

THE JFC GROUP OF COMPANIES

Jollibee 2006 Net Income Up 27% on Strong Sales, Margin Expansion

Metro Manila, Philippines, February 14, 2007 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the quarter ended December 31, 2006.

The following are the highlights of JFC's results of operations for the quarter ended December 31, 2006 based on unaudited financial statements.

(Note: All references versus same period last year.)

Financial Summary	Quarter 4			Full Year		
	2006	2005	% Change	2006	2005	% Change
System Wide Retail Sales	12,430	11,139	11.6%	45,206	39,829	13.5%
Revenues	9,523	8,359	13.9%	33,521	29,162	14.9%
Gross Profit	5,207	4,479	16.3%	18,102	15,102	19.9%
Net Income after Tax before Minority Interests	652	505	29.0%	2,146	1,690	27.0%
Net Income after Tax Attributable to Equity Holders of the Parent	651	507	28.4%	2,143	1,675	28.0%
Earnings per Common Share - Basic	0.6503	0.5109	27.3%	2.1477	1.6867	27.3%
Earnings per Common Share - Diluted	0.6496	0.5100	27.4%	2.1387	1.6838	27.0%

* Amounts in Php Millions, except % change and Per Share data

Jollibee Foods Corporation, the country's largest food service company generated a net income of Php 2,146 million in 2006 driven by strong sales growth and margin expansion. Its System Wide Sales, a measure of all sales to consumers both from company owned and franchised stores grew by 13.5% while net income as a percent of revenues rose from 5.8% in 2005 to 6.4% in 2006. The net income of Php 2,146 million represents a 27.0% growth over the net income generated in 2005 of Php 1,690 million. Net income in the 4th quarter of 2006 reached Php 652 million, representing a 29.0% growth over the net income in the same period in 2005. System Wide Sales rose by 11.6% while net income as a percent of revenues increased from 6.0% to 6.8% in the same comparable periods.

Mr. Tony Tan Caktiong, JFC Chairman and CEO stated that the business across all brands and geographies performed strongly in the 4th quarter. "We are pleased with the strong performance of all our brands in practically every market where we do business; in the Philippines and

abroad. Our Philippine business grew at a high single digit rate of 9.5% while our foreign business rose by 30.2% in the 4th quarter. Our people from all functions also did an outstanding job in expanding our profit margin through cost improvement in the stores, in our commissaries and in our head offices, even as they improved products and introduced new products in order to delight our customers.”

Mr. Tan Caktiong also indicated a continued strong performance in 2007. “Sales has remained strong in the first one and a half months of this year and we look forward to a continued momentum in the months ahead. We are excited by our planned new product introductions, marketing campaigns, and store network expansion both in the Philippines and abroad, and by our planned entry into more countries.”

Mr. Ysmael V. Baysa, JFC Chief Finance Officer disclosed that Operating Profit before tax in the 4th quarter of 2006 actually rose by 71.1% over the same period last year, while for the whole year of 2006, Operating Profit before tax grew by 34.8%. The growth rates in the net income were below these numbers due to the decrease in interest income rates and to the provision for income tax, which increased faster than profit due to higher income tax rate. This is also a function of JFC’s cost and tax structure. He added that margin improvements were achieved in major areas. For the 4th quarter, cost of sales improved from 46.4% of revenues in 2005 to 45.3% in 2006; while General and Administrative Expenses improved from 45.2% in 2005 to 42.8% in 2006. “These improvements were achieved without any price increase in the entire year of 2006 except for the implementation of the 2% increase in the Value Added Tax in February 2006. We attribute the profit margin improvement to the strengthening of the peso which lowered our import costs, and to the continuous cost improvement across all areas of our business such as in logistics, store supplies, store utilities and head office support services,” Mr. Baysa stated.

JFC’s Return On Equity rose from 21.9% in the 4th quarter of 2005 to 24.9% in the same period in 2006. For the entire year, JFC’s Return On Equity grew from 18.1% in 2005 to 20.5% in 2006. Cash generated from operations reached Php 4.7 billion, up by 73% over the Php 2.7 billion generated in 2005. Investments in property and equipment reached Php 1.8 billion in 2006, up by 31% over the Php 1.4 billion spent in 2005. The Jollibee Group opened a total of 162 stores worldwide, 139 in the Philippines and 23 abroad in 2006; 35% higher than the 120 stores it opened in 2005.

