



THE MARKET

Australia's growing appetite for pizza is fuelling a \$1.4 billion industry. More than 133 million pizzas are sold in Australia every year – that's more than seven for every Australian man, woman and child.

At least four in five Australians buy and eat a pizza in any three-month period, with the majority of pizza consumers aged between 25 and 44 years. Couples with children at home consume the most pizza, while young single males are the most frequent purchasers. In Australia, Domino's Pizza sells about 34 million pizzas each year making it one of the country's top pizza makers.

Founded in 1960, Domino's is the recognised world leader in pizza delivery, operating a network of more than 7,300 stores in more than 50 countries.

Domino's Pizza Australia, a 100 per cent Australian-owned company with the Australian and New Zealand master franchise for the brand, operates more than 280 company-owned and franchised stores. Domino's Pizza Australia leads in the majority of its markets around Australia.

ACHIEVEMENTS

Since its inception, Domino's Pizza Australia has delivered a series of products and innovations which have revolutionised the Australian pizza industry.

In 1980 Domino's Pizza Australia, then trading as Silvio's Dial-A-Pizza, was the first in Australia to introduce home pizza delivery. This concept proved extremely popular, prompting competitors to follow suit. Today, Domino's delivers ten million pizzas to Australian households each year.

Introduced in 2000, Hot Cell is Australia's first electronic hot bag for pizza delivery. Using a patented state-of-the-art heating element and special insulation material, Domino's Hot Cell works like a portable oven ensuring pizza is delivered up to 20 per cent hotter.

Designed to fill the gap between Deep Pan and Thin 'n' Crispy bases, the Classic Crust is a pizzeria-style crust which now accounts for almost half of all Domino's Pizza Australia sales. Introduced in 2002, the



Classic Crust dough was originally developed by Domino's Pizza Australia CEO Don Meij for use in an apple turnover product. He cooked the dough in a pan to create a baked crust and the Classic Crust was born.

All Domino's staff receive proper training from the minute they set foot inside a Domino's store. This covers customer service, product quality and occupational health and safety. Domino's Pizza College is the company's management training program, helping to transform today's pizza delivery drivers into tomorrow's management team. It gives employees a qualification which is recognised internationally and helps young guns launch a



career in the industry.

The Partners Foundation is a non-profit, non-compulsory fund to which all employees are encouraged to donate. The purpose of the foundation is to provide financial assistance to employees and their families who have fallen on hard times. The foundation has helped over 100 people at a cost of approximately \$96,000 since its inception on 30th June 1997.

HISTORY

Domino's Pizza Australia began in the Brisbane suburb of Red Hill in 1978 as Silvio's Dial-A-Pizza. Founded by two enterprising brothers, Silvio and Fel Bevacqua, Silvio's embarked on a rapid expansion throughout Australia and by 1993 had more than 70 stores in

Queensland, New South Wales, Western Australia, Tasmania and the Northern Territory.

In 1993, Silvio's Dial-A-Pizza bought the Australian and New Zealand master franchise for the international Domino's brand. Between 1995 and 1996, the Domino's and Silvio's groups merged and all stores were branded as Domino's.

With almost 30 years of local experience and a new, aligned, fighting, entrepreneurial spirit, Domino's Pizza Australia began heading for market leadership.

In April 2001, Don and Esme Meij and Grant and Sandy Bourke, two of Australia's largest franchisees, merged their 25 franchised stores into the master franchise and purchased 23 per cent of Domino's Pizza Australia. They remain the operating shareholders of the company.

Today, Domino's Pizza Australia employs more than 8,000 Australians, operates more than 280 stores and sells more than 34 million pizzas each year.

It took Domino's Pizza Australia 23 years to achieve a turnover of \$150 million. Two years later the company broke through the \$200 million mark and during the next 18 months it expects to pass \$250 million.

THE PRODUCT

When it comes to pizza, Domino's Pizza Australia has proven that

choice is supreme.

Domino's continually researches new topping combinations and new pizza bases. It develops about 10 pizza concepts a week, but only about one in 30 ends up on the menu.

Every few months, a range of new tastes is introduced for a limited time to cater to the ever-evolving tastebuds of Australian pizza-lovers. No pizza topping is left untasted, with the recent Double Bacon Cheeseburger pizza the first in Australia to feature mayonnaise. It quickly proved popular and won a permanent place on the Domino's pizza menu.

Domino's also conducts regular taste test focus groups to trial the new pizza toppings and bases. New pizzas have to succeed here if they are to make it into the stores.

