

THE JFC GROUP OF COMPANIES
POSTED A 27.1% NET INCOME INCREASE IN QUARTER 4

Metro Manila, Philippines, February 17, 2004 – **Jollibee Foods Corporation (PSE: JFC/JFCW) – Results for the quarter and twelve months ended December 31, 2003**

The following are the highlights of JFC’s results of operations for the quarter and 12 months ended December 31, 2003:

Financial Summary (In Million Pesos)	Quarter 4 - 2003		Twelve Months Ended December 2003	
	Amount	Change	Amount	Change
System Wide Retail Sales	P 8,117.0	10.1%	P 28,881.1	7.9%
Revenues	P 5,992.3	7.4%	P 21,467.7	6.0%
Net Income after Tax	P 345.6	27.1%	P 1,255.6	20.8%
Earnings per Common Share – Basic (Peso per share)	P 0.35	26.4%	P 1.28	19.6%

The Jollibee Foods Corporation (JFC) posted a net income of P1256 million in 2003, an increase of 20.8% versus previous year after its 4th quarter net income grew by 27.1% versus same period last year to P346 million, driven by strong sales and by cost savings.

“The hard work performed by our employees and franchisees across all brands and locations to boost our sales and profit paid off as shown by our financial results,” Mr. Tony Tan Caktiong, Chairman and Chief Executive Officer of Jollibee Foods Corporation commented on the results of 4th Quarter and the entire 2003. “When SARS showed signs of affecting our business in the 2nd Quarter, we knew that it would be difficult to achieve a 10%-15% increase in profit for the entire year; but with an all-out effort by our people in operations and support groups and by our business partners, we even exceeded that profit growth guidance. I thank them for their dedication in taking care of the business,” added Mr. Tan Caktiong.

“We at Jollibee Group would like to thank most of all our customers for their loyalty to Jollibee, Chowking, Greenwich and Delifrance brands. We always earnestly listen to them and as a result, they continuously reward us with their patronage. We reaffirm our commitment to our customers to serve them great tasting food in a happy place at great value,” Mr. Tan Caktiong stated.

“For 2004, our guidance to investors is a system wide sales growth that is in line with 2003 and a profit growth of 10%-15%, excluding the impact of our acquisition of Yonghe King business in the People’s Republic of China, the largest acquisition in the history of our business. Our plan is to open 100 new stores worldwide reaching hundreds of thousands more customers and creating 1,500 more jobs in the Philippines alone.” Mr. Tan Caktiong stated.

The Jollibee Group’s System Wide Sales grew by 10.1% in October-December 2003 over the same period of 2002. Jollibee Sales grew by 5.0%, Greenwich 11.5%, Chowking 32.9% and the balance business including International Operations by 4.7%. For the entire year of 2003, the Jollibee Group’s System Wide Sales increased by 7.9% to P28,881 million from P26,755 million in 2002.

The net income of Jollibee Foods Corporation of P1256 million translates to a 5.8% after tax margin based on its revenue of P21,468 million, an improvement versus its net income margin of 5.1% in 2002. The net income also represents a return on equity of 17.4% versus 16.8% in 2002. JFC’s revenues consist of sales of company-owned stores to its customers, sales of its commissaries to franchise stores, and royalties and franchise fees from the franchisees. The System Wide Sales represent direct sales to customers both from company-owned stores and franchise stores.

JFC Chief Finance Officer, Mr. Ysmael V. Baysa disclosed that Jollibee’s net income of P1256 million included a Restructuring Expense Charge of P173 million arising from its program to improve the cost of JFC Group’s infrastructure. “We have a program already in progress to improve the cost of our international operations. We are also setting up our Shared Services which will improve the quality of services and the cost of backroom operations for our various brands and restaurant chains worldwide,” Mr. Baysa stated.

Mr. Baysa also disclosed that the shortage of and increase in prices of chicken in November and December did not significantly affect the business. “Our Purchasing group anticipated the problem months in advance. With excellent planning and coordination with key suppliers, the JFC Group had sufficient supply of chicken at very competitive prices. This was one of the factors that helped us to deliver healthy business results in the 4th quarter,” added Mr. Baysa.

Jollibee Foods Corporation generated an additional cash of P422 million in 2003, growing its cash balance by 18.4% from P2.3 billion as of end of 2002 to P2.7 billion as of end of 2003 against a bank debt of only P510 million and total stockholders’ equity of P7.7 billion at book value. The net additional cash was generated after spending P1.9 billion in capital spending mainly for new stores, store improvements, and the construction of its recently opened commissary in Canlubang, Laguna. The Jollibee Group opened a total of 108 stores in 2003 worldwide but closed 22 stores.

