

THE JFC GROUP OF COMPANIES **DELIVERS GOOD 1ST QUARTER 2003 RESULTS**

Metro Manila, Philippines, 13 May 2003 - *Jollibee Foods Corporation* (PSE: JFC/JFCW) – **Results for the quarter ended March 31st, 2003** (all references vs. same period last year)

- Systemwide retail sales increased 10% to P 6.7 billion
- Consolidated total revenues grew 8% to P 5.0 billion
- Income from Operations was 20% higher at P 353 million
- **Net income after tax for the quarter rose by 32% to P270 million**

Chairman and Chief Executive Officer Tony Tan Caktiong said, “We are pleased to report that, despite the challenging economic environment since the start of the year due mainly to the ill-effects of significant worldwide events, our business has expectedly proven strong and resilient in the 1st quarter. Overall System-wide Retail Sales growth has been sustained at double-digit levels. JFC Consolidated Revenues were driven by a host of sales & marketing initiatives implemented across all business units, highlighted by the launch of our 25th year anniversary celebrations. Complementing this, continued vigilance in cost management at all levels enabled the company to improve efficiencies and margins despite inflationary pressures. As such, our management has once again responded to and managed marketplace challenges and opportunities with flexibility, speed and professionalism, in the process delivering superior growth in profits and free cash flow. The positive effects of a strengthening peso in the interim and the containment of increases in the cost of doing business bodes well for our business prospects during the balance of this year.”

“The *Jollibee-Philippines* business unit continues to drive our corporate performance, sustaining its leadership position in the QSR industry with strong profitability. Despite poor business conditions, *Jollibee*, with its unmatched network of outlets, delivered a 3.6% same-store sales increase during the quarter. This performance has been sustained so far into the important 2nd quarter.”

“We are also pleased to note that business initiatives implemented at *Greenwich* have resulted in eight consecutive significant growth quarters in same-store sales and a huge improvement in margins and profitability. Having driven a significant part of top line growth since we acquired the business in 2000, *Chowking* is now a significant and consistent contributor to *JFC* profitability.”

The company operates the largest fast food chains in the country and continues to expand its network by the timely addition of appropriately sized stores in carefully selected locations. At the end of the 1st quarter, *Jollibee Foods Corporation* had a total of 879 restaurants operational in the Philippines [438 *Jollibee*, 194 *Greenwich*, 221 *Chowking* and 26 *Delifrance*] and 30 restaurants overseas.

Jollibee Foods Corporation (JFC) has been included in the latest update of the Morgan Stanley (MSCI) benchmark stock index for the Philippines. Along with other major public corporations that continue to perform well, inclusion in this index reflects growing investor confidence on the on-going prospects of the company.

Jollibee Foods Corporation recently declared a cash dividend of P 0.15 per common share payable to all stockholders of record as of May 19, 2003 and payable on May 28, 2003. This represents a 15% increase vs. the payout during the 1st semester last year.

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JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the 1st Quarter 2003

(Unaudited)

Peso Amounts in Thousands

| | Qtr. 1 - 2003 | | Qtr. 1 - 2002 | | Change 2002 to 2003 |
|--|---------------|--------|---------------|--------|------------------------|
| | Pesos | Pct. | Pesos | Pct. | |
| REVENUES | | | | | |
| Sales | 4,629,175 | 92.2% | 4,311,813 | 92.7% | 7.4% |
| Royalties, franchise fees and others | 390,095 | 7.8% | 338,325 | 7.3% | 15.3% |
| | 5,019,269 | 100.0% | 4,650,137 | 100.0% | 7.9% |
| COST OF SALES | 2,621,121 | 52.2% | 2,540,753 | 54.6% | 3.2% |
| GROSS PROFIT | 2,398,148 | 47.8% | 2,109,384 | 45.4% | 13.7% |
| OPERATING EXPENSES | 2,045,498 | 40.8% | 1,815,809 | 39.0% | 12.6% |
| Income from Operations | 352,650 | 7.0% | 293,575 | 6.3% | 20.1% |
| OTHER INCOME (CHARGES) | 4,520 | 0.1% | (17,677) | (0.4%) | (125.6%) |
| PROFIT BEFORE INCOME TAX | 357,170 | 7.1% | 275,898 | 5.9% | 29.5% |
| PROVISION FOR INCOME TAX | 87,781 | 1.7% | 74,127 | 1.6% | 18.4% |
| PROFIT BEFORE MINORITY INTEREST | 269,389 | 5.4% | 201,771 | 4.3% | 33.5% |
| MINORITY INTEREST | (420) | (0.0%) | (2,280) | (0.0%) | (81.6%) |
| NET INCOME | 269,809 | 5.4% | 204,050 | 4.4% | 32.2% |
| Earnings per Share | | | | | |
| Basic | 0.2740 | | 0.2129 | | 28.7% |
| Diluted | 0.2692 | | 0.2105 | | 27.9% |
| Average Number of Common Shares-Basic (000) | 984,746 | | 958,560 | | |
| Average Number of Common Shares-Diluted (000) | 1,002,124 | | 969,203 | | |