The Jollibee Group of Companies operates the country's largest food service network. As of December 31, 2006, it was operating a total of 1,357 stores in the Philippines: Jollibee 566, Chowking 355, Greenwich 240, Red Ribbon 159 and Delifrance 37. In foreign operations, the group had 170 stores: Yonghe King in China 105, Jollibee in the US 11, Red Ribbon in the US 19, Chowking in the US 11, Chowking in Dubai 6, Chowking in Indonesia 3 and Jollibee in other countries 15, for a total of 1,527 stores worldwide.

JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Year Ended December 2006

Peso Amounts in Thousands

	December 2006		December 2005		Change 2005 to 2006
	Unaudited		Audited		
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	31,204,838	93.1%	26,867,290	92.1%	16.1%
Royalties, franchise fees and others	2,316,321	6.9%	2,294,529	7.9%	0.9%
	33,521,159	100.0%	29,161,819	100.0%	14.9%
COST OF SALES	15,418,681	46.0%	14,060,316	48.2%	9.7%
GROSS PROFIT	18,102,478	54.0%	15,101,503	51.8%	19.9%
OPERATING EXPENSES					
General and administrative	14,499,987	43.3%	12,217,770	41.9%	18.7%
Advertising and promotion	858,802	2.6%	847,926	2.9%	1.3%
FINANCE INCOME (CHARGES)					
Interest income	85,612	0.3%	157,689	0.5%	(45.7%)
Interest expense	(23,053)	(0.1%)	(43,246)	(0.1%)	46.7%
EQUITY IN NET LOSS OF A JOINT VENTURE	(14,816)	(0.0%)	(20,626)	(0.1%)	28.2%
PROFIT BEFORE INCOME TAX	2,791,431	8.3%	2,129,624	7.3%	31.1%
PROVISION FOR INCOME TAX	645,284	1.9%	439,827	1.5%	46.7%
NET INCOME	2,146,147	6.4%	1,689,797	5.8%	27.0%
Attributable to:					
Equity holders of the parent	2,143,060	6.4%	1,674,629	5.7%	28.0%
Minority interests	3,087	0.0%	15,167	0.1%	(79.6%)
	2,146,147	6.4%	1,689,797	5.8%	27.0%
Earnings per Share					
Basic	2.1477		1.6867		27.3%
Diluted	2.1387		1.6838		27.0%

JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Quarter Ended December 2006

(Unaudited)

Peso Amounts in Thousands

	Quarter 4 2006		Quarter 4 2005		Change 2005 to 2006
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	8,779,506	92.2%	7,710,306	92.2%	13.9%
Royalties, franchise fees and others	743,150	7.8%	649,012	7.8%	14.5%
	9,522,656	100.0%	8,359,318	100.0%	13.9%
COST OF SALES	4,315,802	45.3%	3,880,734	46.4%	11.2%
GROSS PROFIT	5,206,854	54.7%	4,478,585	53.6%	16.3%
OPERATING EXPENSES					
General and administrative	4,073,910	42.8%	3,778,822	45.2%	7.8%
Advertising and promotion	279,134	2.9%	201,684	2.4%	38.4%
FINANCE INCOME (CHARGES)					
Interest income	35,239	0.4%	82,625	1.0%	(57.4%)
Interest expense	(2,957)	(0.0%)	(25,983)	(0.3%)	88.6%
EQUITY IN NET LOSS OF A JOINT VENTURE	-	-	(7,945)	(0.1%)	100.0%
PROFIT BEFORE INCOME TAX	886,091	9.3%	546,775	6.5%	62.1%
PROVISION FOR INCOME TAX	234,178	2.5%	41,554	0.5%	463.6%
NET INCOME	651,914	6.8%	505,221	6.0%	29.0%
Attributable to:					
Equity holders of the parent	650,686	6.8%	506,818	6.1%	28.4%
Minority interests	1,228	0.0%	(1,597)	(0.0%)	176.9%
	651,914	6.8%	505,221	6.0%	29.0%
Earnings per Share					
Basic	0.6503		0.5109		27.3%
Diluted	0.6496		0.5100		27.4%

