

THE JFC GROUP OF COMPANIES
Jollibee Sales Up 14.6% in Quarter 1

Metro Manila, Philippines, May 5, 2005 – *Jollibee Foods Corporation* (PSE: JFC) – **Results for the quarter ended March 31, 2005.**

The following are the highlights of JFC's results of operations for the quarter ended March 31, 2005.

Financial Summary	Quarter 1		
	2005	2004	Change
System Wide Retail Sales	P 9.0 B	P 7.8 B	14.6%
Revenues	P 6.5 B	P 5.8 B	13.0%
Gross Profit	P 3.2 B	P 2.8 B	19.7%
Income from Operations	P 483.1 M	P 496.4 M	-2.7%
Net Income after Tax	P 358.3 M	P 382.1 M	-6.2%
Earnings per Common Share - Basic	P 0.3626	P 0.3877	-6.5%
Earnings per Common Share - Diluted	P 0.3624	P 0.3871	-6.4%

The System Wide Sales of Jollibee Foods Corporation, a measure of all sales to consumers from both company owned and franchised stores rose 14.6% in January-March of 2005 compared with the same period last year. Net Income, however, decreased by -6.2% as the rapid increase in the cost of utilities reduced its Operating Margins.

Mr. Tony Tan Caktiong, Chairman and Chief Executive Officer stated that he is concerned about the short term effect of high inflation rate on JFC's sales volume and profit but sees stronger business performance in the long term. "We continue to be encouraged by the performance of our Yonghe King business in China. We're also pleased with the strong start of our new Chowking store in Indonesia and the recovery of Jollibee business in Vietnam where sales grew by 46.1% in the first quarter. These developments continue to give us indications that we will be able to build a meaningful business abroad over the next years. In the Philippines, we still

see many opportunities for geographical and food segment penetration in the years ahead.”

System Wide Sales of Yonghe King grew by 27.2% in the first quarter of 2005 versus same period in 2004. In the Philippine business, Jollibee brand’s system wide sales increased by 6.2%, Chowking by 15.9%, Greenwich by 4.5% and Delifrance by 31.5%. The JFC Group opened a total of 23 stores in the first quarter of 2005.

Mr. Tony Tan Caktiong added that in the Philippines where the Jollibee Group operates a total of 1,072 stores, its brands grew at about half the growth rate in the first quarter of 2004. “We attribute the lower sales growth rate to inflation pressures on consumer spending and on likely lower growth rates in agricultural output and in the GDP. The lower sales growth rate was consistent across regions.”

Mr. Ysmael V. Baysa, JFC Chief Finance Officer disclosed that the increases in the cost of raw materials had been recovered resulting in improvement in Gross Margin from 48.0% in Q1 of 2004 to 50.8% in Q1 of 2005. However, the increases in cost of power, fuel and transport had not yet been recovered resulting in contraction in Operating Income margin from 8.6% in Q1 2004 to 7.4% in Q1 4 2005. “We have a short term objective of restoring our profit margin to last year’s level but our chance of achieving that is largely affected by what will happen to inflation rate in the balance of 2005.” He added that notwithstanding the lower profit in Q1 2005, JFC was able to achieve a healthy 16.8% Return on Equity and generated 168 million pesos in cash from operations, which was slightly better than the first quarter of 2004.

The Jollibee Group of Companies operates the country’s largest fast food chain. As of end of March, 2005, it had 1,072 stores: 501 Jollibee, 312 Chowking, 227 Greenwich and 32 Delifrance. It also operates a total of 119 stores outside of the Philippines mostly Yonghe King in the People’s Republic of China with 86 stores - for a total of 1,191 stores worldwide as of March 31, 2005.

