

THE JFC GROUP OF COMPANIES
Jollibee Net Income Rises by 18% in Q1 2007

Metro Manila, Philippines, May 11, 2007 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the quarter ended March 31, 2007

Following are the highlights of JFC's results of performance for the quarter ended March 31, 2007.

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

Financial Summary	Quarter 1		
	2007	2006	% Change
System Wide Retails Sales	11,696	10,355	13.0%
Revenues	8,703	7,583	14.8%
Net Income	529	448	18.0%
Net Income Attributable to Equity Holders of the Parent	531	449	18.3%
Earnings Per Common Share - Basic	0.528	0.451	17.1%
Earnings Per Common Share - Diluted	0.527	0.450	17.1%

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

The net income of Jollibee Foods Corporation grew by 18.0% in the first quarter of 2007 over the net income in the same period last year driven by a 14.8% rise in its revenues and by a continued improvement in its profit margins. Its system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 13.0% over the first quarter of 2006.

JFC Chairman and Chief Executive Officer, Mr. Tony Tan Caktiong stated that JFC's businesses both in the Philippines and abroad continued to perform strongly in the first quarter. "Overall, our Philippine stores achieved growth rates that were higher than in the past two years. We attribute the strong growth to a recovery in consumer spending behind an improving economy and to our product launches and marketing campaigns. In our international business, store sales continued to rise remarkably in practically every foreign market and across all our brands. The consumers in our markets abroad are clearly responding to our continued effort in improving our products, particularly in product tastes and our services."

JFC Chief Finance Officer, Mr. Ysmael V. Baysa stated that operating profit before tax grew by 22.3% in the first quarter of 2007 versus the same period in 2006 driven by a 14.8% increase in revenues and by an improvement in operating margin from 7.5% in Quarter 1 of 2006 to 8.0% in 2007. He added that the improvement in margin was achieved in spite of investment spending in some brands and the slight increase in the cost of sales. "We are putting more advertising money in some brands as an investment for their long term growth. Meanwhile, we have avoided price increases even as some costs had gone up slightly. We believed that this has helped spur the growth in sales volume. The last real price increase we implemented was in November, 2005", Mr. Baysa added.

JFC had opened a total of 24 stores in the first quarter of 2007: 23 in the Philippine Operations (Jollibee 11, Chowking 7, Greenwich 3 and Red Ribbon, 2) and 1 in Foreign Operations (Brunei).

JFC operates the largest food service network in the Philippines. As of March 31, 2007, it was operating a total of 1,364 stores in the Philippines: Jollibee 573, Chowking 361, Greenwich 236, Red Ribbon 157 and Delifrance 37. In foreign operations, the group had 170 stores: Yonghe King in China 103, Jollibee in the US 11, Red Ribbon in the US 19, Chowking in the US 11, Chowking in Dubai 6, Chowking in Indonesia 3, Jollibee in other countries 16, and CST in China 1 for a total of 1,534 stores worldwide.

JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Quarter Ended March 2007

(Unaudited)

Peso Amounts in Thousands

	March 2007		March 2006		Change 2006 to 2007
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	8,149,173	93.6%	7,054,875	93.0%	15.5%
Royalties, franchise fees and others	553,857	6.4%	527,973	7.0%	4.9%
	8,703,030	100.0%	7,582,848	100.0%	14.8%
COST OF SALES	4,062,686	46.7%	3,516,034	46.4%	15.5%
GROSS PROFIT	4,640,344	53.3%	4,066,814	53.6%	14.1%
OPERATING EXPENSES					
General and administrative	3,713,102	42.7%	3,315,762	43.7%	12.0%
Advertising and promotion	234,377	2.7%	184,317	2.4%	27.2%
FINANCE INCOME (CHARGES)					
Interest income	22,310	0.3%	7,003	0.3%	218.6%
Interest expense	(3,701)	(0.0%)	(5,104)	(0.2%)	27.5%
EQUITY IN NET LOSS OF A JOINT VENTURE		-	(4,467)	(0.1%)	100.0%
PROFIT BEFORE INCOME TAX	711,474	8.2%	564,167	7.4%	26.1%
PROVISION FOR INCOME TAX	182,291	2.1%	115,724	1.5%	57.5%
NET INCOME	529,183	6.1%	448,442	5.9%	18.0%
Attributable to:					
Equity holders of the parent	530,673	6.1%	448,715	5.9%	18.3%
Minority interests	(1,489)	(0.0%)	(273)	(0.0%)	(445.6%)
	529,183	6.1%	448,442	5.9%	18.0%
Earnings per Share					
Basic	0.5283		0.4510		17.1%
Diluted	0.5274		0.4502		17.1%
Average Number of Common Shares-Basic (000)	1,004,552		995,016		
Average Number of Common Shares-Diluted (000)	1,006,253		996,607		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of March 31, 2007