In 2003, the Jollibee Group set record high level in its System Wide Sales, Total Revenues, Net Income, Earnings per Share, Dividends per Share, and Cash On Hand.

The Jollibee Group of Companies operates the Philippines’ largest fast food network. It had a total of 988 stores worldwide as of end of last year: 467 Jollibee, 245 Chowking, 213 Greenwich, 30 Delifrance and 33 stores abroad. With the acquisition of Yonghe King in China, the Group’s total stores worldwide will have grown to 1,065. Jollibee Foods Corporation was selected based on a survey by the Far Eastern Economic Review as The Best Company in the Philippines for 2003, the third year in a row that JFC topped such survey.

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JOLLIBEE FOODS CORPORATION
Consolidated Statement of Income
For the 4th Quarter 2003
(Unaudited)
Peso Amounts in Thousands

	Qtr. 4 - 2003		Qtr. 4 - 2002		Change 2002 - 2003
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	5,516,993	92.1%	5,144,890	92.2%	7.2%
Royalties, franchise fees and others	475,303	7.9%	435,183	7.8%	9.2%
	5,992,296	100.0%	5,580,073	100.0%	7.4%
COST OF SALES	3,113,925	52.0%	2,835,417	50.8%	9.8%
GROSS PROFIT	2,878,371	48.0%	2,744,655	49.2%	4.9%
OPERATING EXPENSES	2,395,795	40.0%	2,294,358	41.1%	4.4%
Income from Operations	482,576	8.1%	450,298	8.1%	7.2%
NON-RECURRING CHARGES	(172,993)	(2.9%)	-	-	-
OTHER INCOME (CHARGES)	15,722	0.3%	141	0.0%	11,018.5%
PROFIT BEFORE INCOME TAX	325,305	5.4%	450,439	8.1%	(27.8%)
PROVISION FOR INCOME TAX	(17,152)	(0.3%)	182,447	3.3%	(109.4%)
PROFIT BEFORE MINORITY INTEREST	342,457	5.7%	267,992	4.8%	27.8%
MINORITY INTEREST	(3,115)	(0.1%)	(3,822)	(0.1%)	18.5%
NET INCOME	345,572	5.8%	271,814	4.9%	27.1%
Non-recurring Gain (Loss) after tax	-	-	-	-	-
Net Income after Non-recurring Items	345,572	5.8%	271,814	4.9%	27.1%
Earnings per Share					
Basic	0.3510		0.2776		26.4%
Diluted	0.3461		0.2741		26.3%
Average Number of Common Shares-Basic (000)	984,620		979,197		
Average Number of Common Shares-Diluted (000)	998,404		991,638		

JOLLIBEE FOODS CORPORATION
Consolidated Statement of Income
For the Period Ended December 2003
(Unaudited)
Peso Amounts in Thousands

	December 2003		December 2002 A		Change 2002 - 2003
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	19,795,851	92.2%	18,774,292	92.7%	5.4%
Royalties, franchise fees and others	1,671,806	7.8%	1,476,833	7.3%	13.2%
	21,467,656	100.0%	20,251,126	100.0%	6.0%
COST OF SALES	11,179,722	52.1%	10,619,868	52.4%	5.3%
GROSS PROFIT	10,287,934	47.9%	9,631,257	47.6%	6.8%
OPERATING EXPENSES	8,638,673	40.2%	8,109,638	40.0%	6.5%
INCOME FROM OPERATIONS	1,649,261	7.7%	1,521,620	7.5%	8.4%
NON-RECURRING CHARGES	(172,993)	(0.8%)	(49,541)	(0.2%)	249.2%
OTHER INCOME (CHARGES)	44,955	0.2%	(24,360)	(0.1%)	284.5%
PROFIT BEFORE INCOME TAX	1,521,223	7.1%	1,447,719	7.1%	5.1%
PROVISION FOR INCOME TAX	269,036	1.3%	414,686	2.0%	(35.1%)
PROFIT BEFORE MINORITY INTEREST	1,252,187	5.8%	1,033,033	5.1%	21.2%
MINORITY INTEREST	(3,408)	(0.0%)	(6,324)	(0.0%)	46.1%
NET INCOME	1,255,595	5.8%	1,039,357	5.1%	20.8%
Earnings per Share					
Basic	1.2756		1.0670		19.6%
Diluted	1.2589		1.0561		19.2%
Average Number of Common Shares-Basic (000)	984,320		974,100		
Average Number of Common Shares-Diluted (000)	997,359		984,121		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of December 31, 2003

