mounts
L. David Mounts
Chief Financial Officer

**AMENDED**
**DOMINO'S PIZZA, INC.**

**2004 EQUITY INCENTIVE PLAN**

## 1. DEFINED TERMS

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

## 2. GENERAL

The Plan has been established to advance the interests of the Company by giving Stock-based and other incentives to selected Employees, directors and other persons (including both individuals and entities) who provide services to the Company or its Affiliates.

## 3. ADMINISTRATION

The Administrator has discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award, except that the Administrator may not reduce the exercise price of an outstanding Option and may not, without the consent of the holder of an Award, take any action under this clause with respect to such Award if such action would adversely affect the rights of such holder; prescribe forms, rules and procedures (which it may modify or waive); and otherwise do all things necessary to carry out the purposes of the Plan. In the case of any Award intended to be eligible for the performance-based compensation exception under Section 162(m), the Administrator shall exercise its discretion consistent with qualifying the Award for such exception.

## 4. LIMITS ON AWARD UNDER THE PLAN

**a. Number of Shares.**

A maximum of 10,600,000 shares of Stock may be delivered in satisfaction of Awards under the Plan. The shares of Stock may be authorized, but unissued, or reacquired shares of Stock. For purposes of the preceding sentence, the following shares shall not be considered to have been delivered under the Plan: (i) shares remaining under an Award that terminates without having been exercised in full; (ii) shares of Restricted Stock that have been forfeited in accordance with the terms of the applicable Award; and (iii) shares held back, in satisfaction of the exercise price or tax withholding requirements, from shares that would otherwise have been delivered pursuant to an Award. The number of shares of Stock delivered under an Award shall be determined net of any previously acquired Shares tendered by the Participant in payment of the exercise price or of withholding taxes. A maximum of 1,000,000 shares of Stock may be issued as ISO Awards under the Plan.

**b. Type of Shares.**

Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company and held in treasury. No fractional shares of Stock will be delivered under the Plan.

**c. Option & SAR Limits.**

The maximum number of shares of Stock for which Stock Options may be granted to any person in any calendar year, the maximum number of shares of Stock subject to SARs granted to any person in any calendar year and the aggregate maximum number of shares of Stock subject to other Awards that may be delivered to any person in any calendar year shall each be 1,000,000. For purposes of the preceding sentence, the repricing of a Stock Option or SAR shall be treated as a new grant to the extent required under Section 162(m). Subject to these limitations, each person eligible to participate in the Plan shall be eligible in any year to receive Awards covering up to the full number of shares of Stock then available for Awards under the Plan.

**d. Other Award Limits.**

No more than $1,000,000 may be paid to any individual with respect to any Cash Performance Award. In applying the limitation of the preceding sentence: (A) multiple Cash Performance Awards to the same individual that are determined by reference to performance periods of one year or less ending with or within the same fiscal year of the Company shall be subject in the aggregate to one limit of such amount, and (B) multiple Cash Performance Awards to the same individual that are determined by reference to one or more multi-year performance periods ending in the same fiscal year of the Company shall be subject in the aggregate to a separate limit of such amount. With respect to any Performance Award other than a Cash Performance Award or a Stock Option or SAR, the maximum Award opportunity shall be 1,000,000 shares of Stock or their equivalent value in cash, subject to the limitations of Section 4.c.

**5. ELIGIBILITY AND PARTICIPATION**

The Administrator will select Participants from among those key Employees, directors and other individuals or entities providing services to the Company or its Affiliates who, in the opinion of the Administrator, are in a position to make a significant contribution to the success of the Company and its Affiliates. Eligibility for ISOs is further limited to those individuals whose employment status would qualify them for the tax treatment described in Sections 421 and 422 of the Code.

## 6. RULES APPLICABLE TO AWARDS

**a.** **All Awards.**

**(1)** Terms of Awards. The Administrator shall determine the terms of all Awards subject to the limitations provided herein. In the case of an ISO, the term shall be ten (10) years from the date of grant or such shorter term as may be provided in the Award. Moreover, in the case of an ISO granted to a Participant who, at the time the ISO is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of capital stock of the Company or any Parent or Subsidiary, the term of the ISO shall be five (5) years from the date of grant or such shorter term as may be provided in the Award.

**(2)** Performance Criteria. Where rights under an Award depend in whole or in part on satisfaction of Performance Criteria, actions by the Company that have an effect, however material, on such Performance Criteria or on the likelihood that they will be satisfied will not be deemed an amendment or alteration of the Award.

**(3)** Alternative Settlement. The Company may at any time extinguish rights under an Award in exchange for payment in cash, Stock (subject to the limitations of Section 4) or other property on such terms as the Administrator determines, provided the holder of the Award consents to such exchange.