Peso Amounts in Thousands

	Mar - 2007	Dec - 2006	Changes
	(Unaudited)	(Unaudited)	
Cash and Cash Items	4,314,565	4,511,104	(196,539)
Accounts Receivables	1,450,710	1,819,788	(369,078)
Inventories	1,322,256	1,274,461	47,795
Prepaid Items & Other Current Assets	1,261,017	977,221	283,796
Property & Equipment	15,763,258	15,270,178	493,080
Accumulated Depreciation	(8,408,384)	(7,968,513)	(439,871)
Other Assets	4,433,802	4,086,780	347,022
Total Assets	20,137,225	19,971,019	166,206
Accounts Payable	2,092,807	2,402,095	(309,287)
Accrued Expenses	3,418,256	3,765,288	(347,031)
Other liabilities	872,589	631,688	240,901
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	69,058	59,931	9,127
Total Current Liabilities	7,226,570	7,632,860	(406,290)
Noncurrent Liability			
Long-term debt - net of current portion	47,158	47,158	(0)
Provisions - net of current portion	32,493	32,493	-
Other non-current liabilities	1,227,686	1,240,434	(12,749)
Paid-up Capital	1,024,680	1,024,183	497
Excess on Par	1,786,812	1,787,021	(209)
Subscriptions receivable	(17,178)	(17,178)	-
Translation Adjustments	242,060	252,269	(10,209)
Unrealized gain or loss on fair value of assets	(317)	(317)	-
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	-
unappropriated	7,024,716	7,024,716	-
Pnl-to-Date	529,183	-	529,183
Less: Treasury shares	(222,719)	(288,447)	65,728
Minority Interest	36,082	35,826	256
Total Equities	11,603,319	11,018,073	585,246
Total Liabilities & Equities	20,137,225	19,971,019	166,206

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Cash Flows
As of March 31, 2007
(Unaudited)
Peso Amounts in Thousands

	March 2007	March 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	711,474	564,167
Adjustments for:		
Depreciation and amortization	366,143	346,377
Loss (Gain) on disposals and retirement of property and equipment	(2,310)	(6,293)
Interest income	(22,310)	(7,003)
Interest expense	3,701	5,104
Equity in net loss of a joint venture	-	4,467
Foreign exchange loss (gain)	1,268	-
Dividend income	-	-
Operating income before working capital changes	1,057,966	906,818
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	369,078	246,319
Inventories	(47,795)	74,464
Prepaid items and other current assets	(283,796)	(112,210)
Increase (decrease) in:		
Accounts payable	(310,555)	(515,271)
Accrued expenses	(399,938)	144,132
Other liabilities	240,901	(59,947)
Cash generated from operations	625,862	684,305
Income taxes paid	(129,384)	(202,677)
Net cash provided by operating activities	496,478	481,627
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(417,043)	(407,641)
Acquisition of a subsidiary - net of cash acquired		
(Increase) Decrease in other noncurrent assets	(347,022)	(245,290)
Interest received	22,310	7,003
Net cash provided by (used in) investing activities	(741,755)	(645,929)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	(44,790)	0
Bank loans	(7,535)	(60,349)
Proceeds from:		
Availment of bank loans	16,662	-
Issuance of Treasury Stocks	65,728	22,098
Issuance of and subscriptions to capital stock	288	2,122
Interest paid	(3,701)	(5,104)
Increase (Decrease) in noncurrent liabilities	32,041	-
Increase (decrease) in minority interest	256	(225,023)
Net cash provided by (used in) financing activities	58,949	(266,254)
Translation adjustments	(10,209)	(3,107)
Net Increase (Decrease) in Cash and Cash Equivalents	(196,539)	(433,662)
Cash and Cash Equivalents, Beginning	4,511,104	2,889,538
Cash and Cash Equivalents, End	4,314,565	2,455,876

JOLIBEE FOODS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTERS ENDED MARCH 31, 2007 AND 2006