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of March 31, 2003

(Unaudited)

Peso Amounts in Thousands

| | March 2003 | December 2002 (Audited) | Change |
|---|-------------------|----------------------------|------------------|
| Cash and Cash Items | 2,080,306 | 2,297,888 | (217,582) |
| Accounts Receivables | 824,863 | 897,454 | (72,590) |
| Inventories | 682,133 | 837,747 | (155,614) |
| Prepaid Items & Other Current Assets | 1,076,601 | 1,095,109 | (18,508) |
| Total Current Assets | 4,663,905 | 5,128,198 | (464,293) |
| Property & Equipment | 8,349,097 | 8,063,769 | 285,328 |
| Accumulated Depreciation | (3,304,671) | (3,156,231) | (148,440) |
| Net Fixed Assets | 5,044,427 | 4,907,538 | 136,889 |
| Other Assets | 1,250,441 | 1,243,047 | 7,393 |
| Total Assets | 10,958,772 | 11,278,783 | (320,011) |
| Accounts Payable | 1,147,766 | 1,510,982 | (363,217) |
| Accrued Expenses | 1,670,817 | 1,608,049 | 62,767 |
| Other liabilities | 284,918 | 498,197 | (213,279) |
| Current portion of long-term debt | 170,000 | 226,667 | (56,667) |
| Total Current Liabilities | 3,273,501 | 3,843,895 | (570,394) |
| Long-term debt - net of current portion | 510,000 | 510,000 | - |
| Other non-current liabilities | - | 20,604 | (20,604) |
| Total Non-current Liabilities | 510,000 | 530,604 | (20,604) |
| Minority Interest | 149,901 | 179,647 | (29,747) |
| Paid-up Capital | 1,032,192 | 1,030,082 | 2,109 |
| Excess on Par | 1,816,253 | 1,788,890 | 27,363 |
| Subscription Receivables | (110,234) | (97,304) | (12,930) |
| Translation Adjustments | 190,493 | 190,493 | 0 |
| Retained Earnings | | | |
| Appropriated for future expansion | 1,200,000 | 1,200,000 | 0 |
| Unappropriated | 3,186,731 | 3,186,731 | 0 |
| Prior year adjustment | | | - |
| Pnl-to-Date | 269,809 | - | 269,809 |
| Less: Warrants and treasury shares | (559,873) | (574,255) | 14,382 |
| Total Equity | 7,025,371 | 6,724,637 | 300,734 |
| Total Liabilities & Equity | 10,958,772 | 11,278,783 | (320,011) |

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Cash Flow:
As of March 31, 2003
(Unaudited)
Peso Amounts in Thousands