**(4)** Transferability Of Awards. Except as the Administrator otherwise expressly provides, Awards may not be transferred other than by will or by the laws of descent and distribution, and during a Participant's lifetime an Award requiring exercise may be exercised only by the Participant (or in the event of the Participant's incapacity, the person or persons legally appointed to act on the Participant's behalf).

**(5)** Vesting, Etc. Without limiting the generality of Section 3, the Administrator may determine the time or times at which an Award will vest (*i.e.*, become free of forfeiture restrictions) or become exercisable and the terms on which an Award requiring exercise will remain exercisable. Unless the Administrator expressly provides otherwise, immediately upon the cessation of the Participant's employment or other service relationship with the Company and its Affiliates an Award requiring exercise will cease to be exercisable and all Awards to the extent not already fully vested will be forfeited, except that:

(A) all Stock Options and SARs held by a Participant immediately prior to his or her death, to the extent then exercisable, will remain exercisable by such Participant's executor or administrator or the person or persons to whom the Stock Option or SAR is transferred by will or the applicable laws of descent and distribution, and to the extent not then exercisable will vest and become exercisable upon such Participant's death by such Participant's executor or administrator or the person or persons to whom the Stock Option or SAR is transferred by will or the applicable laws of descent and distribution, in each case for the lesser of (i) a one year period ending with the first anniversary of the Participant's death or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6.a.(5) and shall thereupon terminate; and

(B) all Stock Options and SARs held by the Participant immediately prior to the cessation of the Participant's employment or other service relationship for reasons other than death and except as provided in (C) below, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6.a.(5), and shall thereupon terminate.

Unless the Administrator expressly provides otherwise, a Participant's "employment or other service relationship with the Company and its Affiliates" will be deemed to have ceased, in the case of an employee Participant, upon termination of the Participant's employment with the Company and its Affiliates (whether or not the Participant continues in the service of the Company or its Affiliates in some capacity other than that of an employee of the Company or its Affiliates), and in the case of any other Participant, when the service relationship in respect of which the Award was granted terminates (whether or not the Participant continues in the service of the Company or its Affiliates in some other capacity).

**(6)** Taxes. The Administrator will make such provision for the withholding of taxes as it deems necessary. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements, but not in excess of the minimum tax withholding rates applicable to the employee.

**(7)** Dividend Equivalents, Etc. The Administrator may provide for the payment of amounts in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award.

**(8)** Rights Limited. Nothing in the Plan shall be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a shareholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of employment or service for any reason, even if the termination is in violation of an obligation of the Company or Affiliate to the Participant.

**(9)** Section 162(m). In the case of an Award intended to be eligible for the performance-based compensation exception under Section 162(m), the Plan and such Award shall be construed to the maximum extent permitted by law in a manner consistent with qualifying the Award for such exception.

**b. <u>Awards Requiring Exercise</u>.**

**(1)** <u>Time And Manner Of Exercise.</u> Unless the Administrator expressly provides otherwise, (a) an Award requiring exercise by the holder will not be deemed to have been exercised until the Administrator receives a written notice of exercise (in form acceptable to the Administrator) signed by the appropriate person and accompanied by any payment required under the Award; and (b) if the Award is exercised by any person other than the Participant, the Administrator may require satisfactory evidence that the person exercising the Award has the right to do so.

**(2)** <u>Exercise Price</u>. The Administrator shall determine the exercise price of each Stock Option provided that each Stock Option intended to qualify for the performance-based exception under Section 162(m) of the Code and each ISO must have an exercise price that is not less than the fair market value of the Stock subject to the Stock Option, determined as of the date of grant. An ISO granted to an Employee described in Section 422(b)(6) of the Code must have an exercise price that is not less than 110% of such fair market value.

**(3)** <u>Payment Of Exercise Price, If Any.</u> Where the exercise of an Award is to be accompanied by payment: (a) all payments will be by cash or check acceptable to the Administrator, or, if so permitted by the Administrator (with the consent of the optionee of an ISO if permitted after the grant), (i) through the delivery of shares of Stock which have been outstanding for at least six months (unless the Administrator approves a shorter period) and which have a fair market value equal to the exercise price, (ii) by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price, or (ii) by any combination of the foregoing permissible forms of payment; and (b) where shares of Stock issued under an Award are part of an original issue of shares, the Award shall require an exercise price equal to at least the par value of such shares.

**(4)** <u>ISOs</u>. No ISO may be granted under the Plan after June 1, 2014, but ISOs previously granted may extend beyond that date.

