

# JOLLIBEE FOODS CORPORATION

## Consolidated Statements of Income

For the Period Ended March 2008

(Unaudited)

Peso Amounts in Thousands

	Mar 2008		Mar 2007		Change 2006 to 2007
	Pesos	Pct.	Pesos	Pct.	
<b>REVENUES</b>					
Sales	9,344,280	93.5%	8,149,173	93.6%	14.7%
Royalties, franchise fees and others	646,491	6.5%	553,857	6.4%	16.7%
	9,990,770	100.0%	8,703,030	100.0%	14.8%
<b>COST OF SALES</b>	4,854,741	48.6%	4,062,686	46.7%	19.5%
<b>GROSS PROFIT</b>	5,136,029	51.4%	4,640,344	53.3%	10.7%
<b>OPERATING EXPENSES</b>					
General and administrative	4,209,179	42.1%	3,713,102	42.7%	13.4%
Advertising and promotion	261,057	2.6%	234,377	2.7%	11.4%
<b>NET OPERATING INCOME</b>	665,792	6.7%	692,866	8.0%	(3.9%)
<b>FINANCE INCOME (CHARGES)</b>					
Interest income	21,473	0.2%	22,310	0.3%	(3.7%)
Interest expense	(4,839)	(0.0%)	(3,701)	(0.0%)	(30.8%)
<b>PROFIT BEFORE INCOME TAX</b>	682,426	6.8%	711,474	8.2%	(4.1%)
<b>PROVISION FOR INCOME TAX</b>	202,778	2.0%	182,291	2.1%	11.2%
<b>NET INCOME</b>	479,648	4.8%	529,183	6.1%	(9.4%)
<b>Attributable to:</b>					
Equity holders of the parent	479,648	4.8%	530,673	6.1%	(9.6%)
Minority interests	-	-	(1,489)	(0.0%)	100.0%
	479,648	4.8%	529,183	6.1%	(9.4%)
<b>Earnings per Share</b>					
Basic	0.4698		0.5283		(11.1%)
Diluted	0.4693		0.5274		(11.0%)
<b>Average Number of Common Shares-Basic (000)</b>	1,020,914		1,004,552		
<b>Average Number of Common Shares-Diluted (000)</b>	1,021,959		1,006,253		

# JOLLIBEE FOODS CORPORATION

## Consolidated Balance Sheet

As of March 31, 2008

Peso Amounts in Thousands

	Mar - 2008	Dec - 2007	Change
	(Unaudited)	(Audited)	
Cash and Cash Items	4,584,422	5,575,943	(991,521)
Accounts Receivables	2,024,516	1,942,451	82,065
Inventories	1,492,793	1,629,428	(136,635)
Prepaid Items & Other Current Assets	1,397,958	1,261,259	136,700
Property & Equipment	15,252,962	14,950,021	302,941
Accumulated Depreciation	(7,811,048)	(7,458,976)	(352,072)
Other Assets	4,603,426	4,044,877	558,549
<b>Total Assets</b>	<b>21,545,029</b>	<b>21,945,002</b>	<b>(399,972)</b>
Accounts Payable	1,836,857	2,257,256	(420,399)
Accrued Expenses	2,351,702	2,223,417	128,285
Other liabilities	2,853,364	3,007,777	(154,413)
Current portion of provisions	25,394	25,394	-
Outstanding balance on acquisition of a business		-	-
Current portion of long-term debt	24,321	40,550	(16,229)
<b>Total Current Liabilities</b>	<b>7,091,637</b>	<b>7,554,394</b>	<b>(462,756)</b>
<b>Noncurrent Liability</b>			
Long-term debt - net of current portion	102,858	102,858	-
Provisions - net of current portion	32,112	32,112	-
Other non-current liabilities	1,130,703	1,607,301	(476,598)
Paid-up Capital	1,038,284	1,034,139	4,145
Excess on Par	2,133,195	2,095,676	37,519
Subscriptions receivable	(17,178)	(17,178)	-
Translation Adjustments	151,040	151,040	-
Unrealized gain or loss on fair value of assets	22,160	22,160	-
Excess on the acquisition cost over the carrying value of minority interest	(543,979)	(543,979)	-
Retained Earnings		-	-
Appropriated for future expansion	1,200,000	1,200,000	-
unappropriated	8,884,409	8,884,409	-
Pnl-to-Date	479,648	-	479,648
Less: Treasury shares	(159,861)	(183,339)	23,478
Minority Interest		5,408	(5,408)
<b>Total Equities</b>	<b>13,187,719</b>	<b>12,648,337</b>	<b>539,382</b>
<b>Total Liabilities &amp; Equities</b>	<b>21,545,029</b>	<b>21,945,002</b>	<b>(399,972)</b>