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JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Period Ended March 2005

(Unaudited)

Peso Amounts in Thousands

	March 2005		March 2004		Change 2004 to 2005
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	6,022,826	92.1%	5,331,864	92.2%	13.0%
Royalties, franchise fees and others	514,846	7.9%	453,384	7.8%	13.6%
	6,537,672	100.0%	5,785,248	100.0%	13.0%
COST OF SALES	3,213,786	49.2%	3,008,147	52.0%	6.8%
GROSS PROFIT	3,323,886	50.8%	2,777,101	48.0%	19.7%
OPERATING EXPENSES					
General and administrative	2,840,799	43.5%	2,280,727	39.4%	24.6%
Income from Operations	483,087	7.4%	496,374	8.6%	(2.7%)
FINANCE INCOME (CHARGES)					
Interest income	21,638	0.3%	18,967	0.3%	14.1%
Interest expense	(7,184)	(0.1%)	(11,075)	(0.2%)	35.1%
EQUITY IN NET LOSS OF A JOINT VENTURE	(4,515)	(0.1%)	(4,267)	(0.1%)	(5.8%)
PROFIT BEFORE INCOME TAX	493,026	7.5%	499,999	8.6%	(1.4%)
PROVISION FOR INCOME TAX	129,868	2.0%	113,888	2.0%	14.0%
PROFIT BEFORE MINORITY INTEREST	363,158	5.6%	386,111	6.7%	(5.9%)
MINORITY INTEREST	4,825	0.1%	3,983	0.1%	21.1%
NET INCOME	358,334	5.5%	382,128	6.6%	(6.2%)
Earnings per Share					
Basic	0.3626		0.3877		(6.5%)
Diluted	0.3624		0.3871		(6.4%)
Average Number of Common Shares-Basic (000)	988,187		985,598		
Average Number of Common Shares-Diluted (000)	988,707		987,249		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of March 31, 2005

Peso Amounts in Thousands

	Mar 2005 Unaudited	Dec 2004 Audited	Change
Cash and cash equivalents	3,180,451	3,283,588	(103,137)
Accounts receivables	1,109,268	1,276,901	(167,632)
Inventories	1,077,989	1,109,462	(31,473)
Prepaid items & other current assets	707,236	591,134	116,102
Total Current Assets	6,074,945	6,261,084	(186,139)
Property & equipment	11,077,387	10,970,895	106,492
Accumulated depreciation	(4,776,745)	(4,663,206)	(113,539)
Net Fixed Assets	6,300,642	6,307,689	(7,047)
Other Assets	2,856,541	2,819,175	37,366
Total Assets	15,232,128	15,387,948	(155,821)
Accounts payable	1,679,313	1,887,654	(208,341)
Accrued expenses	2,334,149	2,522,012	(187,863)
Other liabilities	447,878	565,818	(117,940)
Current portion of provisions	656,195	656,195	-
Current portion of long-term debt	170,000	226,667	(56,667)
Total Current Liabilities	5,287,535	5,858,346	(570,812)
Long-term debt - net of current portion	56,667	56,667	-
Provisions - net of current portion	63,595	63,595	-
Other non-current liabilities	825,814	804,126	21,689
Total Non-current Liabilities	946,076	924,388	21,689
Minority Interest	223,518	238,801	(15,283)
Paid-up capital	1,022,279	1,022,158	121
Excess on par	1,711,272	1,710,782	490
Subscription receivables	(17,235)	(18,155)	920
Translation adjustments	147,879	144,292	3,587
Retained earnings	-	-	-
Appropriated for future expansion	1,200,000	1,200,000	-
Unappropriated	4,747,991	4,747,991	-
Pnl-to-Date	358,334	-	358,334
Less: Warrants and treasury shares	(395,520)	(440,653)	45,133
Total Equity	8,774,999	8,366,414	408,585
Total Liabilities & Equity	15,232,128	15,387,948	(155,821)

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Cash Flows

As of March 31, 2005

(Unaudited)

Peso Amounts in Thousands

	Mar-05	Mar-04
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	493,026	499,999
Adjustments for:		
Depreciation and amortization	234,731	223,975
Loss (Gain) on disposals and retirement of property and equipment	8,196	-
Interest income	(21,638)	(18,967)
Provisions for:		
Impairment in value of property, plant and equipment	2,687	-
Interest expense	7,184	11,075
Equity in net loss of a joint venture	4,515	4,267
Operating income before working capital changes	728,701	720,349
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	167,632	(3,294)
Inventories	31,473	(94,075)
Prepaid items and other current assets	(116,102)	(180,317)
Increase (decrease) in:		
Accounts payable	(208,341)	(305,527)
Accrued expenses	(201,514)	18,644
Provisions	-	-
Other liabilities	(117,940)	(77,033)
Cash generated from operations	283,908	78,747
Income taxes paid	(116,217)	(64,758)
Net cash provided by operating activities	167,691	13,989
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(244,500)	(234,317)
(Increase) Decrease in other noncurrent assets	(32,361)	(608,499)
Interest received	21,638	18,967
Proceeds from disposal of property and equipment	-	259
Net cash provided by (used in) investing activities	(255,223)	(823,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	(56,667)	(56,667)
Proceeds from:		
Issuance of Treasury Stocks	45,133	3,839
Issuance of and subscriptions to capital stock	1,531	11,761
Interest paid	(7,184)	(11,075)
Increase (Decrease) in noncurrent liabilities	21,689	-
Increase (decrease) in minority interest	(20,108)	(34,168)
Net cash provided by (used in) financing activities	(15,605)	(86,310)
Net Increase (Decrease) in Cash and Cash Equivalents	(103,137)	(895,911)
Cash and Cash Equivalents, Beginning	3,283,588	2,788,514
Cash and Cash Equivalents, End	3,180,451	1,892,603