**c. <u>Awards Not Requiring Exercise</u>.**

Awards of Restricted Stock and Unrestricted Stock may be made in return for either (i) services determined by the Administrator to have a value not less than the par value of the Awarded shares of Stock, or (ii) cash or other property having a value not less than the par value of the Awarded shares of Stock payable in such combination and type of cash, other property (of any kind) or services as the Administrator may determine.

**7. EFFECT OF CERTAIN TRANSACTIONS**

**a. <u>Mergers, Etc</u>.**

In the event of a Covered Transaction, all outstanding Awards shall vest and if relevant become exercisable and all deferrals, other than deferrals of amounts that are neither measured by reference to nor payable in shares of Stock, shall be accelerated, immediately prior to the

Covered Transaction and upon consummation of such Covered Transaction all Awards then outstanding and requiring exercise shall be forfeited unless assumed by an acquiring or surviving entity or its affiliate as provided in the following sentence. In the event of a Covered Transaction, unless otherwise determined by the Administrator, all Awards that are payable in shares of Stock and that have not been exercised, exchanged or converted, as applicable, shall be converted into and represent the right to receive the consideration to be paid in such Covered Transaction for each share of Stock into which such Award is exercisable, exchangeable or convertible, less the applicable exercise price or purchase price for such Award. In connection with any Covered Transaction in which there is an acquiring or surviving entity, the Administrator may provide for substitute or replacement Awards from, or the assumption of Awards by, the acquiring or surviving entity or its affiliates, any such substitution, replacement or assumption to be on such terms as the Administrator determines, provided that no such replacement or substitution shall diminish in any way the acceleration of Awards provided for in this section.

**b. Changes in and Distributions with Respect to the Stock.**

**(1)** Basic Adjustment Provisions. In the event of a stock dividend, stock split or combination of shares, recapitalization or other change in the Company's capital structure after May 11, 2004, the Administrator will make appropriate adjustments to the maximum number of shares that may be delivered under the Plan under Section 4.a., and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change.

**(2)** Certain Other Adjustments. The Administrator may also make adjustments of the type described in paragraph (1) above to take into account distributions to common stockholders other than those provided for in Section 7.a. and 7.b.(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan and to preserve the value of Awards made hereunder; *provided*, that no such adjustment shall be made to the maximum share limits described in Section 4.c. or 4.d., or otherwise to an Award intended to be eligible for the performance-based exception under Section 162(m), except to the extent consistent with that exception, nor shall any change be made to ISOs except to the extent consistent with their continued qualification under Section 422 of the Code.

**(3)** Continuing Application of Plan Terms. References in the Plan to shares of Stock shall be construed to include any stock or securities resulting from an adjustment pursuant to Section 7.b.(1) or 7.b.(2) above.

## 8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until the Company's counsel has approved all legal matters in connection with the issuance and delivery of such shares; if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and all conditions of the Award have been satisfied or waived. If the sale of Stock has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act. The Company may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock.

## 9. AMENDMENT AND TERMINATION

Subject to the last sentence of Section 3, the Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, or may at any time terminate the Plan as to any further grants of Awards; *provided*, that (except to the extent expressly required or permitted by the Plan) no such amendment will, without the approval of the stockholders of the Company, effectuate a change: (i) for which stockholder approval is required in order for the Plan to continue to qualify under Section 422 of the Code; (ii) for which stockholder approval is required under the Corporate Governance Laws of the New York Stock Exchange applicable to the Company; and (iii) for Awards to be eligible for the performance-based exception under Section 162(m).

In addition, the Administrator may take any action consistent with the terms of the Plan, either before or after an Award has been granted, which the Administrator deems necessary or advisable to comply with any government laws or regulatory requirements of a foreign country, including but not limited to, modifying or amending the terms and conditions governing any Awards, or establishing any local country plans as sub-plans to this Plan. Further, under all circumstances, the Administrator may make non-substantive administrative changes to the Plan as to conform with or take advantage of governmental requirements, statutes or regulations.

## 10. NON-LIMITATION OF THE COMPANY'S RIGHTS

The existence of the Plan or the grant of any Award shall not in any way affect the Company's right to Award a person bonuses or other compensation in addition to Awards under the Plan.

## 11. GOVERNING LAW

The Plan shall be construed in accordance with the laws of the State of Delaware.

## EXHIBIT A

## Definition of Terms

The following terms, when used in the Plan, shall have the meanings and be subject to the provisions set forth below:

**"Administrator":** The Board or, if one or more has been appointed, the Committee.

**"Affiliate"**: Any corporation or other entity owning, directly or indirectly, 50% or more of the outstanding Stock of the Company, or in which the Company or any such corporation or other entity owns, directly or indirectly, 50% of the outstanding capital stock (determined by aggregate voting rights) or other voting interests.

