

**THE JOLLIBEE GROUP OF COMPANIES**  
**Jollibee Operating Profit Lower By 9.5% in Q2**

**Metro Manila, Philippines, August 14, 2008 – Jollibee Foods Corporation**  
**(PSE: JFC) – Financial Results for the quarter ended June 30, 2008**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation for the 1st quarter of 2008:

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

Financial Summary	Quarter 2			YTD June 2008		
	2008	2007	% Change	2008	2007	% Change
System Wide Retail Sales	14,303	13,238	8.0%	27,546	24,934	10.5%
Revenues	10,836	9,822	10.3%	20,827	18,525	12.4%
Net Operating Income	885	977	-9.5%	1,550	1,670	-7.2%
Net Income	645	794	-18.7%	1,125	1,323	-15.0%
Net Income Attributable to Equity Holders of the Parent	645	793	-18.7%	1,125	1,324	-15.1%
Earnings Per Common Share - Basic	0.631	0.787	-19.8%	1.101	1.316	-16.3%
Earnings Per Common Share - Diluted	0.631	0.786	-19.7%	1.099	1.312	-16.2%

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

The Jollibee Group generated in the second quarter of 2008 an Operating Income that was 9.5% lower than the amount made in the same period last year resulting from higher raw material costs and operating expenses. Its revenues rose by 10.3% as its System Wide Sales, a measure of sales to consumers, both from company-owned and franchised stores grew by 8.0%. Operating Income for the first half of the year was lower by 7.2% compared to the same period last year while System Wide Sales grew by 10.5%

JFC Chairman and Chief Executive Officer Mr. Tony Tan Caktiong stated that the business performed strongly despite the high inflation rate and a slowing economic growth. "Our same store sales remained strong, both in the Philippines and abroad. While our profit was lower compared to last year due to rapidly increasing costs, we believe that eventually, our profit will also grow as JFC had done in previous years of high inflation rate and slowing economic growth", he commented.




Jollibee Group's System Wide Sales grew by 8.0% in the second quarter of 2008 compared to the second quarter of 2007, broken down into 7.9% in the Philippines and 9.5% in foreign operations. Excluding the effect of changes in foreign currency exchange rates, the group's system wide sales from foreign operations grew by 17.1%.

"Same store sales from our two biggest foreign businesses, China and the United States particularly Yonghe King in the PRC and Jollibee US continued to be quite robust. We have accelerated the expansion of the store network of these business units, with plans to open a significantly higher number of stores this year than in any previous year," Mr. Tan Caktiong added.

Jollibee Foods Corporation Chief Finance Officer Mr. Ysmael V. Baysa disclosed that Gross Profit as a percent of Revenues in the second quarter decreased by 1.30% points from the level in the same period last year while Operating Expenses as a percent of revenues expanded by 0.50%, highlighting the rapid increase in raw material, energy and wage costs. He added, however, that overall profitability had improved in the second quarter compared to the first quarter.

"While our efforts on cost improvement and price adjustments were not yet sufficient to fully recover our profitability, Gross Profit as a percent of revenues had improved from 51.4% in the first quarter of 2008 to 52.5% in the second quarter. Net Operating Income as a percent of revenues likewise had increased from 6.7% in the first quarter to 8.2% in the second quarter. System wide sales had also grown by 8.0% in the second quarter over the first quarter. We will continue to work toward recovering our profit margins and profit growth while expanding our businesses in the Philippines and abroad," he stated.

JFC's effective income tax rate in the second quarter of 2008 was higher compared to the same period last year due to one-time tax benefits realized last year resulting from the merger of legal entities of three of its business units in the Philippines (Chowking, Greenwich and Delifrance) that was completed in December, 2006. Its interest income was also lower in the second quarter of 2008 compared to the same period in 2007 as a result of lower level of investments in financial instruments as funds were used for capital expenditures and pre-operating expenses in foreign operations. Interest expenses were higher in 2008 due to higher level of bank loans in



China and the United States to finance the business expansion in these countries. These changes resulted in a net income in the second quarter of 2008 that was 18.7% lower than that in the same period in 2007.

On capital expenditures, the Jollibee Group expects to spend Php 4.4 billion in 2008, twice the amount spent in 2007 of Php 2.1 billion but Php 1.6 billion or 27% lower than its budget of Php 6.0 billion. It will invest far more in 2008 in new store opening and existing store renovation particularly in its foreign businesses. It is, however, moving some major investments in commissaries planned for 2008 to 2009 as part of its cost and operational efficiency improvement program.

The Jollibee Group had opened a total of 72 stores in the first six months of 2008; 39 in the Philippines (Jollibee 13, Chowking 10, Red Ribbon 13, Delifrance 2 and Manong Pepe's 1) and 33 abroad (Jollibee 10 – 3 in the US, 2 in Brunei, 3 in Vietnam, 1 in Jeddah and 1 in China; Chowking 2 – 1 in the US and 1 in Dubai; Red Ribbon USA 3 and Yonghe King 18).

The Jollibee Group operates the largest restaurant chains in the Philippines. As of June 30, 2008, it was operating a total of 1,480 stores in the Philippines: Jollibee 632, Chowking 381, Greenwich 235, Red Ribbon 201, Delifrance 28 and Manong Pepe's 3. In foreign operations, the group had 209 stores: Yonghe King in China 115, Jollibee in the US 17, Red Ribbon in the US 23, Chowking in the US 13, Chowking in Dubai 10, Chowking in Indonesia 5, Jollibee in other countries 25, and CST in China 1 for a total of 1,689 stores worldwide.

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