

THE JFC GROUP OF COMPANIES

JFC Sustains Strong Sales and Profit Growth

Metro Manila, Philippines, August 14, 2018 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Second Quarter and First Semester ended June 30, 2018

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the second quarter and first semester ended June 30, 2018 based on its Unaudited Consolidated Financial Statements:

Financial Summary	Quarter 2			YTD June		
	2018	2017	% Change	2018	2017	% Change
System Wide Retail Sales	53,931	42,540	26.8%	99,910	81,078	23.2%
Revenues	40,296	32,553	23.8%	75,096	61,842	21.4%
Operating Income	2,392	1,998	19.7%	4,361	3,826	14.0%
Net Income Attributable to Equity						
Holders of the Parent Company	2,251	1,956	15.1%	4,050	3,489	16.1%
Earnings Per Common Share - Basic	2.071	1.811	14.4%	3.728	3.238	15.1%
Earnings Per Common Share - Diluted	2.043	1.791	14.1%	3.676	3.197	15.0%

In Php millions except Earnings Per Share data

Jollibee Foods Corporation (JFC), the largest Asian food service company reported today that its system wide sales, a measure of all sales to consumers both from company-owned and franchised stores grew by 26.8% in the second quarter compared to sales in the same period of 2017. For the first half of the year, JFC's system wide sales grew by 23.2%. Revenues grew by 23.8% and 21.4%, respectively.

Excluding the impact of the consolidation of Smashburger effective April 17, 2018, system wide sales grew by 18.1% for the second quarter of 2018 driven by 7.2% same store sales growth, 8.9% growth in store network and 2.0% impact of change in foreign exchange rates. System wide sales grew by 18.7% for the first half of 2018 without Smashburger.

System wide sales in all regions performed strongly in the second quarter of 2018 led by the North America business which grew by 195.6% due to the consolidation of Smashburger (23.6% ex-Smashburger). Europe, Middle East and Asia ex-Philippines (EMEA) business rose by 46.1%, China business by 17.4% and the Philippine business by 15.8%. System wide sales of the foreign business accelerated to 71.0%. Excluding Smashburger, system wide sales of the foreign business for the second quarter of 2018 grew by 27.4%. Growth in the Philippine business which accounts for 70% of JFC's worldwide system wide sales was driven by 8.0% same store sales growth and 7.8% increase in store network.

Operating income for the quarter and the first half of the year increased by 19.7% and 14.0%, respectively, higher than the 7.7% operating income growth for the first quarter of 2018. General and administrative expenses grew at a slower rate than revenues due to the lower share-based compensation. Advertising and promotion expenses in the second quarter increased by 0.3% of revenues. These improved the expense ratio, from 12.9% to 12.2% of revenues for the second quarter and 12.3% to 12.1% of revenues in the first half of 2018.

Cost of products as a percent of revenues excluding Smashburger was flat at 47.9% in Q2 of 2018 and 2017. In the Philippines, with the rising inflation rate, the cost of products increased slightly from 52.8% in 2017 to 52.9% in 2018.

Net income attributable to equity holders of the parent company for the second quarter of 2018 increased by 15.1% to Php2.25 billion compared to the same quarter of 2017. Provision for income tax for the second quarter grew significantly on account of lower base arising from the recognition of deferred tax assets and higher tax deductible expenses in the second quarter of 2017. The utilization of deferred tax assets in the second quarter of 2018 also contributed to the increase in tax provision.

For the first six months of the year, net income attributable to equity holders of the Parent Company rose by 16.1% to Php 4.05 billion while earnings per share grew by 15.1% to Php3.728. JFC's net income included foreign exchange gains of Php69.1 million.

JFC's investments for future growth remained robust. Capital expenditures and acquisition for the first half of 2018 amounted to Php8.3 billion, more than double the Php4.0 billion spent during the same period in 2017. The JFC Group opened 192 stores in the first six months of 2018 (115 in the Philippines and 77 abroad), 22.3% higher than the 157 new stores opened in the same period in 2017. Smashburger added 349 stores or 8.9% to JFC's worldwide store network. On March 18, JFC opened its first store in Europe, in Milan, Italy.

JFC operates the largest food service network in the Philippines. As at June 30, 2018, it was operating 2,957 restaurant outlets in the country: Jollibee brand 1,094, Chowking 542, Greenwich 277, Red Ribbon 434, Mang Inasal 514 and Burger King 96. Abroad, it was operating 1,322 stores: Yonghe King (China) 315, Hong Zhuang Yuan (China) 42, Dunkin' Donuts (China) 15, Jollibee 213 (Vietnam 102, Brunei 16, Hong Kong 8, Singapore 5, Macau 1, United States 37, Canada 3, Saudi Arabia 13, UAE 12, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1), Red Ribbon in the US 32, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 269 (Vietnam 234, and Philippines 35), PHO24 32 (Vietnam 16, Indonesia 16), Hard Rock Cafe 8 (Vietnam 2, Hong Kong 3, and Macau 3); and, Smashburger 349. The JFC Group's worldwide store network reached 4,279 stores.

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