**"Award":** Any or a combination of the following:

(i) Stock Options.

(ii) SARs.

(iii) Restricted Stock.

(iv) Unrestricted Stock.

(v) Deferred Stock.

(vi) Securities (other than Stock Options) that are convertible into or exchangeable for Stock on such terms and conditions as the Administrator determines.

(vii) Cash Performance Awards.

(viii) Performance Awards.

(ix) Grants of cash, or loans, made in connection with other Awards in order to help defray in whole or in part the economic cost (including tax cost) of the Award to the Participant.

**"Board":** The Board of Directors of the Company.

**"Cash Performance Award":** A Performance Award payable in cash. The right of the Company under Section 6.a.(3) to extinguish an Award in exchange for cash or the exercise by the Company of such right shall not make an Award otherwise not payable in cash a Cash Performance Award.

**"Code":** The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

**“Committee”:** One or more committees of the Board which in the case of Awards granted to officers of the Company shall be comprised solely of two or more outside directors within the meaning of Section 162(m). Any Committee may delegate ministerial tasks to such persons (including Employees) as it deems appropriate.

**“Company”:** Domino’s Pizza, Inc.

**“Covered Transaction”:** Any of (i) a consolidation or merger in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company’s then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company’s assets, or (iii) a dissolution or liquidation of the Company**.**

**“Deferred Stock”:** A promise to deliver Stock or other securities in the future on specified terms.

**“Employee”:** Any person who is employed by the Company or an Affiliate.

**“ISO”:** A Stock Option intended to be an “incentive stock option” within the meaning of Section 422 of the Code. No Stock Option Awarded under the Plan will be an ISO unless the Administrator expressly provides for ISO treatment.

**“Parent”:** A “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

**“Participant”:** An Employee, director or other person providing services to the Company or its Affiliates who is granted an Award under the Plan.

**“Performance Award”**: An Award subject to Performance Criteria. The Committee in its discretion may grant Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) and Performance Awards that are not intended so to qualify.

**“Performance Criteria”**: Specified criteria the satisfaction of which is a condition for the exercisability, vesting or full enjoyment of an Award. For purposes of Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m), a Performance Criterion shall mean an objectively determinable measure of performance relating to any of the following (determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): (i) sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or other items, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; network deployment; sales of particular products or services; customer acquisition, expansion and retention; or any combination of the foregoing; or (ii) acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; recapitalizations, restructurings, financings (issuance of debt or equity) and refinancings; transactions that would constitute a change of control; or any combination of the foregoing. A Performance Criterion measure and targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss.

**"Plan":** The Domino's Pizza, Inc. 2004 Equity Incentive Plan, as from time to time amended and in effect.

**"Restricted Stock":** An Award of Stock subject to restrictions requiring that such Stock be redelivered to the Company if specified conditions are not satisfied.

**"Section 162(m)":** Section 162(m) of the Code.

**"SARs":** Rights entitling the holder upon exercise to receive cash or Stock, as the Administrator determines, equal to a function (determined by the Administrator using such factors as it deems appropriate) of the amount by which the Stock has appreciated in value since the date of the Award.

**"Stock":** Common Stock of the Company, par value $ .01 per share.

**"Stock Options":** Options entitling the recipient to acquire shares of Stock upon payment of the exercise price.

**"Subsidiary":** A "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

**"Unrestricted Stock":** An Award of Stock not subject to any restrictions under the Plan**.**

**EXHIBIT 10.2**

# DOMINO'S PIZZA SENIOR EXECUTIVE ANNUAL INCENTIVE PLAN

The following sets forth the terms and conditions of the Domino's Pizza, Inc. Senior Executive Annual Incentive Plan for specified executive officers and other senior employees of Domino's Pizza, Inc. and its Subsidiaries.

## 1. Purpose

The purpose of this Plan is to advance the interests of the Company and its Subsidiaries by enhancing the ability of the Company and its Subsidiaries to attract and retain management and employees who are in a position to make significant contributions to the success of the Company and its Subsidiaries and to reward such individuals for their contributions.

## 2. Defined Terms

In this Plan, the following terms have the following meanings:

(a) "Achieved Performance Amount" means, for a fiscal year and with respect to a Target Performance Amount, the actual amount of the same type of a Performance Measure as the Performance Measure based on which such Target Performance Amount has been set for such year. A separate Achieved Performance Amount may be calculated for each Participant and for the Tier I Bonus and Tier II Bonus established with respect to a Participant (such Achieved Performance Amounts to be referred to herein, respectively, as "Tier I Achieved Performance Amount" and "Tier II Achieved Performance Amount").