| | March 2003 | March 2002 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax and minority interest | 357,170 | 275,898 |
| Adjustments for: | | |
| Depreciation and amortization | 148,440 | 155,998 |
| Interest expense | 16,476 | 27,210 |
| Interest income | (20,996) | (10,177) |
| Equity in net losses (earnings of unconsolidated subsidiary) | 5,134 | (1,808) |
| Operating income before working capital changes | 506,224 | 447,121 |
| Changes in assets and liabilities: | | |
| Decrease (increase) in: | | |
| Trade receivables | 72,590 | 66,500 |
| Inventories | 155,614 | 160,461 |
| Prepaid items and other current assets | 13,374 | (108,253) |
| Increase (decrease) in: | | |
| Accounts payable | (363,217) | (188,738) |
| Accrued expenses | 54,899 | (87,234) |
| Other liabilities | (213,279) | (119,014) |
| Cash generated from operations | 226,205 | 170,843 |
| Income taxes paid | (79,912) | (71,679) |
| Net cash provided by operating activities | 146,293 | 99,164 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property and equipment | (285,328) | (217,602) |
| (Increase) Decrease in other noncurrent assets | (7,393) | 64,665 |
| Interest received | 20,996 | 10,177 |
| Decrease in noncurrent liabilities | (20,604) | (19,127) |
| Net cash provided by (used in) investing activities | (292,329) | (161,886) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments of: | | |
| Warrants and treasury shares | (32,024) | |
| Bank loans | (56,667) | |
| Proceeds from: | | |
| Issuance of Treasury Stocks | 46,406 | 13,684 |
| Issuance of and subscriptions to capital stock | 16,542 | 2,004 |
| Interest paid | (16,476) | (27,210) |
| Increase (decrease) in minority interest | (29,327) | 57,537 |
| Net cash provided by (used in) financing activities | (71,545) | 46,015 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (217,582) | (16,707) |
| Cash and Cash Equivalents, Beginning | 2,297,888 | 1,157,713 |
| Cash and Cash Equivalents, End | 2,080,306 | 1,141,007 |

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Changes in Stockholders' Equity

As of March 31, 2003

(Unaudited)

Peso Amounts in Thousands

| | March 2003 | March 2002 |
|--|------------------|------------------|
| Capital Stock - P1 par value | | |
| Issued | | |
| Balance, beginning | 1,017,260 | 1,017,239 |
| Issuances | 1 | 3 |
| Balance, end | 1,017,261 | 1,017,242 |
| Additional Paid-in Capital | | |
| Balance, beginning | 1,788,890 | 1,656,968 |
| Issuances | 9 | 2,001 |
| Premium on new subscriptions | 27,354 | 97,448 |
| Balance, end | 1,816,253 | 1,756,417 |
| Subscribed Capital Stock | | |
| Balance, beginning | 12,822 | - |
| New subscriptions | 2,109 | 12,822 |
| Issuances | (1) | |
| Balance, end | 14,930 | 12,822 |
| Subscription Receivable | | |
| Balance, beginning | (97,304) | - |
| Receivables on new subscriptions | (25,308) | (128,220) |
| Collections | 12,378 | 17,950 |
| Balance, end | (110,234) | (110,270) |
| Share in Translation Adjustments of Investees | | |
| Balance, beginning of year | 190,493 | 85,196 |
| Share in translation adjustments during the year | (0) | - |
| Balance, end | 190,493 | 85,196 |
| Retained Earnings | | |
| Appropriated for future expansion | 1,200,000 | 1,200,000 |
| Unappropriated | | |
| Balance, beginning | 3,186,731 | 2,420,244 |
| Net income | 269,809 | 204,050 |
| Balance, end | 3,456,540 | 2,624,293 |
| | 4,656,540 | 3,824,293 |
| Warrants and Treasury Shares | | |
| Balance, beginning | (574,255) | (703,963) |
| Acquisitions of stocks and warrants | (32,024) | - |
| Issuances (Stock Option Exercise & Conversion of Warrants) | 46,406 | 13,684 |
| | (559,873) | (690,279) |
| | 7,025,371 | 5,895,423 |

Jollibee Foods Corporation
Notes and Other Disclosures

1. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines under the historical cost basis.
2. The Company adopted the same accounting policies, standards and methods of computations applied in the 2002 audited consolidated financial statements.
3. The 1st Quarter 2002 Income Statement has been restated as a result of the adoption of SFAS 38/ IAS 38, which requires that start up and pre-operating expenses be expensed as incurred. The change in accounting for pre-operating expenses increased net income for the Q1 2002 by P6.4 million.

4. Segment Information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- > The food service segment is involved in the operation of QSRs and the manufacture of food products to be sold to the company-owned and franchised QSR outlets.
- > The franchising segment is involved in the franchising of the Group's QSR store concepts.
- > The real estate segment leases store sites mainly to the Group's independent franchisees.

The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties in current market prices.

