

THE JFC GROUP OF COMPANIES
Jollibee Q2 Profit Up 27% on Margin Recovery

Metro Manila, Philippines, August 15, 2005 – *Jollibee Foods Corporation* (PSE: JFC) – Results for the quarter and the first half ended June 30, 2005

The following are the highlights of JFC's results of operations for the quarter and the first half ended June 30, 2005:

Financial Summary	Quarter 2 - 2005		First Half - 2005	
	Amount	Change	Amount	Change
System Wide Retail Sales	₱ 10.2 B	11.8%	₱ 19.2 B	13.1%
Revenues	₱ 7.4 B	6.9%	₱ 13.9 B	9.7%
Income from Operations	₱ 681.7 M	19.5%	₱ 1.2 B	9.2%
Net Income after Tax	₱ 536.2 M	26.8%	₱ 894.6 M	11.1%
Earnings per Common Share – Basic	₱ 0.5408	26.1%	₱ 0.9034	10.6%

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

The Jollibee Foods Corporation (JFC) generated a net income of ₱536.2 million in April-June, 2005 representing a 26.8% increase over the net income in the same period in 2004. For the six months ending in June 30, 2005, net income amounted to ₱894.6 million, an increase of 11.1% over the same period in 2004.

JFC Chief Executive Officer Mr. Tony Tan Caktiong disclosed that the net income as a percent of revenues had improved to 7.3% in 2005 Quarter 2 from the 2004 Quarter 2 level of 6.1%. "Recovering profit margin from rising inflation will help fuel our long term growth. Margin recovery during the quarter was achieved by a combination of cost improvement and gradual price adjustments on our products," Mr. Tan stated.

JFC Group's System Wide Sales, a measure of all sales to consumers both from company owned and franchised stores grew by 11.8% to ₱10.2 billion in the second quarter of 2005 over the sales in the same period of 2004. In the Philippine market, Jollibee brand System Wide Sales grew by 8.3%, Chowking by 14.6%, Greenwich by 9.7% and Delifrance by 30.6%. In the foreign market, sales of Yonghe King in China grew by 18.6%.

Mr. Tan Caktiong disclosed that it has been quite challenging to grow consumer demand on food service in 2005 due to high inflation and to high sales base in 2004 when sales benefited from election related spending. "Consumers have to put spending priority on higher electricity bills, cooking gas and transportation fares," Mr. Tan explained.

JFC Chief Finance Officer Mr. Ysmael V. Baysa cautioned that the increases in costs continue to exert pressure on sales and profit margin. "We are encouraged by our financial performance in the second quarter when our Return on Equity (ROE) reached 24.1%, but are concerned with the continuing increase in the price of crude oil in the world market and other commodities. Notwithstanding these concerns, we plan to continue investing for our long-term growth with capital expenditures amounting to an estimated P1.5 billion in 2005 mostly for 80-100 new stores and for the renovation of existing stores," Mr. Baysa stated.

The Jollibee Group of Companies had opened a total of 37 stores in 2005 as of June 30, 2005: 31 in the Philippine Operations (15 Jollibee, 10 Chowking, 3 Greenwich and 3 Delifrance) and 6 in Fbreign Operations, mainly 4 Yonghe King in the People's Republic of China.

The Jollibee Group of Companies operates the Philippines' largest fast food network. As of June 30, 2005, it had a total of 1,079 stores: 508 Jollibee, 310 Chowking, 228 Greenwich and 33 Delifrance. It also operates 121 stores abroad mostly Yonghe King in China with 88 stores for a total of 1,200 stores in nine countries worldwide.

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JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Quarter Ended June 2005

(Unaudited)

Peso Amounts in Thousands

	June 2005		June 2004		Change 2004 to 2005
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	6,799,082	92.0%	6,368,480	92.1%	6.8%
Royalties, franchise fees and others	591,742	8.0%	543,648	7.9%	8.8%
	7,390,824	100.0%	6,912,129	100.0%	6.9%
COST OF SALES	3,619,991	49.0%	3,504,065	50.7%	3.3%
GROSS PROFIT	3,770,833	51.0%	3,408,064	49.3%	10.6%
OPERATING EXPENSES					
General and administrative	3,052,450	41.3%	2,791,790	40.4%	9.3%
IFRS Adjustment on Operating leases	36,662	0.5%	45,974	0.7%	(20.3%)
	3,089,112	41.8%	2,837,764	41.1%	8.9%
Income from Operations	681,721	9.2%	570,300	8.3%	19.5%
FINANCE INCOME (CHARGES)					
Interest income	26,392	0.4%	20,642	0.3%	27.9%
Interest expense	(5,754)	(0.1%)	(10,926)	(0.2%)	47.3%
EQUITY IN NET LOSS OF A JOINT VENTURE	(3,525)	(0.0%)	(4,101)	(0.1%)	14.1%
PROFIT BEFORE INCOME TAX	698,835	9.5%	575,915	8.3%	21.3%
PROVISION FOR INCOME TAX	151,486	2.0%	144,680	2.1%	4.7%
PROFIT BEFORE MINORITY INTEREST	547,349	7.4%	431,235	6.2%	26.9%
MINORITY INTEREST	11,107	0.2%	8,246	0.1%	34.7%
NET INCOME	536,243	7.3%	422,988	6.1%	26.8%
Earnings per Share					
Basic	0.5408		0.4288		26.1%
Diluted	0.5406		0.4288		26.1%
Average Number of Common Shares-Basic (000)	991,523		986,483		
Average Number of Common Shares-Diluted (000)	991,990		986,483		

JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the Period Ended June 2005

(Unaudited)

Peso Amounts in Thousands

	June 2005		June 2004		Change 2004 to 2005
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	12,821,908	92.1%	11,700,344	92.1%	9.6%
Royalties, franchise fees and others	1,106,588	7.9%	997,033	7.9%	11.0%
	13,928,496	100.0%	12,697,377	100.0%	9.7%
COST OF SALES	6,833,778	49.1%	6,512,212	51.3%	4.9%
GROSS PROFIT	7,094,719	50.9%	6,185,165	48.7%	14.7%
OPERATING EXPENSES					
General and administrative	5,893,249	42.3%	5,072,517	39.9%	16.2%
IFRS Adjustment on Operating leases	36,662	0.3%	45,974	0.4%	(20.3%)
	5,929,911	42.6%	5,118,491	40.3%	15.9%
Income from Operations	1,164,808	8.4%	1,066,674	8.4%	9.2%
FINANCE INCOME (CHARGES)					
Interest income	48,031	0.3%	39,609	0.3%	21.3%
Interest expense	(12,938)	(0.1%)	(22,001)	(0.2%)	41.2%
EQUITY IN NET LOSS OF A JOINT VENTURE	(8,039)	(0.1%)	(8,368)	(0.1%)	3.9%
PROFIT BEFORE INCOME TAX	1,191,861	8.6%	1,075,914	8.5%	10.8%
PROVISION FOR INCOME TAX	281,353	2.0%	258,568	2.0%	8.8%
PROFIT BEFORE MINORITY INTEREST	910,508	6.5%	817,346	6.4%	11.4%
MINORITY INTEREST	15,931	0.1%	12,229	0.1%	30.3%
NET INCOME	894,576	6.4%	805,117	6.3%	11.1%
Earnings per Share					
Basic	0.9034		0.8165		10.6%
Diluted	0.9025		0.8165		10.5%
Average Number of Common Shares-Basic (000)	990,266		986,020		
Average Number of Common Shares-Diluted (000)	991,196		986,020		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of June 30, 2005

Peso Amounts in Thousands

	June 2005 Unaudited	Dec 2004 Audited	Change
Cash and cash equivalents	4,018,792	3,283,588	735,205
Accounts receivables	987,833	1,276,901	(289,068)
Inventories	1,095,291	1,109,462	(14,171)
Prepaid items & other current assets	773,088	591,134	181,953
Total Current Assets	6,875,003	6,261,084	613,919
Property & equipment	11,398,444	10,970,895	427,549
Accumulated depreciation	(5,114,385)	(4,663,206)	(451,179)
Net Fixed Assets	6,284,059	6,307,689	(23,630)
Other Assets	2,879,357	2,819,175	60,182
Total Assets	16,038,419	15,387,948	650,471
Accounts payable	1,621,976	1,887,654	(265,678)
Accrued expenses	2,545,153	2,522,012	23,141
Other liabilities	872,119	565,818	306,301
Current portion of provisions	656,195	656,195	-
Current portion of long-term debt	113,333	226,667	(113,334)
Total Current Liabilities	5,808,777	5,858,346	(49,570)
Long-term debt - net of current portion	56,667	56,667	-
Provisions - net of current portion	63,595	63,595	-
Other non-current liabilities	825,442	804,126	21,317
Total Non-current Liabilities	945,704	924,388	21,317
Minority Interest	234,034	238,801	(4,767)
Paid-up capital	1,022,357	1,022,158	199
Excess on par	1,711,631	1,710,782	849
Subscription receivables	(17,178)	(18,155)	977
Translation adjustments	146,767	144,292	2,475
Retained earnings	-	-	-
Appropriated for future expansion	1,200,000	1,200,000	-
Unappropriated	4,479,770	4,747,991	(268,221)
Pnl-to-Date	894,576	-	894,576
Less: Warrants and treasury shares	(388,018)	(440,653)	52,635
Total Equity	9,049,905	8,366,414	683,491
Total Liabilities & Equity	16,038,419	15,387,948	650,471

