

**THE JFC GROUP OF COMPANIES**  
**POSTED A 12.5% INCREASE IN NET INCOME FOR QUARTER 3**

Metro Manila, Philippines, October 30, 2003 - *Jollibee Foods Corporation* (PSE: JFC/JFCW) – Results for the quarter and nine months ended September 30, 2003

The following are the highlights of JFC’s results of operation for the quarter and nine months ended September 30, 2003:

Financial Summary	Quarter 3 - 2003		First Nine Months Ended September 2003	
	Amount	Change	Amount	Change
System Wide Retail Sales	P 6.9 B	7.8 %	P 20.8 B	7.1 %
Income from operations	P 370 M	6.6%	P 1.2 B	8.8 %
Net Income after Tax	P 298 M	12.5 %	P 910 M	17.2 %
Earnings per Common Share – Basic	P 0.3025	11.4 %	P 0.9247	15.8 %

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

Jollibee Foods Corporation (JFC) posted a third quarter net income of P298 million, 12.5% higher than same quarter of last year, with a System Wide Retail Sales of P6.9 billion, 7.8% higher than last year. Chowking brand propelled the sales growth with a 30% increase in system wide sales versus same period last year.

“The growth of our Chowking business is quite impressive. It is repeating the rapid growth of Jollibee in its early years,” Chief Executive Tony Tan Caktiong stated. “Today, Chowking has 234 stores in the Philippines, about the same number Jollibee had in 1997, when Jollibee sales grew by 24%. It is possible that in the next 5-7 years, Chowking will reach Jollibee’s present store network of 447 stores and double its business,” Mr. Tony Tan Caktiong added. Chowking’s current annual system wide sales is P5.2 billion.

“On Jollibee’s business --- we are working with urgency to increase its sales growth. We are improving our core products and adding new products to our menu. We are seeing improvement in sales trend this

October. However, it is too early to tell if this signals the start of a sustained recovery,” Mr. Tony Tan Caktiong commented. Jollibee’s system wide sales grew by only 1.6% in the 3<sup>rd</sup> Quarter of 2003. It’s sales for the first 9 months of the year grew by 4.1% versus same period last year.

Greenwich brand sales grew by 13.3% in the third quarter of 2003 versus same period last year. It’s system wide sales for the first 9 months of 2003 grew by 7.0% versus last year.

Jollibee Foods Corporation’s net income grew by 12.5%, improving its profit margin to 5.8% of revenues from 5.5% in 2002, behind continuous cost improvement. The total net income of ₱298 million translating to a ₱0.30 earning per share was the highest level achieved on a 3<sup>rd</sup> quarter. The group achieved a Return on Equity of 16.2% on the 3<sup>rd</sup> quarter, better than the 15.4% achieved on the same period last year. Return on assets also improved from 17.9% in 3<sup>rd</sup> quarter of 2002 to 18.5% in 3<sup>rd</sup> quarter of 2003. Cash generated from operations for the first nine months amounted to ₱1.6 billion, an increase of 19% versus same period last year. Total cash and cash equivalents of ₱2.2 billion as of September 30, 2003 was 29% higher than same date last year.

Eighteen stores were opened by the JFC Group during the quarter (Jollibee, 6; Greenwich, 6; Chowking, 4; and, US, 2). The JFC Group operates the largest fast food chains in the country with a total of 911 local stores consisting of 447 Jollibee, 203 Greenwich, 234 Chowking and 27 Delifrance. It also operates 31 restaurants overseas. The JFC Group had opened 51 new stores locally and abroad in the first 9 months of 2003.

On October 17, 2003, JFC’s shareholders approved the merger of Superior FSC Corporation and FSC Foods Corporation with JFC. The merger is part of the reorganization of its business in the United States, where JFC’s operations will be run through a US Holding Company starting in 2004.

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statement of Income**  
For the 3rd Quarter 2003  
(Unaudited)  
Peso Amounts in Thousands