(Unaudited)

Peso Amounts in Thousands

	December 2003	December 2002	Change
Cash and Cash Items	2,719,797	2,297,888	421,909
Accounts Receivables	1,008,188	897,453	110,735
Inventories	862,300	837,747	24,553
Prepaid Items & Other Current Assets	886,693	1,095,109	(208,416)
Total Current Assets	5,476,978	5,128,198	348,780
Property & Equipment	9,709,058	8,063,769	1,645,289
Accumulated Depreciation	(3,874,893)	(3,156,231)	(718,662)
Net Fixed Assets	5,834,165	4,907,538	926,627
Other Assets	1,388,164	1,243,047	145,117
Total Assets	12,699,307	11,278,783	1,420,524
Accounts Payable	1,695,343	1,510,982	184,360
Accrued Expenses	2,060,313	1,608,049	452,264
Other liabilities	536,669	498,197	38,473
Current portion of long-term debt	-	226,667	(226,667)
Total Current Liabilities	4,292,326	3,843,895	448,431
Long-term debt - net of current portion	510,000	510,000	-
Other non-current liabilities	-	20,604	(20,604)
Total Non-current Liabilities	510,000	530,604	(20,604)
Minority Interest	149,100	179,647	(30,547)
Paid-up Capital	1,032,877	1,030,082	2,794
Excess on Par	1,830,049	1,788,890	41,159
Subscription Receivables	(69,735)	(97,304)	27,569
Translation Adjustments	267,763	190,493	77,271
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	0
Unappropriated	2,842,311	3,186,731	(344,420)
Pnl-to-Date	1,255,596	-	1,255,596
Less: Warrants and treasury shares	(610,980)	(574,255)	(36,725)
Total Equity	7,747,881	6,724,637	1,023,244
Total Liabilities & Equity	12,699,307	11,278,783	1,420,524

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Cash Flows
As of December 31, 2003
(Unaudited)
Peso Amounts in Thousands

	Dec 2003	Dec 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	1,521,223	1,447,719
Adjustments for:		
Depreciation and amortization	925,918	900,470
Impairment in value of non-operating assets	11,916	53,184
Provisions for doubtful accounts	3,901	16,737
Amortization of deferred charges		6,238
Interest expense	54,909	87,649
Interest income	(99,864)	(63,289)
Loss on disposal and retirement of property and equipment	3,706	82,193
Loss on write off of non-operating assets	1,032	12,016
Loss on write off of inventories	5,859	1,390
Loss on write off of receivables	-	12,457
Equity in net losses (earnings of unconsolidated subsidiary)	19,744	14,995
Operating income before working capital changes	2,448,345	2,571,758
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	(114,636)	(60,876)
Inventories	(30,412)	243,526
Prepaid items and other current assets	208,416	93,097
Increase (decrease) in:		-
Accounts payable	184,360	344,682
Accrued expenses	591,068	38,914
Other liabilities	38,473	(54,961)
Cash generated from operations	3,325,615	3,176,140
Income taxes paid	(407,840)	(320,180)
Net cash provided by operating activities	2,917,775	2,855,960
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,881,606)	(1,612,554)
(Increase) Decrease in other noncurrent assets	(165,893)	(45,911)
Interest received	99,864	63,006
Increase (Decrease) in noncurrent liabilities	(20,604)	1,477
Net cash of deconsolidated subsidiary		
Proceeds from disposal of property and equipment	13,439	1,793
Net cash provided by (used in) investing activities	(1,954,800)	(1,592,189)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Warrants and treasury shares	(133,982)	-
Cash dividends	(344,420)	(252,265)
Bank loans	(226,667)	(113,333)
Proceeds from:		
Issuance of Treasury Stocks	97,257	129,707
Issuance of and subscriptions to capital stock	71,522	47,462
Interest paid	(54,909)	(87,649)
Increase (decrease) in minority interest	(27,139)	86,964
Net cash provided by (used in) financing activities	(618,338)	(189,115)
Translation adjustments	77,271	65,520
Net Increase (Decrease) in Cash and Cash Equivalents	421,909	1,140,175
Cash and Cash Equivalents, Beginning	2,297,888	1,157,713
Cash and Cash Equivalents, End	2,719,797	2,297,888