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Cash Flows

As of June 30, 2005

(Unaudited)

Peso Amounts in Thousand:

	Jun-05	Jun-04
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	1,191,861	1,075,914
Adjustments for:		
Depreciation and amortization	494,567	564,346
Loss (Gain) on disposals and retirement of property and equipment	18,010	5,079
Interest income	(48,031)	(39,609)
Provisions for:		
Impairment in value of property, plant and equipment	2,687	-
Interest expense	12,938	22,001
Equity in net loss of a joint venture	8,039	8,368
Loss on write-off of nonoperating assets	-	-
Operating income before working capital changes	1,680,071	1,636,099
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	289,068	70,433
Inventories	14,171	(182,304)
Prepaid items and other current assets	(181,953)	99,640
Increase (decrease) in:		
Accounts payable	(265,678)	(180,879)
Accrued expenses	(20,689)	178,799
Provisions	-	-
Other liabilities	61,732	15,184
Cash generated from operations	1,576,722	1,636,972
Income taxes paid	(237,524)	(198,205)
Net cash provided by operating activities	1,339,199	1,438,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(522,440)	(665,306)
(Increase) Decrease in other noncurrent assets	(37,415)	(426,098)
Interest received	48,031	39,609
Net cash of deconsolidated subsidiary		210,479
Proceeds from disposal of property and equipment	-	259
Net cash provided by (used in) investing activities	(511,824)	(841,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Warrants and treasury shares	-	-
Cash dividends	(23,652)	(160,838)
Bank loans	(113,334)	(113,333)
Proceeds from:		
Issuance of Treasury Stocks	52,635	13,340
Issuance of and subscriptions to capital stock	2,025	42,049
Interest paid	(12,938)	(22,001)
Increase (Decrease) in noncurrent liabilities	21,317	(39,380)
Increase (decrease) in minority interest	(20,698)	(6,861)
Net cash provided by (used in) financing activities	(94,645)	(287,024)
Translation adjustments	2,475	1,431
Net Increase (Decrease) in Cash and Cash Equivalents	735,205	312,112
Cash and Cash Equivalents, Beginning	3,283,588	2,788,514
Cash and Cash Equivalents, End	4,018,792	3,100,626

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
As of June 30, 2005
(Unaudited)
Peso Amounts in Thousand:

	Jun-05	Jun-04
Capital Stock - P1 par value		
Issued		
Balance, beginning	1,020,149	1,018,340
Issuances	199	1,608
Balance, end	1,020,348	1,019,948
Additional Paid-in Capital		
Balance, beginning	1,710,782	1,833,142
Issuances	1,916	17,066
Premium on re-issuance of treasury shares	(1,066)	2,215
Balance, end	1,711,631	1,852,423
Subscribed Capital Stock		
Balance, beginning	2,009	14,588
New subscriptions	-	611
Issuances	-	(339)
Balance, end	2,009	14,859
Subscription Receivable		
Balance, beginning	(17,235)	(72,351)
Receivables on new subscriptions	-	(9,623)
Collections	57	30,510
Balance, end	(17,178)	(51,464)
Share in Translation Adjustments of Investees		
Balance, beginning of year	144,292	207,737
Share in translation adjustments during the year	2,475	1,431
Balance, end	146,767	209,168
Retained Earnings		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	4,747,991	4,098,508
Net income	894,576	805,116
Cash dividends	(268,221)	(187,344)
Balance, end	5,374,346	4,716,280
	6,574,346	5,916,280
Warrants and Treasury Shares		
Balance, beginning	(440,653)	(610,980)
Issuances	52,635	13,340
	(388,018)	(597,640)
	9,049,905	8,363,576

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 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, all 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 sheets.

3. Food service operations have both peak and lean seasons. The material financial impact of this seasonality has been considered in the financial forecast.

4. 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 June 30, 2005 and 2004:

	As of and for the Quarter Ended June 30, 2005				Total
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	12,877,142	942,164	109,190		13,928,496
Inter-segment revenues	1,875,172	89,996	7,056	(1,972,224)	-
Segment revenue	14,752,314	1,032,161	116,246	(1,972,224)	13,928,496
Segment expense	(12,656,689)	(4,436)	(102,564)		(12,763,689)
Segment result	2,095,625	1,027,725	13,682	(1,972,224)	1,164,808
Interest expense					(12,938)
Interest income					48,031
Equity in net loss of joint venture	(8,039)				(8,039)
Income before income tax and minority interest					1,191,861
Income tax expense					(281,353)
Minority interest					(15,931)
Net income					894,576