(b) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, controls or is controlled by or is under common control with such Person.

(c) "Applicable Law" means all applicable provisions of law, domestic or foreign, (including, without limitation, the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), together with all regulations promulgated thereunder) and Stock Exchange Rules.

(d) "Award" means, for a given fiscal year, as to each Participant, an award of cash under this Plan with respect to such year.

(e) "Base Salary" means the "Base Salary" of a Participant as defined in such Participant's employment agreement, if any, or if not so defined, the Participant's annual base pay without regard to other compensation or benefits.

(f) "Board" means the board of directors of the Company or any committee thereof designated by the full board of directors of the Company, in each case as constituted from time to time.

(g) "Business Day" means a day on which the NYSE is open for trading.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "Committee" means the compensation committee of the Board, as such committee is from time to time constituted and which, for purposes of meeting certain requirements of Section 162(m) of Code and any regulations promulgated thereunder (including Treas. Regs. Section 1.162-27(e)(3)), may be deemed to be any subcommittee of the Committee to which the Committee has delegated its duties and authority under this Plan consisting solely of at least two "outside directors," as defined under Section 162(m) of the Code and the regulations promulgated thereunder.

(j) "Company" means Domino's Pizza, Inc. and its successors.

(k) "Effective Date" means January 1, 2007.

(l) "Incremental Percentage" means, with respect to a Participant, a percentage calculated by dividing such Participant's Tier I Specified Percentage by 1,000.

(m) “NYSE” means the New York Stock Exchange.

(n) “Participant” means each executive officer and other senior employee of the Company or any of its Subsidiaries selected by the Committee from time to time to participate in this Plan and listed on Schedule A.

(o) “Performance Measure” means an objectively determinable measure of performance relating to any of the following (determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): (i) sales; revenues; assets; expenses; net income; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or other items, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; network deployment; sales of particular products or services; customer acquisition, expansion and retention; or any combination of the foregoing; or (ii) acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; recapitalizations, restructurings, financings (issuance of debt or equity) and refinancings; transactions that would constitute a change of control; or any combination of the foregoing. A Performance Measure (and Target Performance Amount or Actual Performance Amount with respect thereto) determined by the Committee need not be based upon an increase, a positive or improved result or avoidance of loss. A Performance Measure shall be determined in accordance with Section 4.1.

(p) “Person” means any individual, partnership, limited liability company, corporation, association, trust, joint venture, unincorporated organization, or other entity or group.

(q) “Plan” means this Domino’s Pizza, Inc. Senior Executive Annual Incentive Plan, as an “employee benefit plan” (within the meaning of the Exchange Act), as amended from time to time.

(r) “Stock Exchange Rules” means the applicable rules of the NYSE, or any other principal stock exchange or market upon which the shares of the Company’s common stock are listed for trading.

(s) “Subsidiary” means any Person of which the Company at the time (i) owns, directly or indirectly, at least a majority of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally or (ii) controls, directly or indirectly, the board of directors or managers (or equivalent governing body) of such Person.

(t) “Target Performance Amount” means, for a fiscal year, a target amount, established by the Committee (within such time as provided in Section 4.1), with respect to a particular Performance Measure, for such year, the satisfaction of which is a condition for the full enjoyment of an Award. A separate Target Performance Amount may be established for each Participant and for the Tier I Bonus and Tier II Bonus established with respect to a Participant (such Target Performance Amounts to be referred to herein, respectively, as “Tier I Target Performance Amount” and “Tier II Target Performance Amount”).

(u) “Tier I Bonus” means a bonus award granted pursuant to Section 4.2.1.

(v) “Tier II Bonus” means a bonus award granted pursuant to Section 4.2.2.

(w) “Tier I Specified Percentage” means, with respect to a Participant eligible for a Tier I Bonus, a percentage specified in such Participant’s employment agreement as a Tier I Specified Percentage (or, if not so specified, a percentage determined by the Committee, in its sole discretion in accordance with Section 4.1).

(x) “Tier II Specified Percentage” means, with respect to a Participant eligible for a Tier II Bonus, a percentage specified in such Participant’s employment agreement as a Tier II Specified Percentage (or, if not so specified, a percentage determined by the Committee, in its sole discretion in accordance with Section 4.1).