	Qtr. 3 - 2003		Qtr. 3 - 2002		Change 2002-2003
	Pesos	Pct.	Pesos	Pct.	
<b>REVENUES</b>					
Sales	4,736,128	92.3%	4,454,671	91.9%	6.3%
Royalties, franchise fees and others	393,730	7.7%	394,543	8.1%	(0.2%)
	<b>5,129,858</b>	<b>100.0%</b>	<b>4,849,214</b>	<b>100.0%</b>	<b>5.8%</b>
<b>COST OF SALES</b>	<b>2,630,656</b>	<b>51.3%</b>	<b>2,556,409</b>	<b>52.7%</b>	<b>2.9%</b>
<b>GROSS PROFIT</b>	<b>2,499,201</b>	<b>48.7%</b>	<b>2,292,805</b>	<b>47.3%</b>	<b>9.0%</b>
<b>OPERATING EXPENSES</b>	<b>2,129,631</b>	<b>41.5%</b>	<b>1,946,276</b>	<b>40.1%</b>	<b>9.4%</b>
Income from Operations	369,570	7.2%	346,528	7.1%	6.6%
<b>OTHER INCOME (CHARGES)</b>	<b>10,793</b>	<b>0.2%</b>	<b>(4,940)</b>	<b>(0.1%)</b>	<b>318.5%</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>380,364</b>	<b>7.4%</b>	<b>341,588</b>	<b>7.0%</b>	<b>11.4%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>81,307</b>	<b>1.6%</b>	<b>77,289</b>	<b>1.6%</b>	<b>5.2%</b>
<b>PROFIT BEFORE MINORITY INTEREST</b>	<b>299,057</b>	<b>5.8%</b>	<b>264,299</b>	<b>5.5%</b>	<b>13.2%</b>
<b>MINORITY INTEREST</b>	<b>1,394</b>	<b>0.0%</b>	<b>(381)</b>	<b>(0.0%)</b>	<b>465.5%</b>
<b>NET INCOME</b>	<b>297,663</b>	<b>5.8%</b>	<b>264,681</b>	<b>5.5%</b>	<b>12.5%</b>
<b>Earnings per Share</b>					
Basic	0.3025		0.2717		11.4%
Diluted	0.2983		0.2694		10.7%
<b>Average Number of Common Shares-Basic (000)</b>	<b>983,949</b>		<b>974,332</b>		
<b>Average Number of Common Shares-Diluted (000)</b>	<b>997,779</b>		<b>982,477</b>		

# JOLLIBEE FOODS CORPORATION

## Consolidated Statement of Income

For the Period Ended September 2003

(Unaudited)

Peso Amounts in Thousands

	September 2003		September 2002		Change 2002 to 2003
	Pesos	Pct.	Pesos	Pct.	
<b>REVENUES</b>					
Sales	14,278,857	92.3%	13,629,212	92.3%	4.8%
Royalties, franchise fees and others	1,196,503	7.7%	1,130,979	7.7%	5.8%
	<b>15,475,360</b>	<b>100.0%</b>	<b>14,760,192</b>	<b>100.0%</b>	<b>4.8%</b>
<b>COST OF SALES</b>	<b>8,065,796</b>	<b>52.1%</b>	<b>7,834,501</b>	<b>53.1%</b>	<b>3.0%</b>
<b>GROSS PROFIT</b>	<b>7,409,563</b>	<b>47.9%</b>	<b>6,925,691</b>	<b>46.9%</b>	<b>7.0%</b>
<b>OPERATING EXPENSES</b>	<b>6,242,878</b>	<b>40.3%</b>	<b>5,853,037</b>	<b>39.7%</b>	<b>6.7%</b>
Income from Operations	1,166,685	7.5%	1,072,654	7.3%	8.8%
<b>OTHER INCOME (CHARGES)</b>	<b>29,233</b>	<b>0.2%</b>	<b>(44,607)</b>	<b>(0.3%)</b>	<b>165.5%</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,195,918</b>	<b>7.7%</b>	<b>1,028,047</b>	<b>7.0%</b>	<b>16.3%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>286,188</b>	<b>1.8%</b>	<b>249,902</b>	<b>1.7%</b>	<b>14.5%</b>
<b>PROFIT BEFORE MINORITY INTEREST</b>	<b>909,730</b>	<b>5.9%</b>	<b>778,145</b>	<b>5.3%</b>	<b>16.9%</b>
<b>MINORITY INTEREST</b>	<b>(293)</b>	<b>(0.0%)</b>	<b>1,479</b>	<b>0.0%</b>	<b>(119.8%)</b>
<b>NET INCOME</b>	<b>910,023</b>	<b>5.9%</b>	<b>776,666</b>	<b>5.3%</b>	<b>17.2%</b>
<b>Earnings per Share</b>					
Basic	0.9247		0.7985		15.8%
Diluted	0.9126		0.7915		15.3%
<b>Average Number of Common Shares-Basic (000)</b>	<b>984,112</b>		<b>972,676</b>		
<b>Average Number of Common Shares-Diluted (000)</b>	<b>997,206</b>		<b>981,257</b>		

# JOLLIBEE FOODS CORPORATION

## Consolidated Balance Sheet

As of September 30, 2003

(Unaudited)