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
As of December 31, 2003
(Unaudited)
Peso Amounts in Thousands

	Dec 2003	Dec 2002
Capital Stock - P1 par value		
Issued		
Balance, beginning	1,017,260	1,017,239
Issuances	1,027	21
Balance, end	1,018,287	1,017,260
Additional Paid-in Capital		
Balance, beginning	1,788,890	1,656,968
Issuances	17,869	17,376
Premium on new subscriptions	23,290	114,546
Balance, end	1,830,049	1,788,890
Subscribed Capital Stock		
Balance, beginning	12,822	-
New subscriptions	2,109	12,843
Issuances	(343)	(21)
Balance, end	14,588	12,822
Subscription Receivable		
Balance, beginning	(97,304)	-
Receivables on new subscriptions	(25,308)	(97,304)
Collections	52,877	-
Balance, end	(69,735)	(97,304)
Share in Translation Adjustments of Investees		
Balance, beginning of year	190,493	85,196
Share in translation adjustments during the year	77,271	105,296
Balance, end	267,763	190,493
Retained Earnings		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	3,186,731	2,420,244
Cash dividends	(344,420)	(272,870)
Net income	1,255,596	1,039,357
Balance, end	4,097,907	3,186,731
	5,297,907	4,386,731
Warrants and Treasury Shares		
Balance, beginning	(574,255)	(703,963)
Acquisitions of stocks and warrants	(133,982)	-
Issuances	97,257	129,707
	(610,980)	(574,255)
	7,747,881	6,724,637

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 & methods of computations applied in the 2002 audited consolidated financial statements.
3. The 4th 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 decreased net income for Q4 2002 by P35.3 million.
4. The average number of common shares - diluted for Q4 2002 and Full Year December 2002 were adjusted to include the effect of additional subscriptions for tranches 1 and 2 of the Employee's 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. The Company set up a restructuring reserve of P173 million in recognition of its obligations arising from its 3-year improvement program which started in the 4th quarter of 2003. For 2004, the Company will focus on the restructuring of its international operations and the setting up of the Shared Services intended to improve the quality of services and the cost of backroom operations for our various brands and restaurants chains.
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 Stockholders' Meeting held on October 17, 2004. JFC created Honeybee Foods Corporation to manage the Jollibee Group's business in the United States. All assets and liabilities of Superior FSC Corporation and FSC Foods Corporation have been assigned to the new US Holding Company effective January 1, 2004. The merger did not result in additional debt or liability for Jollibee nor cause dilution of its ownership.
8. The provision for income tax, as shown in the consolidated statements of income, includes the regular income tax for certain subsidiaries, final tax on interest and royalty income and NOLCO of the Parent Company as of December 31, 2000 to 2002 (as a result of its merger with Superior FSC Corporation and FSC Foods Corporation), which were claimed as deductions from the taxable income and income tax due for the year ended December 31, 2003.

9. 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, 2003 and 2002:

	Year Ended December 31, 2003				
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	19,852,374	1,534,311	80,971		21,467,656
Inter-segment revenues	1,134,035	106,724	88,687	(1,329,446)	-
Segment revenue	20,986,409	1,641,034	169,658	(1,329,446)	21,467,656
Segment expense	(20,862,114)	(326,318)	(180,873)	1,247,136	(20,122,168)
Other segment income	247,313	-	-	(89,973)	157,341
Segment result	371,609	1,314,717	(11,215)	-	1,502,828
Interest expense					(54,909)
Interest income					99,864
Equity in net loss of joint venture					(19,744)
Income tax expense					(269,036)
Minority interest					(3,408)
Net income					1,255,595
Assets and liabilities					
Segment assets	15,650,803	(2,350)	913,899	(4,166,376)	12,395,976
Income tax assets					247,060
Interest in joint venture					56,268
Total assets					12,699,307
Segment liabilities	6,617,728	10,141	432,405	(2,853,723)	4,206,550
Long-term debt					510,000
Income tax liabilities					85,776
Total liabilities					4,802,326
Other segment information					
Capital expenditures	1,877,500	-	4,107	-	1,881,606
Depreciation and amortization	915,283	-	10,635	-	925,918
Impairment losses	11,916	-	-	-	11,916
Other non-cash expenses	34,242	-	-	-	34,242
Cash flows provided by (used in):					
Operating activities	2,810,518	86,821	20,436	-	2,917,775
Investing activities	(1,950,354)	-	(4,446)	-	(1,954,800)
Financing activities	(599,967)	-	(18,371)	-	(618,338)