3. Administration and Amendment

3.1. Administration. The Plan shall be administered by the Committee. The Committee shall have the authority to: (a) determine the Participants in the Plan for any fiscal year, (b) determine the amount of the Target Performance Amounts for any fiscal year, (c) determine, modify or waive the terms and conditions of each Award; and (d) interpret the Plan and any terms and conditions associated with any Award granted under the Plan and to decide any questions and settle all controversies and disputes that may arise in connection with the Plan or any Award granted under the Plan. In the case of any Award intended to be eligible for the performance-based compensation exception under Section 162(m) of the Code, the Committee will exercise its discretion consistent with qualifying Awards for that exception. Determinations of the Committee made under the Plan shall be conclusive and shall bind all parties.

3.2. Amendment. The Committee may amend, suspend or discontinue the Plan (including, for the avoidance of doubt, Schedule A) at any time or times, subject to Applicable Law and the receipt of any required regulatory approvals and, where required by Applicable Law (whether pursuant to Stock Exchange Rules or in order to cause the Awards payable under this Plan to be fully deductible by the Company and its Subsidiaries pursuant to Section 162(m) of the Code or otherwise), subject to approval by the stockholders of the Company. No such amendment shall adversely affect the rights of any Participant as to any Award previously granted under the Plan without the consent of the Participant who was granted such Award.

4. Establishment of Target and Grant of Awards

4.1. Establishment of Target Performance Amounts. The Committee shall establish Performance Measures and the Target Performance Amounts thereof (in such fashion and with such specificity so that they qualify as “preestablished objective goals” within the meaning of Treas. Regs. Section 1-162-27(e)(2)) and (to the extent not specified in a Participant’s employment agreement) such Participant’s Tier I Specified Percentage, if any, and such Participant’s Tier II Specified Percentage, if any, for any fiscal year not later than 90 days after the commencement of such year (or such earlier time as is required to qualify Awards as performance-based under Code Section 162(m)); provided, however, that the amount so established by the Committee may be adjusted by the Committee after the initial determination of the amount to reflect any significant change of circumstance, including without limitation, the acquisition or disposition of any business by the Company or any of its Subsidiaries.

4.2. Grant of Awards.

4.2.1. Tier I Bonus. Schedule A lists every Participant eligible to receive a Tier I Bonus together with such Participant’s Tier I Specified Percentage. If the Tier I Achieved Performance Amount established with respect to a Participant is greater than 90% of the respective Tier I Target Performance Amount established with respect to such Participant for a given fiscal year, then such Participant shall receive a Tier I Bonus hereunder as follows. Such Participant shall (subject to the immediately following sentence) receive an Incremental Percentage of his or her Base Salary for every one hundredth of one percent (0.01%) (rounded to the nearest hundredth) for which such Tier I Achieved Performance Amount exceeds 90% of such Tier I Target Performance Amount. Notwithstanding anything else herein to the contrary, at any time prior to payment of the Tier I Bonus, the Committee shall have the right to reduce such Tier I Bonus (but not below zero) based on such subjective criteria as the Committee determines in its sole discretion.

By way of example only, if a Participant is entitled to a Tier I Bonus and such Participant’s Tier I Specified Percentage is 100% then: (i) if the Tier I Achieved Performance Amount with respect to such Participant equals 100% of the Tier I Target Performance Amount with respect to such Participant, such Participant will be entitled to a Tier I Bonus hereunder equal to 100% of such Participant’s Base Salary; (ii) if instead the Tier I Achieved Performance Amount with respect to such Participant equals 101% of the Tier I Target Performance Amount with respect to such Participant, such Participant will be entitled to a Tier I Bonus hereunder equal to 110% of such Participant’s Base Salary; (iii) if instead the Tier I Achieved Performance Amount with respect to such Participant equals (or is less than) 90% of the Tier I Target Performance Amount with respect to such Participant, such Participant will not be entitled to a Tier I Bonus hereunder; and (iv) if instead the Tier I Achieved Performance Amount with respect to such Participant, equals 95% of the Tier I Target Performance Amount with respect to such Participant, such Participant will be entitled to a Tier I Bonus hereunder equal to 50% of such Participant’s Base Salary.

4.2.2. Tier II Bonus. Schedule A lists every Participant eligible to receive a Tier II Bonus together with such Participant’s Tier II Specified Percentage. If the Tier II Achieved Performance Amount established with respect to a Participant exceeds the respective Tier II Target Performance Amount established with respect to such Participant for a given fiscal year then such Participant shall (subject to the immediately following sentence) receive a Tier II Bonus in an amount not to exceed the Tier II Specified Percentage of such Participant’s Base Salary (all in accordance with Section 4.1). Notwithstanding anything else herein to the contrary, at any time prior to payment of the Tier II Bonus, the Committee shall have the right to reduce the Tier II Bonus (but not below zero) based on such subjective criteria as the Committee determines in its sole discretion.