Peso Amounts in Thousands

	September 2003	December 2002	Change
Cash and Cash Items	2,178,202	2,297,888	(119,686)
Accounts Receivables	824,939	897,453	(72,514)
Inventories	770,241	837,747	(67,506)
Prepaid Items & Other Current Assets	804,020	1,095,109	(291,089)
<b>Total Current Assets</b>	<b>4,577,402</b>	<b>5,128,198</b>	<b>(550,796)</b>
Property & Equipment	9,464,981	8,063,769	1,401,212
Accumulated Depreciation	(3,721,491)	(3,156,231)	(565,260)
<b>Net Fixed Assets</b>	<b>5,743,490</b>	<b>4,907,538</b>	<b>835,952</b>
<b>Other Assets</b>	<b>1,236,745</b>	<b>1,243,047</b>	<b>(6,302)</b>
<b>Total Assets</b>	<b>11,557,636</b>	<b>11,278,783</b>	<b>278,853</b>
Accounts Payable	1,171,646	1,510,982	(339,336)
Accrued Expenses	1,836,066	1,608,049	228,017
Other liabilities	327,592	498,197	(170,605)
Current portion of long-term debt	56,666	226,667	(170,001)
<b>Total Current Liabilities</b>	<b>3,391,970</b>	<b>3,843,895</b>	<b>(451,925)</b>
Long-term debt - net of current portion	510,000	510,000	-
Other non-current liabilities	-	20,604	(20,604)
<b>Total Non-current Liabilities</b>	<b>510,000</b>	<b>530,604</b>	<b>(20,604)</b>
<b>Minority Interest</b>	<b>155,412</b>	<b>179,647</b>	<b>(24,235)</b>
Paid-up Capital	1,032,569	1,030,082	2,486
Excess on Par	1,828,156	1,788,890	39,266
Subscription Receivables	(85,454)	(97,304)	11,850
Translation Adjustments	190,493	190,493	0
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	0
Unappropriated	3,039,220	3,186,731	(147,511)
Pnl-to-Date	910,023	-	910,023
Less: Warrants and treasury shares	(614,753)	(574,255)	(40,498)
<b>Total Equity</b>	<b>7,500,254</b>	<b>6,724,637</b>	<b>775,617</b>
<b>Total Liabilities &amp; Equity</b>	<b>11,557,636</b>	<b>11,278,783</b>	<b>278,853</b>

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statements of Cash Flows**  
As of September 30, 2003  
(Unaudited)  
Peso Amounts in Thousands

	Sept 2003	Sept 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax and minority interest	1,195,918	1,028,047
Adjustments for:		
Depreciation and amortization	565,260	540,718
Interest expense	44,165	71,251
Interest income	(73,398)	(26,644)
Equity in net losses (earnings of unconsolidated subsidiary)	13,230	-
Operating income before working capital changes	1,745,175	1,613,372
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	72,514	54,261
Inventories	67,506	162,284
Prepaid items and other current assets	291,089	15,783
Increase (decrease) in:		
Accounts payable	(339,336)	(181,004)
Accrued expenses	226,390	(44,962)
Other liabilities	(170,605)	(26,510)
Cash generated from operations	1,892,734	1,593,224
Income taxes paid	(284,560)	(245,145)
Net cash provided by operating activities	1,608,173	1,348,079
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(1,401,212)	(806,928)
(Increase) Decrease in other noncurrent assets	(6,928)	76,946
Interest received	73,398	26,644
Decrease in noncurrent liabilities	(20,604)	(19,127)
Net cash provided by (used in) investing activities	(1,355,345)	(722,465)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Warrants and treasury shares	(133,982)	-
Cash dividends	(147,511)	(126,185)
Bank loans	(170,001)	(56,667)
Proceeds from:		
Issuance of Treasury Stocks	93,484	72,141
Issuance of and subscriptions to capital stock	53,602	24,768
Interest paid	(44,165)	(71,251)
Increase (decrease) in minority interest	(23,942)	59,732
Net cash provided by (used in) financing activities	(372,514)	(97,463)
Net Increase (Decrease) in Cash and Cash Equivalents	(119,686)	528,153
Cash and Cash Equivalents, Beginning	2,297,888	1,157,713
Cash and Cash Equivalents, End	2,178,202	1,685,866

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statements of Changes in Stockholders' Equity**  
As of September 30, 2003  
(Unaudited)  
Peso Amounts in Thousands