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statements of Cash Flows**

As of March 31, 2008

(Unaudited)

Peso Amounts in Thousands

	Mar 2008	Mar 2007
	Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax and minority interest	682,426	711,474
Adjustments for:		
Depreciation and amortization	401,335	366,143
Loss (Gain) on disposals and retirement of property and equipment	13,028	(2,310)
Interest income	(21,473)	(22,310)
Interest expense	4,839	3,701
Equity in net loss of a joint venture	-	
Foreign exchange loss (gain)	-	1,268
Operating income before working capital changes	1,080,155 -	1,057,966
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	(82,065)	369,078
Inventories	136,635	(47,795)
Prepaid items and other current assets	(136,700)	(283,796)
Increase (decrease) in:		
Accounts payable	(420,399)	(310,555)
Accrued expenses	9,232	(399,938)
Other liabilities	(113,786)	240,901
Cash generated from operations	473,073	625,862
Income taxes paid	(83,725)	(129,384)
Net cash provided by operating activities	389,348	496,478
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(365,232)	(417,043)
(Increase) Decrease in other noncurrent assets	(558,549)	(347,022)
Interest received	21,473	22,310
Net cash provided by (used in) investing activities	(902,308)	(741,755)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Cash dividends	(324,450)	(44,790)
Bank loans	(16,229)	(7,535)
Proceeds from:		
Availment of bank loans	-	16,662
Issuance of Treasury Stocks	23,478	65,728
Issuance of and subscriptions to capital stock	41,664	288
Interest paid	(4,839)	(3,701)
Increase (Decrease) in noncurrent liabilities	(192,775)	32,041
Increase (decrease) in minority interest	(5,408)	256
Net cash provided by (used in) financing activities	(478,560) -	58,949
Translation adjustments	0	(10,209)
Net Increase (Decrease) in Cash and Cash Equivalents	(991,521) -	(196,538)
Cash and Cash Equivalents, Beginning	5,575,943	4,511,104
Cash and Cash Equivalents, End	4,584,423 -	4,314,565

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTERS ENDED MARC 31, 2008 AND 2007

(Amounts in PHP '000)											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	Retained Earnings		Cost of Common Stock Held in Treasury	Total		
							Appropriated for Future Expansion	Unappropriated				
Balance at January 1, 2008	1,034,139	(17,178)	2,095,676	151,040	22,160	(543,979)	1,200,000	8,884,409	(183,339)	12,642,929	5,408	12,648,337
Net income for the year								479,648		479,648		479,648
Translation adjustments during the year				0						0		0
Unrealized gain on available-for-sale financial assets for the year					-							
Total income and expenses for the year	-	-	-	0	-	-	-	479,648	-	479,649	-	479,649
Subscriptions and issuances of shares	4,145		37,519							41,664		41,664
Re-issuances for stock purchase exercised			0						23,478	23,478		23,478
Re-issuances for stock purchase by retirement fund										-		-
Cost of stock options granted										-		-
Cash dividends										-		-
Minority Interest											(5,408)	(5,408)
	4,145	-	37,519	-	-	-	-	-	23,478	65,142	(5,408)	59,734
Balance at March 31, 2008	1,038,284	(17,178)	2,133,195	151,040	22,160	(543,979)	1,200,000	9,364,057	(159,861)	13,187,719	0	13,187,719