4.3. Application of 162(m). This Section 4.3 applies to any Award intended to qualify as performance-based for purposes of Code Section 162(m). In the case of any Award to which this Section 4.3 applies, the Plan and such Award will be construed to the maximum extent permitted by law in a manner consistent with qualifying the Award for such exception. No Award to which this Section 4.3 applies may be granted if the Committee determines that in order for such Award to qualify as performance-based for purposes of Code Section 162(m), the Plan must be submitted to and approved, or resubmitted to and approved, by the stockholders of the Company in accordance with the requirements of Code Section 162(m), unless such grant is made contingent upon such approval. The maximum per Participant Award under the Plan for any fiscal year shall not exceed $2,500,000.

4.4. No Right to Participate. Nothing in the Plan shall be deemed to create any obligation on the part of the Committee to select any executive officer or senior employee as a Participant, nor confer upon any Participant in the Plan the right to remain a Participant in the Plan on the same terms or conditions, or at all, for any subsequent fiscal year.

5. Payment of Awards

Payment of any Award under the Plan with respect to a fiscal year shall be made on or before March 15 of the fiscal year following the fiscal year with respect to which the Award is made.

6. Operation of the Plan

6.1. Compliance with Applicable Law. As a condition of participating in the Plan, each Participant agrees to comply with all Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance by the Company with Applicable Law.

6.2. Withholding. The Company may withhold from the payment of each Participant's Award all taxes and other assessments, if any, required by Applicable Law to be withheld.

7. Merger or Combination.

If (a) the Company merges into or combines with any other entity and, immediately following such merger or combination, any Person or group of Persons acting in concert holds 50% or more of the voting power of the entity surviving such merger or combination (other than any Person or group of Persons which held 50% or more of the Company's voting power immediately prior to such merger or combination or any Affiliate of any such Person or member of such group); (b) any Person or group of Persons acting in concert acquires 50% or more of the Company's voting power; or (c) the Company sells all or substantially all of its assets or business for cash or for securities of another Person or group of Persons (other than to any Person or group of Persons which held 50% or more of the Company's total voting power immediately prior to such sale or to any Affiliate of any such Person or any member of such group), then, unless the Committee provides for the continuation or assumption of some or all unpaid Awards or for the grant of new awards in substitution therefor (which need not be payable in cash) by the surviving entity or acquiror, in each case on such terms and subject to such conditions as the Committee may determine, with respect to any Award that is not so assumed or continued: (i) the then current fiscal year shall be deemed to end on the last day which is the last day of a fiscal quarter occurring on or prior to the effective date of the merger, combination or sale (or if the Committee in its sole discretion determines that it can make a reasonable determination of a Target Performance Amounts through such effective date, the current fiscal year shall be deemed to end on such effective date); (ii) the Target Performance Amounts shall be prorated (to the extent proration would be applicable to such amount) for the number of days in such shortened fiscal year; and (iii) the amount of any so prorated Awards for such shortened fiscal year shall be determined and the Company shall pay, within twelve months following the effective date of such transaction (but in no event later than March 15 of the fiscal year following the fiscal year containing the effective date of such transaction), such prorated Award to each Participant in respect of such shortened fiscal year.

8. Termination of Employment

8.1. Resignation or Termination by the Company. If a Participant ceases to be employed by the Company or any of its Subsidiaries prior to the end of any fiscal year as a result of resignation, dismissal or any other reason, such Participant shall cease to be a Participant in the Plan on the date employment ceases and, subject to Section 8.2, shall not receive any Award under the Plan in respect of such fiscal year.

8.2. Rights upon Termination Pursuant to Agreement. The Company may provide rights to a Participant in respect of such Participant's Awards upon termination of such Participant's employment that differ from those set forth in Section 8.1 pursuant to an agreement with such Participant. Except to the extent otherwise addressed in any such agreement, the provisions of this Plan, including Section 8.1, shall control.

9. Rights of Participants

9.1. No Right to Continue as Officer or Employee. Neither the adoption of the Plan nor the selection of any Participant as a Participant shall confer any right to continue as an officer or employee of the Company or any of its Subsidiaries, or affect in any way the right of the Company or any of its Subsidiaries to terminate such Participant's employment at any time. Neither any period of notice, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

9.2. No Trust or Fiduciary Relationship. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Company and any Participant or be construed as requiring the Company or any Subsidiary or Affiliate of the Company to establish a trust or otherwise to set aside assets to fund the payment of Awards hereunder. A Participant's right to receive payment from the Company in respect of any Award shall be no greater than the right of any unsecured general creditor of the Company.