	Sept 2003	Sept 2002
<b>Capital Stock - P1 par value</b>		
Issued		
Balance, beginning	1,017,260	1,017,239
Issuances	630	10
Balance, end	1,017,890	1,017,249
<b>Additional Paid-in Capital</b>		
Balance, beginning	1,788,890	1,656,968
Issuances	11,324	2,001
Premium on new subscriptions	27,942	112,322
Balance, end	1,828,156	1,771,291
<b>Subscribed Capital Stock</b>		
Balance, beginning	12,822	-
New subscriptions	2,109	12,822
Issuances	(253)	
Balance, end	14,679	12,822
<b>Subscription Receivable</b>		
Balance, beginning	(97,304)	-
Receivables on new subscriptions	(25,308)	(128,220)
Collections	37,158	25,833
Balance, end	(85,454)	(102,387)
<b>Share in Translation Adjustments of Investees</b>		
Balance, beginning of year	190,493	85,196
Share in translation adjustments during the year	0	-
Balance, end	190,493	85,196
<b>Retained Earnings</b>		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	3,186,731	2,420,244
Cash dividends	(147,511)	(126,185)
Net income	910,023	776,666
Balance, end	3,949,243	3,070,725
	5,149,243	4,270,725
<b>Warrants and Treasury Shares</b>		
Balance, beginning	(574,255)	(703,963)
Acquisitions of stocks and warrants	(133,982)	-
Issuances	93,484	72,141
	(614,753)	(631,822)
	<b>7,500,254</b>	<b>6,423,075</b>

**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 3rd Quarter 2002 Income Statement has been restated to include adjustments resulting from 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 Q3 2002 by P14.6 million and Nine- months ended September 2002 by P32.6 million.
4. The average number of common shares - diluted for Q3 2002 and Nine Months ended September 2002 were adjusted to include the effect of additional subscriptions for tranches 1 and 2 of the Employees' Stock Purchase and Option Plan - Part 2.

Shares issued to resigned employees and to the employees' retirement fund, which totaled 2.1 million were also deducted from the number of option rights used in the calculation of average number of common shares - diluted.

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 September 30, 2003 and 2002:



Quarter Ended September 30, 2003

Food Service      Franchising      Real Estate      Eliminations  
(In Thousands)

**Results of Operations**

Revenues from external customers	14,260,803	1,093,961	120,595		15,475,360
Inter-segment revenues	876,510	121,591	-	(998,101)	-
Segment revenue	15,137,313	1,215,552	120,595	(998,101)	15,475,360
Segment expense	(14,687,762)	(656,755)	(127,269)	982,861	(14,488,925)
Other segment income	178,241	-	-	15,240	193,481
Segment result	627,792	558,797	(6,674)	-	1,179,915
Interest expense					(44,165)
Interest income					73,398
Equity in net loss of joint venture					(13,230)
Income tax expense					(286,188)
Minority interest					293
Net income					910,023

**Assets and liabilities**

Segment assets	21,554,300	3,686	880,565	(11,319,614)	11,118,937
Income tax assets					399,425
Interest in joint venture					39,274
Total assets					11,557,636
Segment liabilities	12,639,284	18,087	419,893	(9,828,215)	3,249,049
Long-term debt					566,666
Income tax liabilities					86,255
Total liabilities					3,901,970

**Other segment information**

Cash flows provided by (used in):					
Operating activities	1,511,634	74,729	21,811	-	1,608,173
Investing activities	(1,361,397)	-	6,052	-	(1,355,345)
Financing activities	(341,878)	-	(30,637)	-	(372,514)

**Quarter Ended September 30, 2002**

**Food Service      Franchising      Real Estate      Eliminations**  
*(In Thousands)*

**Results of Operations**

Revenues from external customers	13,657,145	992,060	110,987		14,760,192
Inter-segment revenues	769,495	98,939	-	(868,434)	-
Segment revenue	14,426,640	1,090,999	110,987	(868,434)	14,760,192
Segment expense	(14,013,201)	(572,750)	(131,045)	861,359	(13,855,637)
Other segment income	168,480	-	-	7,075	175,555
Segment result	581,919	518,248	(20,058)	-	1,080,109
Interest expense					(71,251)
Interest income					26,643
Equity in net loss of joint venture					(7,454)
Income tax expense					(249,902)
Minority interest					(1,479)
Net income					776,666

**Assets and liabilities**

Segment assets	19,063,105	6,618	1,128,332	(10,423,172)	9,774,883
Income tax assets					407,126
Interest in joint venture					54,040
Total assets					10,236,048
Segment liabilities	10,479,177	26,186	1,211,012	(8,813,598)	2,902,777
Long-term debt					793,333
Income tax liabilities					(43,356)
Total liabilities					3,652,754

**Other segment information**

Capital expenditures	806,911	-	18	-	806,928
Other non-cash expenses	-	-	-	-	-
Cash flows provided by (used in):					
Operating activities	1,288,273	56,929	2,877	-	1,348,079
Investing activities	(747,609)	-	25,144	-	(722,465)
Financing activities	(68,873)	-	(28,590)	-	(97,463)

The Company operates in the domestic and international markets. Revenues from operations outside the Philippines account for 4% of the Company's total revenues in the 3rd Quarter 2003 and 2002.