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of December 31, 2006
Peso Amounts in Thousands

	Dec - 2006 (Unaudited)	Dec - 2005 (Audited)	Changes
Cash and Cash Items	4,511,258	2,889,538	1,621,719
Accounts Receivables	1,819,788	1,607,620	212,169
Inventories	1,274,461	1,380,060	(105,599)
Prepaid Items & Other Current Assets	977,221	907,637	69,584
Property & Equipment	15,270,178	13,095,849	2,174,329
Accumulated Depreciation	(7,968,513)	(6,083,007)	(1,885,506)
Other Assets	4,086,780	3,965,629	121,151
Total Assets	19,971,173	17,763,326	2,207,846
Accounts Payable	2,402,095	2,083,801	318,294
Accrued Expenses	3,765,288	2,647,321	1,117,967
Other liabilities	631,688	754,654	(122,966)
Current portion of provisions	618,345	618,345	-
Outstanding balance on acquisition of a business	155,514	155,514	-
Current portion of long-term debt	96,335	78,485	17,850
Total Current Liabilities	7,669,265	6,338,120	1,331,145
Noncurrent Liability			
Long-term debt - net of current portion	10,909	32,727	(21,818)
Provisions - net of current portion	32,493	32,493	-
Other non-current liabilities	1,240,434	1,462,005	(221,571)
Paid-up Capital	972,644	1,022,700	(50,056)
Excess on Par	1,838,560	1,771,347	67,213
Subscriptions receivable	(17,178)	(17,178)	-
Translation Adjustments	252,269	218,682	33,587
Unrealized gain or loss on fair value of assets	(317)	(317)	-
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	-
unappropriated	4,878,570	5,825,640	(947,070)
Pnl-to-Date	2,146,146		2,146,146
Less: Warrants and treasury shares	(288,447)	(364,417)	75,970
Minority Interest	35,826	241,524	(205,698)
Total Equities	11,018,073	9,897,982	1,120,091
Total Liabilities & Equities	19,971,173	17,763,326	2,207,846

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Cash Flows

As of December 31, 2006

(Unaudited)

Peso Amounts in Thousands

	Dec 2006	Dec 2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	2,791,431	2,129,624
Adjustments for:		
Depreciation and amortization	1,488,256	1,400,286
Loss (Gain) on disposals and retirement of property and equipment	10,999	(18,509)
Interest income	(85,612)	(157,689)
Income from Meralco	(7,051)	(35,921)
Share-based payments		32,446
Provisions for:		
Impairment in value of property, plant and equipment	-	25,946
Legal claims, lease contract preterminations and restructuring costs.	-	16,851
Interest expense	23,053	43,246
Equity in net loss of a joint venture	14,816	20,626
Foreign exchange loss (gain)	(15,771)	17,952
Dividend income	-	(6,786)
Operating income before working capital changes	4,220,121	3,468,072
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	(212,169)	(265,960)
Inventories	105,599	(196,265)
Prepaid items and other current assets	(62,533)	(63,027)
Increase (decrease) in:		
Accounts payable	334,065	103,669
Accrued expenses	940,388	4,968
Other liabilities	(182,530)	174,721
Cash generated from operations	5,142,943	3,226,177
Income taxes paid	(467,708)	(524,063)
Net cash provided by operating activities	4,675,235	2,702,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,808,525)	(1,382,821)
Acquisition of a subsidiary - net of cash acquired		(1,198,131)
(Increase) Decrease in other noncurrent assets	(135,967)	(79,209)
Interest received	85,612	157,689
Proceeds from disposal of property and equipment	20,447	84,751
Net cash provided by (used in) investing activities	(1,838,433)	(2,417,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	(623,523)	(472,599)
Bank loans	(78,485)	(272,478)
Proceeds from:		
Availment of bank loans	74,517	-
Issuance of Treasury Stocks	75,970	61,815
Issuance of and subscriptions to capital stock	17,157	8,831
Interest paid	(23,053)	(33,577)
Increase (Decrease) in noncurrent liabilities	(221,571)	45,359
Increase (decrease) in minority interest	(469,682)	2,723
Net cash provided by (used in) financing activities	(1,248,670)	(659,926)
Translation adjustments	33,587	(17,952)