> Business Segments

The following tables present revenues and expense information and certain asset and liability information regarding the different business segments for the periods ended March 31, 2003 and 2002

Quarter Ended March 31, 2003
Food Service Franchising Real Estate Eliminations
(In Thousands)

Results of Operations

| | | | | | |
|-------------------------------------|-------------|----------|----------|-----------|----------------|
| Revenues from external customers | 4,350,480 | 632,169 | 36,620 | | 5,019,269 |
| Inter-segment revenues | 288,523 | 27,121 | - | (315,644) | - |
| Segment revenue | 4,639,003 | 659,290 | 36,620 | (315,644) | 5,019,269 |
| Segment expense | (4,878,053) | (27,121) | (39,415) | 321,224 | (4,623,365) |
| Other segment income | 54,597 | 3 | - | (5,580) | 49,020 |
| Segment result | (184,453) | 632,172 | (2,795) | - | 444,924 |
| Interest expense | | | | | (16,476) |
| Interest income | | | | | 22,457 |
| Equity in net loss of joint venture | | | | | (5,134) |
| Income tax expense | | | | | (93,541) |
| Minority interest | | | | | 420 |
| Net income | | | | | <u>352,650</u> |

Assets and liabilities

| | | | | | |
|---------------------------|------------|--------|---------|-----------|-------------------|
| Segment assets | 10,168,752 | - | 525,132 | (255,924) | 10,437,960 |
| Income tax assets | | | | | 484,288 |
| Interest in joint venture | | | | | 36,524 |
| Total assets | | | | | <u>10,958,772</u> |
| Segment liabilities | 2,817,528 | 20,200 | 425,235 | (174,909) | 3,088,054 |
| Long-term debt | | | | | 680,000 |
| Income tax liabilities | | | | | 15,447 |
| Total liabilities | | | | | <u>3,783,501</u> |

Other segment information

| | | | | | |
|-----------------------------------|-----------|--------|---------|---|-----------|
| Capital expenditures | 281,817 | - | 3,511 | - | 285,328 |
| Depreciation and amortization | 143,141 | - | 5,298 | - | 148,440 |
| Impairment losses | - | - | - | - | - |
| Other non-cash expenses | - | - | - | - | - |
| Cash flows provided by (used in): | | | | | |
| Operating activities | 130,819 | 14,275 | 1,199 | - | 146,293 |
| Investing activities | (288,661) | - | (3,668) | - | (292,329) |
| Financing activities | (66,932) | - | (4,613) | - | (71,545) |

Quarter Ended March 31, 2002
Food Service Franchising Real Estate Eliminations
(In Thousands)

Results of Operations

| | | | | | |
|-------------------------------------|-------------|---------|----------|-----------|----------------|
| Revenues from external customers | 4,050,099 | 559,859 | 40,179 | | 4,650,137 |
| Inter-segment revenues | 245,625 | - | - | (245,625) | - |
| Segment revenue | 4,295,724 | 559,859 | 40,179 | (245,625) | 4,650,137 |
| Segment expense | (4,516,315) | - | (43,915) | 249,748 | (4,310,483) |
| Other segment income | 44,642 | - | - | (4,123) | 40,519 |
| Segment result | (175,949) | 559,859 | (3,736) | - | 380,173 |
| Interest expense | | | | | (26,922) |
| Interest income | | | | | 5,552 |
| Equity in net loss of joint venture | | | | | (1,808) |
| Income tax expense | | | | | (65,700) |
| Minority interest | | | | | 2,280 |
| Net income | | | | | <u>293,575</u> |

Assets and liabilities

| | | | | | |
|---------------------------|------------|---|-----------|-------------|------------------|
| Segment assets | 10,529,095 | - | 957,482 | (2,126,903) | 9,359,673 |
| Income tax assets | | | | | 204,624 |
| Interest in joint venture | | | | | 49,994 |
| Total assets | | | | | <u>9,614,291</u> |
| Segment liabilities | 2,119,664 | - | 1,209,814 | (519,703) | 2,809,775 |
| Long-term debt | | | | | 736,667 |
| Income tax liabilities | | | | | 18,162 |
| Total liabilities | | | | | <u>3,564,604</u> |