	Retained Earnings						Minority Interest	Total				
	Capital Stock	Subscription Receivable	Additional Paid-in Capital	Cumulative Translation Adjustments of Subsidiaries	Unrealized Loss on Available-for-Sale Financial Assets	Excess in the Acquisition Cost over the Carrying Value of Minority Interest	Appropriated for Future Expansion	Unappropriated	Cost of Common Stock Held in Treasury	Total		
Balance at January 1, 2007	1,024,183	(17,178)	1,787,021	252,269	(317)	-	1,200,000	7,024,716	(288,447)	10,992,247	35,828	11,018,073
Net income for the year								529,183		529,183	1,489	530,673
Translation adjustments during the year										(10,209)	(1,233)	(11,442)
Unrealized gain on available-for-sale financial assets for the year												
Total income and expenses for the year								529,183		518,974	256	519,231
Subscriptions and issuances of shares	497		4,582	(10,209)						5,079		5,079
Re-issuances for stock purchase exercised			(4,791)						65,728	60,937		60,937
Re-issuances for stock purchase by retirement fund												
Cost of stock options granted												
Cash dividends												
Acquisition of minority interest												
Balance at March 31, 2007	1,024,680	(17,178)	1,786,812	242,060	(317)	-	1,200,000	7,553,900	(222,719)	11,567,238	36,082	11,603,319

	Retained Earnings						Minority Interest	Total				
	Capital Stock	Subscription Receivable	Additional Paid-in Capital	Cumulative Translation Adjustments of Subsidiaries	Unrealized Loss on Available-for-Sale Financial Assets	Excess in the Acquisition Cost over the Carrying Value of Minority Interest	Appropriated for Future Expansion	Unappropriated	Cost of Common Stock Held in Treasury	Total		
Balance at January 1, 2006	1,022,700	(17,178)	1,771,347	218,682	(317)	-	1,200,000	5,825,959	(364,417)	9,656,776	241,205	9,897,982
Net income for the year								448,715		448,715	273	448,988
Translation adjustments during the year										3,107	(9,826)	(6,719)
Unrealized gain on available-for-sale financial assets for the year												
Total income and expenses for the year								448,715		451,822	(9,553)	442,269
Subscriptions and issuances of shares	147		1,698	3,107						1,846		1,846
Re-issuances for stock purchase exercised			277						22,098	22,375		22,375
Re-issuances for stock purchase by retirement fund												
Cost of stock options granted												
Cash dividends												
Acquisition of minority interest												
Balance at March 31, 2006	1,022,847	(17,178)	1,773,323	221,789	(317)	-	1,200,000	6,274,674	(342,319)	10,132,819	15,910	10,148,729

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 2007 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 March 31, 2007.

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 2006 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. Those transfers are eliminated at the consolidation.

The Jollibee Group's geographical segments are based on the location of the assets producing the revenues. Sales to external customers disclosed in the geographical segments are based on the geographical location of its customers.

Income before income tax and minority interest				564,167	
Income tax expense				(115,724)	
Net income				448,442	
Assets and liabilities					
Segment assets	18,121,713		356,639	(1,213,519)	17,264,833
Interest in and advances to a joint venture	170,854				170,854
Total assets					17,435,686
Segment liabilities	8,222,185		346,373	(1,371,171)	7,197,387
Long-term debt					89,570
Total liabilities					7,286,957
Other segment information					
Capital expenditures	407,641	-	-	-	407,641
Depreciation and amortization	343,859	-	2,518	-	346,377

Geographical Segments

The following table presents revenue, segment assets and capital information regarding the Jollibee Group's geographical segments:

	Philippines	International	Eliminations	Total
March 2007				
Revenue	7,742,054	974,331	(13,355)	8,703,030
Segment assets	20,023,738	3,687,230	(3,573,743)	20,137,225
Capital expenditures	379,726	37,317		417,043
March 2006				
Revenue	6,739,181	853,381	(9,714)	7,582,848
Segment assets	16,939,805	3,740,419	(3,244,538)	17,435,686
Capital expenditures	357,658	49,983		407,641

6. 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.