9.3. No Assignment by Participants. The interest of any Participant under the Plan or in any Award shall not be transferable or alienable by such Participant either by pledge, assignment or in any other manner, except that in the event of a Participant's death following the completion of a fiscal year but prior to the payment of an Award with respect to such fiscal year it shall inure to the benefit of and be binding upon the Participant's estate (or beneficiary if one has been designated to the Company in writing prior to such death).

10. Miscellaneous

10.1. Severability. Any term or provision of this Plan that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. In the event that any provision hereof would, under Applicable Law, be invalid or unenforceable in any respect, it is the intent of the Company that such provision will be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, Applicable Law.

10.2. Governing Law. This Plan and all actions arising in whole or in part under or in connection herewith, will be governed by and construed in accordance with the domestic substantive laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction.

11. Effective Date of Plan and Term of Plan

11.1. Effective Date. The Plan shall take effect on the Effective Date, subject to its prior approval by the Company's shareholders.

11.2. Term. No Awards shall be made under the Plan in respect of any fiscal year commencing after the tenth anniversary of the Effective Date.

Schedule A

Participants in the Plan

| Participant Name | Tier I Eligible | Tier I Specified Percentage | Tier II Eligible | Tier II Specified Percentage |
|---|---|---|---|---|
| David A. Brandon | Yes | 200% | No | N/A |
| L. David Mounts | Yes | 100% | Yes | 25% |
| J. Patrick Doyle | Yes | 100% | Yes | 25% |
| Michael D. Soignet | Yes | 100% | Yes | 25% |
| Ken C. Calwell | Yes | 100% | Yes | 25% |

**EXHIBIT 10.3**

**Domino's Pizza, Inc.**
**Independent Director Compensation Schedule**

The following table sets forth the compensation received by independent directors of Domino's Pizza, Inc., effective July 1, 2006:

| Compensation Type | Amount |
|---|---|
| Annual Retainer | $ 40,000 per year |
| Board of Directors Meeting Fee | $ 2,000 per meeting |
| Committee Meeting Fee | $ 1,500 per meeting |
| Audit Chairperson Retainer | $ 15,000 per year |
| Compensation Committee Chairperson Retainer | $ 10,000 per year |
| Nominating and Corporate Governance Committee Chairperson Retainer | $ 10,000 per year |
| Annual Stock Option Grant | 7,500 shares per year |

**EXHIBIT 31.1**

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, DOMINO'S PIZZA, INC.

I, David A. Brandon, Chief Executive Officer, Domino's Pizza, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Domino's Pizza, Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

   b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | |
|---|---|
| July 19, 2006 | /s/ David A. Brandon |
| Date | David A. Brandon<br>Chief Executive Officer |

**EXHIBIT 31.2**

CERTIFICATION OF CHIEF FINANCIAL OFFICER, DOMINO'S PIZZA, INC.

I, L. David Mounts, Chief Financial Officer, Domino's Pizza, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Domino's Pizza, Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

   b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | |
|---|---|
| July 19, 2006 | /s/ L. David Mounts |
| Date | L. David Mounts<br>Chief Financial Officer |

**EXHIBIT 31.3**

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, DOMINO'S, INC.

I, David A. Brandon, Chief Executive Officer, Domino's, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Domino's, Inc.;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

    c) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 19, 2006
Date

/s/ David A. Brandon
David A. Brandon
Chief Executive Officer

**EXHIBIT 31.4**

CERTIFICATION OF CHIEF FINANCIAL OFFICER, DOMINO'S, INC.

I, L. David Mounts, Chief Financial Officer, Domino's, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Domino's, Inc.;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and
   c) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | |
|---|---|
| July 19, 2006 | /s/ L. David Mounts |
| Date | L. David Mounts<br>Chief Financial Officer |

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended June 18, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Brandon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David A. Brandon
David A. Brandon
Chief Executive Officer

Dated: July 19, 2006

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended June 18, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. David Mounts, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ L. David Mounts
L. David Mounts
Chief Financial Officer

Dated: July 19, 2006

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.3

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino’s, Inc. (the “Company”) on Form 10-Q for the period ended June 18, 2006, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David A. Brandon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David A. Brandon

David A. Brandon
Chief Executive Officer

Dated: July 19, 2006

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino’s, Inc. and will be retained by Domino’s, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.4**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino's, Inc. (the "Company") on Form 10-Q for the period ended June 18, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. David Mounts, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ L. David Mounts
L. David Mounts
Chief Financial Officer

Dated: July 19, 2006

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's, Inc. and will be retained by Domino's, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.