6. Food service operations have both peak and lean seasons. The material financial impact of this seasonality has been considered in the financial forecast.
7. The merger of Superior FSC Corporation and FSC Foods Corporation with Jollibee Foods Corporation (JFC) was approved by JFC's shareholders in a Special Stockholder's Meeting held on October 17, 2004. JFC will create a new US Holding Company to manage the Jollibee Group's business in the United States. All assets and liabilities of Superior FSC Corporation and FSC Foods Corporation that will go to JFC will be transferred immediately to the US Holding Company with a target date of January 2004. The merger will not result in additional debt or liability for Jollibee nor

cause dilution of its ownership. The financial impact of the merger has not been recognized during the interim period. Adjustments resulting from the merger shall be booked at year-end.

8. 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-02 Stores	Opened YTD	Closed YTD	Ownership Change	Sep-03 Stores
<b>NUMBER OF STORES</b>					
<b>JFC-Philippines</b>					
Co-owned	188	8	3	-3	190
Franchised	248	7	1	3	257
<b>Total</b>	<b>436</b>	<b>15</b>	<b>4</b>	<b>0</b>	<b>447</b>
<b>Greenwich</b>					
Co-owned	110	1	1	-2	108
Franchised	81	12	0	2	95
<b>Total</b>	<b>191</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>203</b>
<b>Delifrance</b>					
Co-owned	23	1	2	-1	21
Franchised	5	0	0	1	6
<b>Total</b>	<b>28</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>27</b>
<b>Chowking-Phils</b>					
Co-owned	69	4	1		72
Franchised	147	16	1		162
<b>Total</b>	<b>216</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>234</b>
<b>Total Local Stores</b>	<b>871</b>	<b>49</b>	<b>9</b>	<b>0</b>	<b>911</b>
<b>International:</b>					
<b>Jollibee:</b>					
Hongkong	4	0	1		3
US	8	1	1		8
Others	9	0	0		9
<b>Total</b>	<b>21</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>20</b>
<b>Chowking:</b>					
US	5	1	0		6
Dubai	3	0	0		3
<b>Total</b>	<b>8</b>	<b>1</b>	<b>0</b>		<b>9</b>
<b>Tomi's Teriyaki</b>	<b>2</b>	<b>0</b>	<b>0</b>		<b>2</b>
<b>Total International Stores</b>	<b>31</b>	<b>2</b>	<b>2</b>		<b>31</b>
<b>Grand Total</b>	<b>902</b>	<b>51</b>	<b>11</b>	<b>0</b>	<b>942</b>
<i>Note: ChowkingUS' new store was opened in February 2003.</i>					
<b>NUMBER OF SHARES (in '000)</b>					
Issued and Subscribed (Net of treasury shares)	982,119				984,241
Weighted Average - Basic	974,100				984,112
<b>SYSTEMWIDE SALES (in '000 Pesos)</b>					
	<b>2002</b>	<b>2003</b>	<b>Growth</b>		
Quarter 3	6,402,077	6,903,905	7.8%		
Year-to-date September	19,385,122	20,764,128	7.1%		

## STORES GEOGRAPHICAL LOCATION

As of September 30, 2003

<b>Jollibee - Philippines</b>	<b>Sep-03</b>	<b>Dec-02</b>	<b>Changes</b>
Metro Manila	208	204	4
Central Luzon	38	38	0
Northern Luzon	27	25	2
Southern Luzon	97	96	1
Visayas	47	44	3
Mindanao	30	29	1
<b>Total</b>	<b>447</b>	<b>436</b>	<b>11</b>

  

<b>Greenwich Pizza</b>			
Metro Manila	97	93	4
Central Luzon	16	14	2
Northern Luzon	19	17	2
Southern Luzon	34	32	2
Visayas	24	22	2
Mindanao	13	13	0
<b>Total</b>	<b>203</b>	<b>191</b>	<b>12</b>

  

<b>Chowking</b>			
Metro Manila	124	119	5
Central Luzon	29	26	3
Northern Luzon	14	12	2
Southern Luzon	34	30	4
Visayas	20	17	3
Mindanao	13	12	1
<b>Total</b>	<b>234</b>	<b>216</b>	<b>18</b>