With the company's move into New Zealand in mid 2003, Domino's realised that different nationalities have their own tastes. The Kiwi Key is the first in a planned series of pizzas specifically designed for New Zealand taste buds.

Sourcing fresh products is one of the keys to Domino's continued success. It is one of the few Australian pizza-makers to use vine-ripened instead of gas-ripened tomatoes, along with sun-dried tomatoes to enhance the flavour of the pizza.

More than 94 per cent of Domino's Pizza



Australia's expenditure is spent on sourcing Australian products. It spends \$61 million each year on Australian ingredients like yeast, plain flour, chicken, pizza sauce, cheese, beef, ham, pepperoni, bacon, mushrooms, capsicums, tomatoes and onions.

RECENT DEVELOPMENTS

In the 2002/03 financial year, Domino's increased store numbers by almost a quarter to 245. Soon after that, Domino's opened its 250th Australian store in the Sydney suburb of North Strathfield. By the end of 2003, Domino's had more than 280 Australian stores – well on its way to achieving its long-term goal of having 500 stores by 2008. The company had also launched its first stores in Victoria, previously the only Australian state without a Domino's presence.

Following strong domestic growth, Domino's Pizza Australia moved into its first international market in 2003. In July, Domino's opened in New Zealand and by the end of 2003 had more than 10 stores operating in the country. The first New Zealand store in Johnsonville, Wellington, sold 5,134 pizzas in its first week – believed to be the fourth highest number of pizzas ever sold in the opening week of any of Domino's stores worldwide. At its busiest times the store was making up to four pizzas a minute.

PROMOTION

Domino's Pizza Australia is one of the most recognised brands in Australia. Its catchy tagline "I've got the hots for what's in the box with the dots" is also firmly etched in the minds of Australian pizza-lovers thanks to a series of television advertisements.

Other pizza companies operating in Australia have used their advertising to criticise their competition. But capturing the fun and youth-orientated nature of the company, Domino's advertisements focus simply on the company's expertise in making and delivering the freshest and best-tasting pizza on the market.

Domino's also has regular advertisements aimed at informing Australians about its latest products, such as the Classic Crust and new menu items.

Another way Domino's Pizza Australia has helped promote its fun approach to life is by launching a range of research measuring the social pulse of Australia. In 2003 Domino's customers predicted the 2003 Gold Logie winner, Rove

McManus, and the Big Brother Series 3 winner, Reggie.

BRAND VALUES

Twenty-five years ago, Domino's Pizza Australia began delivering fresh, hot and great-tasting pizza. While times may have changed, this core mission has remained the same. More than ever, Domino's remains the pizza making and delivery expert.

While Domino's offers customers pizza accompaniments like soft drinks and garlic bread, its focus remains firmly on perfecting the perfect pizza.

Domino's Pizza Australia is also committed to creating a fun team culture and helping youth develop a career with Domino's. This has been achieved through

Pizza College and a range of other initiatives which help young team members to become store managers, store owners and more.

Through its products, innovations and staff incentives, Domino's Pizza Australia is etched firmly in Australian minds as a company that is committed to delivering the best-quality pizzas and playing a pivotal role in the development of the local pizza industry.

THINGS YOU DIDN'T KNOW ABOUT DOMINO'S PIZZA AUSTRALIA

- Each year Domino's uses more than 3,720 tonnes of pizza sauce and 5,600 tonnes of cheese to cook about 40 million pizzas.
- The NRL State of Origin, September school holidays, Easter and the Christmas-New Year period are the busiest times of the year for Domino's pizza deliveries.
- Any Domino's team member who nominates a new pizza topping combination that makes it onto the menu earns a \$1,000 bonus.
- Current Domino's Pizza Australia CEO Don Meij began working as a Domino's pizza delivery driver in 1987 while studying to be a high school teacher. Fifteen years later, after being a store manager and franchisee, Don became the CEO of the company.
- Domino's drivers make more than 92,000 pizza deliveries each week.
- Residents of the regional New South Wales city of Port Macquarie lay claim to eating the most Domino's pizzas in one day. On December 6, 2003, Domino's Port Macquarie sold 4,890 pizzas - more pizzas than the average Domino's store sells in one week!
- Adelaide is home to Australia's fastest pizza makers. A team of four Adelaide Domino's team members won the 2002 National Pizza Make Off after making six perfect pizzas in just 77.58 seconds.
- Domino's bi-annual World Wide Rally, held in Las Vegas, attracts over 5,000 pizza franchisees and managers from around the world.