Other segment information

| | | | | | |
|-----------------------------------|-----------|--------|----------|---|-----------|
| Capital expenditures | 217,585 | - | 18 | - | 217,602 |
| Depreciation and amortization | 149,010 | - | 6,988 | - | 155,998 |
| Impairment losses | - | - | - | - | - |
| Other non-cash expenses | - | - | - | - | - |
| Cash flows provided by (used in): | | | | | |
| Operating activities | 58,691 | 54,904 | (14,431) | - | 99,164 |
| Investing activities | (183,200) | - | 21,314 | - | (161,886) |
| Financing activities | 54,834 | - | (8,819) | - | 46,015 |

> Geographical Segments

The Company operates in the domestic and international markets. Revenues from operations within the Philippines account for 96% of the Company's total revenues in the 1st Quarter 2003 and 2002.

JOLLIBEE FOODS CORPORATION

| | Dec-02 | Opened | Closed | Mar-03 |
|--|------------------|------------------|-------------|------------|
| NUMBER OF STORES | | | | |
| JFC-Philippines | | | | |
| Co-owned | 188 | 2 | 1 | 189 |
| Franchised | 248 | 2 | 1 | 249 |
| Total | 436 | 4 | 2 | 438 |
| Greenwich | | | | |
| Co-owned | 110 | 1 | 1 | 110 |
| Franchised | 81 | 3 | 0 | 84 |
| Total | 191 | 4 | 1 | 194 |
| Mary's Foods Corporation | | | | |
| Co-owned | 0 | 0 | 0 | 0 |
| Franchised | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| Delifrance | | | | |
| Co-owned | 23 | 0 | 2 | 21 |
| Franchised | 5 | 0 | 0 | 5 |
| Total | 28 | 0 | 2 | 26 |
| Chowking-Phils | | | | |
| Co-owned | 69 | 1 | 0 | 70 |
| Franchised | 147 | 5 | 1 | 151 |
| Total | 216 | 6 | 1 | 221 |
| Total Local Stores | 871 | 14 | 6 | 879 |
| International: | | | | |
| Jollibee: | | | | |
| Hongkong | 4 | 0 | 0 | 4 |
| US | 8 | 0 | 1 | 7 |
| Others | 9 | 0 | 0 | 9 |
| Total | 21 | 0 | 1 | 20 |
| Chowking: | | | | |
| US | 5 | 0 | 0 | 5 |
| Dubai | 3 | 0 | 0 | 3 |
| Total | 8 | 0 | 0 | 8 |
| Tomi's Teriyaki | 2 | 0 | 0 | 2 |
| Total International Stores | 31 | 0 | 1 | 30 |
| Grand Total | 902 | 14 | 7 | 909 |
| NUMBER OF SHARES (in '000) | | | | |
| Issued and Subscribed (Net of treasury shares) | 982,119 | | | 986,264 |
| Weighted Average - Basic | 974,100 | | | 984,746 |
| SYSTEMWIDE SALES (in '000 Pesos) | | | | |
| Quarter 1 | 6,137,590 | 6,729,348 | 9.6% | |

STORES GEOGRAPHICAL LOCATION

As of March 31, 2003

| Jollibee - Philippines | Mar-03 | Dec-02 | Changes |
|-------------------------------|---------------|---------------|----------------|
| Metro Manila | 203 | 204 | -1 |
| Central Luzon | 38 | 38 | 0 |
| Northern Luzon | 25 | 25 | 0 |
| Southern Luzon | 97 | 96 | 1 |
| Visayas | 45 | 44 | 1 |
| Mindanao | 30 | 29 | 1 |
| Total | 438 | 436 | 2 |
| Greenwich Pizza | | | |
| Metro Manila | 93 | 93 | 0 |
| Central Luzon | 15 | 14 | 1 |
| Northern Luzon | 19 | 17 | 2 |
| Southern Luzon | 32 | 32 | 0 |
| Visayas | 22 | 22 | 0 |
| Mindanao | 13 | 13 | 0 |
| Total | 194 | 191 | 3 |
| Chowking | | | |
| Metro Manila | 124 | 119 | 5 |
| Central Luzon | 25 | 26 | -1 |
| Northern Luzon | 12 | 12 | 0 |
| Southern Luzon | 31 | 30 | 1 |
| Visayas | 17 | 17 | 0 |
| Mindanao | 12 | 12 | 0 |
| Total | 221 | 216 | 5 |