(Amounts in PHP '000)											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	Retained Earnings		Cost of Common Stock Held in Treasury	Total		
							Appropriated for Future Expansion	Unappropriated				
Balance at January 1, 2007	1,024,183	(17,178)	1,787,021	252,269	(317)		1,200,000	7,024,716	(288,447)	10,982,247	35,826	11,018,073
Net income for the year								529,183		529,183	1,489	530,673
Translation adjustments during the year				(10,209)						(10,209)	(1,233)	(11,442)
Unrealized gain on available-for-sale financial assets for the year					-							
Total income and expenses for the year	-	-	-	(10,209)	-	-	-	529,183	-	518,974	256	519,231
Subscriptions and issuances of shares	497		4,582							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												
	497	-	(209)	-	-	-	-	-	65,728	66,016	-	66,016
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

## 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, 2008.

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 2007 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.

> 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, 2008 and 2007.

	As of the Period Ended March 31, 2008				
	Food Service	Franchising	Leasing	Eliminations	Total
	<i>(In Thousands)</i>				
<b>Results of Operations</b>					
Revenues from external customers	9,464,900	498,086	27,784		9,990,770
Inter-segment revenues	1,490,930	94,556	48,738	(1,634,225)	-
Segment revenue	10,955,830	592,642	76,523	(1,634,225)	9,990,770
Segment expense	(9,280,230)		(44,748)		(9,324,978)
Other segment income		-			-
<b>Segment result</b>	<b>1,675,600</b>	<b>592,642</b>	<b>31,775</b>	<b>(1,634,225)</b>	<b>665,792</b>
Interest expense					(4,839)
Interest income					21,473
Amortization of goodwill					
Income before income tax and minority interest					682,426
Income tax expense					(202,778)
Net income					<u>479,648</u>
<b>Assets and liabilities</b>					
Segment assets	21,187,700		357,328		21,545,029
Total assets					<u>21,545,029</u>
Segment liabilities	8,041,777	-	212,675		8,254,452
Long-term debt					102,858
Total liabilities					<u>8,357,310</u>
<b>Other segment information</b>					
Capital expenditures	365,232	-	-	-	365,232
Depreciation and amortization	400,984	-	350	-	401,335

	As of and for the Quarter Ended March 31, 2007				
	Food Service	Franchising	Real Estate	Eliminations	Total
	<i>(In Thousands)</i>				
<b>Results of Operations</b>					
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		-			-
<b>Segment result</b>	<b>1,248,533</b>	<b>506,706</b>	<b>8,310</b>	<b>(1,070,683)</b>	<b>692,866</b>
Interest expense					(3,701)
Interest income					22,310
Income before income tax and minority interest					711,474
Income tax expense					(182,291)
Net income					<u>529,183</u>

**Assets and liabilities**

Segment assets	21,177,195		393,883	(1,433,852)	20,137,225
<hr/>					
Total assets					<u>20,137,225</u>
Segment liabilities	9,510,304	-	346,301	(1,369,857)	8,486,748
Long-term debt					<u>47,158</u>
Total liabilities					<u>8,533,906</u>
<b>Other segment information</b>					
Capital expenditures	417,043	-	-	-	417,043
Depreciation and amortization	364,872	-	1,271	-	366,143

**Geographical Segments**

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

	Philippines	International	Eliminations	Total
<hr/>				
March 2008				
Revenue	8,917,831	1,072,939		9,990,770
Segment assets	17,952,702	3,592,327		21,545,029
Capital expenditures	292,576	72,656		365,232
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

**6. Events after Balance Sheet date:**

The Board of Directors of the Parent Company approved on April 14, 2008 a cash dividend of P0.36 per share of common stock to all stockholders of record as of May 2, 2008. This will be distributed on May 28, 2008. The cash dividend is 5.9% higher than that declared in the same period last year.