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
As of December 31, 2006
(Unaudited)
Peso Amounts In Thousands

	Dec-06	Dec-05
Capital Stock - P1 par value		
Issued and Subscribed		
Balance, beginning	1,022,700	1,022,158
Subscriptions and Issuances	1,483	542
Balance, end	1,024,183	1,022,700
Net assets of merged companies	(51,539)	
	972,644	1,018,287
Subscriptions Receivable		
Balance, beginning	(17,178)	(18,155)
Receivables on new subscriptions	-	-
Collections	-	978
Balance, end	(17,178)	(17,178)
Additional Paid-in Capital		
Balance, beginning	1,771,347	1,746,011
Premium on new issuances	19,404	7,312
Cost of stock options granted		32,446
Premium on re-issuances of treasury shares	47,809	(14,421)
Balance, end	1,838,560	1,771,347
Share in Translation Adjustments of Investees		
Balance, beginning of year	218,682	144,292
Share in translation adjustments during the year	33,587	74,390
Balance, end	252,269	218,682
Retained Earnings		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	5,825,640	4,697,346
Net income	2,146,146	1,674,629
Cash dividends	(678,484)	(546,336)
Retained Earnings of a newly-acquired subsidiary	(263,984)	
Adjustment in retained earnings of a foreign subsidiary	(4,602)	-
Balance, end	7,024,716	5,825,640
	8,224,716	7,025,640
Unrealized Loss on Available-For-Sale Financial Assets	(317)	(317)
Treasury Shares		
Balance, beginning	(364,417)	(440,653)
Reissuances	75,970	76,236
Balance, end	(288,447)	(364,417)
Minority Interest	35,826	241,524
	11,018,073	9,897,982
Total Recognized Income and Expense for the Year		
Net income for the year	2,146,146	1,674,629
Translation adjustments during the year	33,587	74,390

Assets and liabilities

Segment assets	24,325,823		348,542	(7,719,180)	16,955,185
Deferred tax assets					760,971
Interest in and advances to a joint venture					47,170
Total assets					17,763,326
Segment liabilities	9,541,564	-	300,045	(2,100,997)	7,740,612
Long-term debt-current portion					78,485
Long-term debt-net of current portion					32,728
Income tax payable					13,519
Total liabilities					7,865,344
Other segment information					
Capital expenditures	1,382,821	-	-	-	1,382,821
Depreciation and amortization	1,365,049	-	35,237	-	1,400,286
Impairment losses	21,311	-	4,635	-	25,946
Other non-cash expenses	1,043	-	15,808	-	16,851

Geographical Segments

The Jollibee Group operates in the domestic and international markets. The substantial portion of the revenues from operations in 2006 and 2005 were from within the Philippines.

- The Parent Company's subsidiary, Chowking Food Corporation changed its royalty and advertising rate from 10% royalty to 5% royalty and 5% advertising. The change resulted in an offsetting income and expense adjustment and thus, did not affect its net income.
 - The income tax provision for the year is inclusive of the impact of the Deferred Income Tax arising from the application of NOLCO of a subsidiary in Quarter 1, 2 and 4 2006. The resulting tax adjustment for the year was P72.9M.
 - On January 17, 2006, the Company acquired Green Foods Franchising, Inc.'s 20% in Greenwich Pizza Corporation for P384 Million Pesos. With this purchase, Jollibee Foods Corporation becomes 100% owner of Greenwich Pizza Corporation.
 - On September 29, 2006, JFC acquired the 50% stake of Delifrance Asia Ltd. (DAL) in Baker Fresh Foods Philippines, Inc. (BFFPI) making BFFPI a wholly owned subsidiary of Jollibee Foods Corporation. The acquisition of the 50% stake of DAL involved a restructuring of all advances by JFC and DAL to BFFPI amounting to PhP 130 million into equity and the purchase of the 50% stake of DAL by JFC for a consideration of Singapore \$1.00. BFFPI has no debt to any financial institution or other parties. BFFPI, as a franchisee of DAL will continue to pay royalty on the sales of Delifrance outlets in the Philippines to DAL.
- The financial statements of the JFC Group for Quarter 4 and the Full Year 2006 include the results of operations condition of BFFPI.
- The Securities and Exchange Commission approved the Articles and Plan of Merger executed on November 10, 2006 by