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
As of March 31, 2005
(Unaudited)
Peso Amounts in Thousands

	Mar-05	Mar-04
Capital Stock - P1 par value		
Issued		
Balance, beginning	1,020,149	1,018,340
Issuances	121	121
Balance, end	1,020,270	1,018,461
Additional Paid-in Capital		
Balance, beginning	1,710,782	1,833,142
Issuances	1,205	1,133
Premium on re-issuance of treasury shares	(715)	7,908
Balance, end	1,711,272	1,842,183
Subscribed Capital Stock		
Balance, beginning	2,009	14,588
New subscriptions	-	611
Issuances	-	(121)
Balance, end	2,009	15,078
Subscription Receivable		
Balance, beginning	(18,155)	(72,351)
Receivables on new subscriptions	-	(25,308)
Collections	920	27,416
Balance, end	(17,235)	(70,243)
Share in Translation Adjustments of Investees		
Balance, beginning of year	144,292	207,737
Share in translation adjustments during the year	3,587	
Balance, end	147,879	207,737
Retained Earnings		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	4,747,991	4,098,508
Net income	358,334	382,129
Balance, end	5,106,324	4,480,637
	6,306,324	5,680,637
Warrants and Treasury Shares		
Balance, beginning	(440,653)	(610,980)
Issuances	45,133	3,839
	(395,520)	(607,141)
	8,774,999	8,086,712

JOLLIBEE FOODS CORPORATION

	Dec-04 Stores	Opened YTD	Closed YTD	Ownership Change	Mar-05 Stores
NUMBER OF STORES					
JFC-Philippines					
Co-owned	201	4	3	0	202
Franchised	298	3	2	0	299
Total	499	7	5	0	501
Greenwich					
Co-owned	123	1	3	1	122
Franchised	109	0	3	-1	105
Total	232	1	6	0	227
Delifrance					
Co-owned	27	2	1	0	28
Franchised	4	0	0	0	4
Total	31	2	1	0	32
Chowking-Phils					
Co-owned	95	5	1	0	99
Franchised	208	5	0	0	213
Total	303	10	1	0	312
Total Local Stores	1065	20	13	0	1072
International:					
Jollibee:					
Hongkong	1	0	0	0	1
US	9	1	0	0	10
Vietnam	3	0	0	0	3
Others	9	0	1	0	8
Total	22	1	1	0	22
Chowking:					
US	8	0	0	0	8
Dubai	2	0	0	0	2
Indonesia	0	1	0	0	1
Total	10	1	0	0	11
Yonghe King					
C Co-owned	83	0	3	0	80
F Franchised	5	1	0	0	6
Total	88	1	3	0	86
Total International Stores	120	3	4	0	119
Grand Total	1185	23	17	0	1191
NUMBER OF SHARES (in '000)					
Issued and Subscribed (Net of treasury shares)					990,851
Weighted Average - Basic					988,187
Weighted Average - Diluted					988,707
SYSTEMWIDE SALES (in '000 Pesos)					
	Mar-04	Mar-05		Growth	
Quarter 1	7,843,975	8,990,451		14.6%	

Jollibee Foods Corporation

Notes and Other Disclosures

- The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines under the historical cost basis.
- The Company adopted the same accounting policies, standards and methods of computations applicable in the 2004 audited consolidated financial statements, as follows:

SFAS 17/IAS 17, "Leases," which resulted in the recognition of lease expense (the Group as "lessee") and lease income (the Group as "lessor") under operating leases on a straight-line basis. Previously, lease payments were recognized as expense or income on the basis of the terms of the lease agreements.