**7. 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.**

**JOLLIBEE FOODS CORPORATION**

	Dec-07 Stores	Opened YTD	Closed YTD	Ownership Change	Mar-08 Stores
<b>NUMBER OF STORES</b>					
<b>JFC-Philippines</b>					
Co-owned	298	2			300
Franchised	321	6			327
<b>Total</b>	<b>619</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>627</b>
<b>Chowking-Phils</b>					
Co-owned	132		1		131
Franchised	244	4	2		246
<b>Total</b>	<b>376</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>377</b>
<b>Greenwich</b>					
Co-owned	132		6		126
Franchised	106		3		103
Multi-brand	7		0		7
<b>Total</b>	<b>245</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>236</b>
<b>Red Ribbon</b>					
Co-owned	118		2		116
Franchised	74	4	0		78
<b>Total</b>	<b>192</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>194</b>
<b>Dellfrance</b>					
Co-owned	22	2			24
Franchised	4				4
<b>Total</b>	<b>26</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>28</b>
<b>Manong Pepe</b>	<b>2</b>			<b>0</b>	<b>2</b>
<b>Total Local Stores</b>	<b>1460</b>	<b>18</b>	<b>14</b>	<b>0</b>	<b>1464</b>
<b>International:</b>					
<b>Jollibee:</b>					
Hongkong	1				1
US	14	1			15
Brunei	9				9
Guam	1				1
Vietnam	7	2			9
Saipan	1				1
China	0	1			1
<b>Total</b>	<b>33</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>37</b>
<b>Chowking:</b>					
US	12				12
Dubai	9				9
Indonesia	5				5
<b>Total</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>
<b>Red Ribbon</b>					
Co-owned	20	2			22
Franchised	0				0
<b>Total</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>22</b>
<b>Yonghe King</b>					
Co-owned	95	8	2		101
Franchised	4				4
<b>Total</b>	<b>99</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>105</b>
<b>CST</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total International Stores</b>	<b>179</b>	<b>14</b>	<b>2</b>	<b>0</b>	<b>191</b>
<b>Grand Total</b>	<b>1639</b>	<b>32</b>	<b>16</b>	<b>0</b>	<b>1655</b>
<b>NUMBER OF SHARES (in '000)</b>					
<b>Issued and Subscribed (Net of treasury shares)</b>					<b>1,021,837</b>
<b>Weighted Average - Basic (YTD)</b>					<b>1,020,914</b>
<b>Weighted Average - Diluted (YTD)</b>					<b>1,021,959</b>
<b>SYSTEMWIDE SALES (in '000 Pesos)</b>					
	<b>Mar-07</b>	<b>Mar-08</b>		<b>Growth</b>	
<b>Quarter 1</b>	<b>11,696,393</b>	<b>13,243,450</b>		<b>13.2%</b>	

**STORES GEOGRAPHICAL LOCATION**

As of March 2008

<b>Jollibee - Philippines</b>	<b>Mar-08</b>	<b>Dec-07</b>	<b>Changes</b>
Metro North	135	133	2
Metro South	140	138	2
North Luzon	102	101	1
South Luzon	102	101	1
Visayas	82	81	1
Mindanao	66	65	1
<b>Total</b>	<b>627</b>	<b>619</b>	<b>8</b>
<b>Greenwich Pizza (Including multibrand stores)</b>			
Metro Manila	114	118	-4
Central Luzon	15	15	0
Northern Luzon	28	30	-2
Southern Luzon	36	39	-3
Visayas	21	21	0
Mindanao	22	22	0
<b>Total</b>	<b>236</b>	<b>245</b>	<b>-9</b>
<b>Chowking</b>			
Metro Manila	188	189	-1
Central Luzon	44	44	0
Northern Luzon	31	30	1
Southern Luzon	53	53	0
Visayas	36	35	1
Mindanao	25	25	0
<b>Total</b>	<b>377</b>	<b>376</b>	<b>1</b>