Year Ended December 31, 2002

Food Service Franchising Real Estate Eliminations
(In Thousands)

Results of Operations

Revenues from external customers	18,732,047	1,417,043	102,035		20,251,125
Inter-segment revenues	1,129,160	101,045	54,273	(1,284,478)	-
Segment revenue	19,861,207	1,518,088	156,308	(1,284,478)	20,251,125
Segment expense	(19,626,757)	(305,078)	(165,937)	1,321,603	(18,776,169)
Impairment losses	(42,467)		(10,717)		(53,184)
Other segment income	101,967	460	-	(37,125)	65,302
Segment result	293,950	1,213,470	(20,346)	-	1,487,074
Interest expense					(87,649)
Interest income					63,289
Equity in net loss of joint venture					(14,995)
Income tax expense					(414,686)
Minority interest					6,324
Net income					1,039,357

Assets and liabilities

Segment assets	13,243,328	13,873	1,288,107	(3,561,527)	10,983,781
Income tax assets					258,477
Interest in joint venture					36,524
Total assets					11,278,782
Segment liabilities	5,320,784	30,418	431,223	(2,150,042)	3,632,383
Long-term debt					736,667
Income tax liabilities					5,449
Total liabilities					4,374,499

Other segment information

Capital expenditures	1,622,867	-	18	-	1,622,885
Depreciation and amortization	876,818	-	23,652	-	900,470
Impairment losses	42,467	-	10,717	-	53,184
Other non-cash expenses	146,025	-	-	-	146,025
Cash flows provided by (used in):					
Operating activities	2,820,854	50,607	11,002	(26,504)	2,855,959
Investing activities	(1,822,442)	-	(684)	230,937	(1,592,189)
Financing activities	98,662	-	(10,419)	(277,358)	(189,115)

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 4th Quarter 2003 and 2002.

10. 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	Dec-03 Stores
NUMBER OF STORES					
JFC-Philippines					
Co-owned	188	17	4	-5	196
Franchised	248	19	1	5	271
Total	436	36	5	0	467
Greenwich					
Co-owned	110	12	4	-5	113
Franchised	81	17	3	5	100
Total	191	29	7	0	213
Delifrance					
Co-owned	23	4	2		25
Franchised	5	0	0		5
Total	28	4	2	0	30
Chowking-Phils					
Co-owned	69	8	1	-3	73
Franchised	147	26	4	3	172
Total	216	34	5	0	245
Total Local Stores	871	103	19	0	955
International:					
Jollibee:					
Hongkong	4	0	1		3
US	8	3	1		10
Others	9	0	1		8
Total	21	3	3	0	21
Chowking:					
US	5	1	0		6
Dubai	3	0	0		3
Total	8	1	0		9
Tomi's Teriyaki	2	1	0		3
Total International Stores	31	5	3		33
Grand Total	902	108	22	0	988
<i>Note: The above store count excludes kiosks. Chowking Philippines opened 3 kiosks during the 4th quarter.</i>					
NUMBER OF SHARES (in '000)					
Issued & Subscribed (Net of treasury shares)	982,119				985,131
Weighted Average - Basic	974,100				984,320
SYSTEMWIDE SALES (in '000 Pesos)					
	2002	2003	Growth		
Quarter 4	7,369,604	8,117,007	10.1%		
Year-to-date December	26,754,726	28,881,135	7.9%		

STORES GEOGRAPHICAL LOCATION

As of December 31, 2003

Jollibee - Philippines	Dec-03	Dec-02	Changes
Metro Manila	213	204	9
Central Luzon	38	38	0
Northern Luzon	35	25	10
Southern Luzon	102	96	6
Visayas	47	44	3
Mindanao	32	29	3
Total	467	436	31
Greenwich Pizza			
Metro Manila	103	93	10
Central Luzon	17	14	3
Northern Luzon	21	17	4
Southern Luzon	37	32	5
Visayas	24	22	2
Mindanao	11	13	-2
Total	213	191	22
Chowking			
Metro Manila	126	119	7
Central Luzon	32	26	6
Northern Luzon	16	12	4
Southern Luzon	36	30	6
Visayas	20	17	3
Mindanao	15	12	3
Total	245	216	29