> 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, 2007 and 2006:

	As of and for the Quarter Ended March 31, 2007					Total
	Food Service	Franchising	Real Estate	Eliminations		
	<i>(In Thousands)</i>					
Results of Operations						
Revenues from external customers	8,204,246	445,605	53,179			8,703,030
Inter-segment revenues	1,010,537	58,352	1,794	(1,070,683)		-
Segment revenue	9,214,784	503,958	54,972	(1,070,683)		8,703,030
Segment expense	(7,966,251)	2,749	(46,662)			(8,010,165)
Other segment income						-
Segment result	1,248,533	506,706	8,310	(1,070,683)		692,866
Interest expense						(3,701)
Interest income						22,310
Income before income tax and minority interest						711,474
Income tax expense						(182,291)
Net income						529,183
Assets and liabilities						
Segment assets	21,177,195		393,883	(1,433,852)		20,137,225
Total assets						20,137,225
Segment liabilities	9,510,304	-	346,301	(1,369,857)		8,486,748
Long-term debt						47,158
Total liabilities						8,533,906
Other segment information						
Capital expenditures	417,043	-	-	-		417,043
Depreciation and amortization	364,872	-	1,271	-		366,143

	As of and for the Quarter Ended March 31, 2006					Total
	Food Service	Franchising	Real Estate	Eliminations		
	<i>(In Thousands)</i>					
Results of Operations						
Revenues from external customers	7,118,127	410,276	54,445			7,582,848
Inter-segment revenues	1,018,006	42,495	1,621	(1,062,122)		-
Segment revenue	8,136,133	452,771	56,066	(1,062,122)		7,582,848
Segment expense	(6,969,439)	-	(46,675)			(7,016,114)
Other segment income						-
Segment result	1,166,694	452,771	9,391	(1,062,122)		566,734
Interest expense						(5,104)
Interest income						7,003
Equity in net loss of joint venture	(4,467)					(4,467)

JOLLIBEE FOODS CORPORATION

	Dec-06 Stores	Opened YTD	Closed YTD	Ownership Change	Mar-07 Stores
NUMBER OF STORES					
JFC-Philippines					
Co-owned	258	6	2	0	262
Franchised	308	5	2	0	311
Total	566	11	4	0	573
Chowking-Phils					
Co-owned	111	2	0	0	113
Franchised	244	5	1	0	248
Total	355	7	1	0	361
Greenwich					
Co-owned	132	2	3	2	133
Franchised	107	1	3	-2	103
Total	239	3	6	0	236
Red Ribbon					
Co-owned	110	1	4	0	107
Franchised	49	1	0	0	50
Total	159	2	4	0	157
Dellfrance					
Co-owned	33	0	0	0	33
Franchised	4	0	0	0	4
Total	37	0	0	0	37
Total Local Stores	1356	23	15	0	1364
International:					
Jollibee:					
Hongkong	1	0	0	0	1
US	11	0	0	0	11
Vietnam	5	0	0	0	5
Others	9	1	0	0	10
Total	26	1	0	0	27
Chowking:					
US	11	0	0	0	11
Dubai	6	0	0	0	6
Indonesia	3	0	0	0	3
Total	20	0	0	0	20
Red Ribbon					
Co-owned	19	0	0	0	19
Franchised	0	0	0	0	0
Total	19	0	0	0	19
Yonghe King					
Co-owned	101	0	2	0	99
Franchised	4	0	0	0	4
Total	105	0	2	0	103
CST					
	1	0	0	0	1
Total International Stores	171	1	2	0	170
Grand Total	1527	24	17	0	1534
NUMBER OF SHARES (in '000)					
Issued and Subscribed (Net of treasury shares)					1,007,169
Weighted Average - Basic					1,004,552
Weighted Average - Diluted					1,006,253
SYSTEMWIDE SALES (in '000 Pesos)					
	Mar-06	Mar-07		Growth	
Quarter 1	10,355,194	11,696,393		13.0%	

STORES GEOGRAPHICAL LOCATION

As of March, 2007

Jollibee - Philippines	Mar-07	Dec-06	Changes
Metro Manila	230	230	0
Central Luzon	44	45	-1
Northern Luzon	56	53	3
Southern Luzon	127	125	2
Visayas	66	65	1
Mindanao	50	48	2
Total	573	566	7
Greenwich Pizza			
Metro Manila	112	115	-3
Central Luzon	31	30	1
Northern Luzon	14	15	-1
Southern Luzon	38	39	-1
Visayas	20	19	1
Mindanao	21	21	0
Total	236	239	-3
Chowking			
Metro Manila	181	179	2
Central Luzon	43	43	0
Northern Luzon	25	24	1
Southern Luzon	55	54	1
Visayas	33	32	1
Mindanao	24	23	1
Total	361	355	6