Assets and liabilities					
Segment assets	19,090,267	131,260	404,553	(3,650,486)	15,975,594
Interest in and advances to a joint venture	62,825				62,825
Total assets					16,038,419
Segment liabilities	7,138,769	-	663,833	(1,104,789)	6,697,814
Long-term debt					56,667
Total liabilities					6,754,481
Other segment information					
Capital expenditures	522,440	-	-	-	522,440
Depreciation and amortization	487,587	-	6,980	-	494,567

	As of and for the Quarter Ended June 30, 2004				Total
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	12,161,487	480,676	55,214		12,697,377
Inter-segment revenues	1,796,299	80,005	3,390	(1,879,694)	-
Segment revenue	13,957,786	560,681	58,604	(1,879,694)	12,697,377
Segment expense	(11,575,061)	(4,924)	(50,717)		(11,630,703)
Impairment losses					-
Other segment income		-			-
Segment result	2,382,725	555,757	7,887	(1,879,694)	1,066,674
Interest expense					(22,001)
Interest income					39,609
Equity in net loss of joint venture	(8,368)				(8,368)
Income before income tax and minority interest					1,075,914
Income tax expense					(258,568)
Minority interest					(12,229)
Net income					805,117
Assets and liabilities					
Segment assets	16,842,521	121,696	171,920	(3,673,794)	13,462,343
Interest in and advances to a joint venture	69,560				69,560
Total assets					13,531,903
Segment liabilities	5,824,395	-	420,842	(1,553,098)	4,692,139
Long-term debt					283,333
Total liabilities					4,975,472
Other segment information					
Capital expenditures	665,306	-	-	-	665,306
Depreciation and amortization	559,540	-	4,806	-	564,346

Geographical Segments

The Group operates in the domestic and international markets. Revenues from operations within the Philippines account for 91.3% and 93.7% of the Group's total revenues for the first half 2005 and 2004, respectively.

- On April 4, 2005, the Company submitted to the SEC the amendments to the JFC's Senior Management Stock Option Plan (MSOP) Rules, which were originally filed and approved by the Securities and Exchange Commission (SEC) on November 28, 2002. Under the said Senior MSOP, 101,500,000 JFC shares have been exempted from registration under

Section 10.2 of Securities Regulation Code with the SEC on December 17, 2002 and approved for listing by the Philippine Stock Exchange (PSE) on the same date to cover the issuances under the said plan. A total of 795,017 shares are estimated to be issued and listed during the year 2005. These shares have been included in the calculation of the Diluted Earnings per Share.

6. 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-04 Stores	Opened YTD	Closed YTD	Ownership Change	Jun-05 Stores
NUMBER OF STORES					
JFC-Philippines					
Co-owned	201	9	3	0	207
Franchised	298	6	3	0	301
Total	499	15	6	0	508
Chowking-Phils					
Co-owned	95	5	1	0	99
Franchised	208	5	2	0	211
Total	303	10	3	0	310
Greenwich					
Co-owned	123	1	3	1	122
Franchised	109	2	4	-1	106
Total	232	3	7	0	228
Delifrance					
Co-owned	27	3	1	0	29
Franchised	4	0	0	0	4
Total	31	3	1	0	33
Total Local Stores	1065	31	17	0	1079
International:					
Jollibee:					
Hongkong	1	0	0	0	1
US	9	1	0	0	10
Others	12	0	1	0	11
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					
Co-owned	83	3	4	0	82
Franchised	5	1	0	0	6
Total	88	4	4	0	88
Total International Stores	120	6	5	0	121
Grand Total	1185	37	22	0	1200
NUMBER OF SHARES (in '000)					
Issued and Subscribed (Net of treasury shares)					991,632
Weighted Average - Basic					990,266
Weighted Average - Diluted					991,196
SYSTEMWIDE SALES (in '000 Pesos)					
	Jun-04	Jun-05		Growth	
First Half	17,019,258	19,244,200		13.1%	
Quarter 2	9,175,283	10,253,749		11.8%	

STORES GEOGRAPHICAL LOCATION

As of June 30, 2005

Jollibee - Philippines	Jun-05	Dec-04	Changes
Metro Manila	218	217	1
Central Luzon	38	38	0
Northern Luzon	44	43	1
Southern Luzon	113	107	6
Visayas	52	52	0
Mindanao	43	42	1
Total	508	499	9
Greenwich Pizza			
Metro Manila	107	108	-1
Central Luzon	14	14	0
Northern Luzon	29	28	1
Southern Luzon	38	40	-2
Visayas	20	21	-1
Mindanao	20	21	-1
Total	228	232	-4
Chowking			
Metro Manila	161	157	4
Central Luzon	39	39	0
Northern Luzon	18	18	0
Southern Luzon	48	45	3
Visayas	23	23	0
Mindanao	21	21	0
Total	310	303	7