Chowking Food Corporation, Greenwich Pizza Corporation and Baker Fresh Foods Philippines, Inc., with Chowking as the surviving corporation. The SEC likewise approved the change in corporate name of Chowking Food Corporation to Fresh N' Famous Foods, Inc. The effectivity date of the merger and change of name is December 29, 2006.

With the approval of the merger, Chowking, as the surviving entity will be renamed "Fresh N' Famous Foods, Inc."

11. There are no other material events subsequent to the end of the interim period that are reasonably expected to have a material impact on the Company's net income from continuing operations.

(In Thousands)

Results of Operations

Revenues from external customers	31,594,341	1,743,818	182,999		33,521,159
Inter-segment revenues	3,843,822	195,277	6,910	(4,046,009)	-
Segment revenue	35,438,163	1,939,096	189,909	(4,046,009)	33,521,159
Segment expense	(30,603,356)	10,823	(184,938)		(30,777,470)
Segment result	4,834,807	1,949,919	4,971	(4,046,009)	2,743,688
Interest expense					(23,053)
Interest income					85,612
Equity in net loss of joint venture	(14,816)				(14,816)
Income before income tax and minority interest					2,791,431
Income tax expense					(645,284)
Net income					2,146,147
Assets and liabilities					
Segment assets	20,132,316	61,609	383,772	(837,815)	19,739,882
Deferred tax assets					-
Interest in and advances to a joint venture	231,291				231,291
Total assets					19,971,173
Segment liabilities	9,495,717		343,756	(897,281)	8,942,192
Long-term debt					10,909
Total liabilities					8,953,101
Other segment information					
Capital expenditures	1,808,525				1,808,525
Depreciation and amortization	1,478,750		9,506		1,488,256

As of and for the Quarter Ended December 31, 2005

	Food Service	Franchising	Real Estate	Eliminations	Total
Results of Operations					
Revenues from external customers	26,862,556	2,014,908	163,061		29,040,525
Inter-segment revenues	4,077,554	227,771	93,072	(4,398,397)	-
Segment revenue	30,940,110	2,242,679	256,133	(4,398,397)	29,040,525
Segment expense	(31,403,256)		(221,498)	4,541,539	(27,083,215)
Impairment losses	(21,311)		(4,635)		(25,946)
Provision for legal claims and restructuring costs	(1,043)		(15,808)		(16,851)
Other segment income	247,481		16,955	(143,142)	121,294
Segment result	(238,019)	2,242,679	31,147		2,035,807
Interest expense					(43,246)
Interest income					157,689
Equity in net loss of joint venture					(20,626)
Income before income tax and minority interest					2,129,624
Income tax expense					(439,827)
Net income					1,689,797

Notes and Other Disclosures

1. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes statements titled PFRS and Philippine Accounting Standards (PAS), including Interpretations, issued by the Philippine Accounting Standards Council.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative and available-for-sale financial assets in the 2005 balance sheet which are carried at fair value.. The consolidated financial statements are presented in Philippine peso, the Jollibee Group's functional and reporting currency, and all values are rounded to the nearest peso, except when otherwise indicated.

2. The consolidated financial statements comprise the financial statements of Jollibee Foods Corporation and its subsidiaries as at December 31, 2006.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets and liabilities, are eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date that such control ceases.

3. The Company adopted the same accounting policies, standards and methods of computations applied in the 2005 audited consolidated financial statements.
4. Food service operations have both peak and lean seasons. The material financial impact of this seasonality has been considered in the financial forecast.

5. 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 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 December 31, 2006 and 2005:

As of and for the Quarter Ended December 31, 2006

Food Service	Franchising	Real Estate	Eliminations	Total
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