SFAS 12/IAS 12, "Income Taxes," which requires deferred income taxes to be determined using the balance sheet liability method. The standard also requires the classification of deferred tax assets and liabilities as noncurrent items in the balance sheet.

- Food service operations have both peak and lean seasons. The material financial impact of this season has been considered in the financial forecasts.

4. Segment Information

The Group's operating businesses are organized and managed separately according to the nature of 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 that are 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 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 March 31, 2005 and 2004.

	As of and for the Quarter Ended March 31, 2005				Total
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	6,036,085	450,549	51,038		6,537,672
Inter-segment revenues	856,595	11,198	3,498	(871,290)	-
Segment revenue	6,892,680	461,746	54,536	(871,290)	6,537,672
Segment expense	(6,009,908)	-	(44,678)		(6,054,586)
Other segment income		-			-
Segment result	882,772	461,746	9,858	(871,290)	483,087
Interest expense					(7,184)
Interest income					21,638
Equity in net loss of joint venture	(4,515)				(4,515)
Income before income tax and minority interest					493,026
Income tax expense					(129,868)
Minority interest					(4,825)
Net income					358,334
Assets and liabilities					
Segment assets	18,620,828	63,704	391,897	(3,907,127)	15,169,302
Interest in and advances to a joint venture	62,825				62,825
Total assets					15,232,128
Segment liabilities	7,420,928	-	-	(1,243,984)	6,176,944
Long-term debt					56,667
Total liabilities					6,233,611
Other segment information					
Capital expenditures	244,500	-	-	-	244,500
Depreciation and amortization	231,007	-	3,724	-	234,731

As of and for the Quarter Ended March 31, 2004

	Food Service	Franchising	Real Estate (In Thousands)	Eliminations	Total
Results of Operations					
Revenues from external customers	5,307,557	422,477	55,214		5,785,248
Inter-segment revenues	836,020	9,385	3,390	(848,795)	-
Segment revenue	6,143,577	431,862	58,604	(848,795)	5,785,248
Segment expense	(5,238,157)	-	(50,717)		(5,288,874)
Impairment losses					-
Other segment income		-			-
Segment result	905,421	431,862	7,887	(848,795)	496,374
Interest expense					(11,075)
Interest income					18,967
Amortization of Goodwill					
Equity in net loss of joint venture	(4,267)				(4,267)
Income before income tax and minority interest					499,999
Income tax expense					(113,888)
Minority interest					(3,983)
Net income					382,128
Assets and liabilities					
Segment assets	15,648,543	127,574	171,920	(3,370,250)	12,577,787
Deferred tax assets					-
Interest in and advances to a joint venture	69,560				69,560
Total assets					12,647,347
Segment liabilities	4,940,872	-	420,842	(1,241,715)	4,119,999
Long-term debt					283,333
Total liabilities					4,403,332
Other segment information					
Capital expenditures	234,317	-		-	234,317
Depreciation and amortization	219,169	-	4,806	-	223,975
Impairment losses	-	-	-	-	-
Other non-cash expenses	-	-	-	-	-

Geographical Segments

The Group operates in the domestic and international markets. Revenues from operations within the Philippines account for 90.2% & 96.2% of the Group's total revenues for Quarter 1 2005 & 2004, respectively.

- 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.

STORES GEOGRAPHICAL LOCATION

As of March, 2005

Jollibee - Philippines	Mar-05	Dec-04	Changes
Metro Manila	216	217	-1
Central Luzon	38	38	0
Northern Luzon	43	43	0
Southern Luzon	110	107	3
Visayas	52	52	0
Mindanao	42	42	0
Total	501	499	2
Greenwich Pizza			
Metro Manila	107	108	-1
Central Luzon	14	14	0
Northern Luzon	28	28	0
Southern Luzon	38	40	-2
Visayas	20	21	-1
Mindanao	20	21	-1
Total	227	232	-5
Chowking			
Metro Manila	161	157	4
Central Luzon	41	39	2
Northern Luzon	18	18	0
Southern Luzon	48	45	3
Visayas	23	23	0
Mindanao	21	21	0
Total	312	303	9