

THE JFC GROUP OF COMPANIES **DELIVERS GOOD 1ST QUARTER 2003 RESULTS**

Metro Manila, Philippines, 13 May 2003 - *Jollibee Foods Corporation* (PSE: JFC/JFCW) – **Results for the quarter ended March 31st, 2003** (all references vs. same period last year)

- Systemwide retail sales increased 10% to P 6.7 billion
- Consolidated total revenues grew 8% to P 5.0 billion
- Income from Operations was 20% higher at P 353 million
- **Net income after tax for the quarter rose by 32% to P270 million**

Chairman and Chief Executive Officer Tony Tan Caktiong said, “We are pleased to report that, despite the challenging economic environment since the start of the year due mainly to the ill-effects of significant worldwide events, our business has expectedly proven strong and resilient in the 1st quarter. Overall System-wide Retail Sales growth has been sustained at double-digit levels. JFC Consolidated Revenues were driven by a host of sales & marketing initiatives implemented across all business units, highlighted by the launch of our 25th year anniversary celebrations. Complementing this, continued vigilance in cost management at all levels enabled the company to improve efficiencies and margins despite inflationary pressures. As such, our management has once again responded to and managed marketplace challenges and opportunities with flexibility, speed and professionalism, in the process delivering superior growth in profits and free cash flow. The positive effects of a strengthening peso in the interim and the containment of increases in the cost of doing business bodes well for our business prospects during the balance of this year.”

“The *Jollibee-Philippines* business unit continues to drive our corporate performance, sustaining its leadership position in the QSR industry with strong profitability. Despite poor business conditions, *Jollibee*, with its unmatched network of outlets, delivered a 3.6% same-store sales increase during the quarter. This performance has been sustained so far into the important 2nd quarter.”

“We are also pleased to note that business initiatives implemented at *Greenwich* have resulted in eight consecutive significant growth quarters in same-store sales and a huge improvement in margins and profitability. Having driven a significant part of top line growth since we acquired the business in 2000, *Chowking* is now a significant and consistent contributor to *JFC* profitability.”

The company operates the largest fast food chains in the country and continues to expand its network by the timely addition of appropriately sized stores in carefully selected locations. At the end of the 1st quarter, *Jollibee Foods Corporation* had a total of 879 restaurants operational in the Philippines [438 *Jollibee*, 194 *Greenwich*, 221 *Chowking* and 26 *Delifrance*] and 30 restaurants overseas.

Jollibee Foods Corporation (JFC) has been included in the latest update of the Morgan Stanley (MSCI) benchmark stock index for the Philippines. Along with other major public corporations that continue to perform well, inclusion in this index reflects growing investor confidence on the on-going prospects of the company.

Jollibee Foods Corporation recently declared a cash dividend of P 0.15 per common share payable to all stockholders of record as of May 19, 2003 and payable on May 28, 2003. This represents a 15% increase vs. the payout during the 1st semester last year.

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JOLLIBEE FOODS CORPORATION

Consolidated Statement of Income

For the 1st Quarter 2003

(Unaudited)

Peso Amounts in Thousands

	Qtr. 1 - 2003		Qtr. 1 - 2002		Change 2002 to 2003
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	4,629,175	92.2%	4,311,813	92.7%	7.4%
Royalties, franchise fees and others	390,095	7.8%	338,325	7.3%	15.3%
	5,019,269	100.0%	4,650,137	100.0%	7.9%
COST OF SALES	2,621,121	52.2%	2,540,753	54.6%	3.2%
GROSS PROFIT	2,398,148	47.8%	2,109,384	45.4%	13.7%
OPERATING EXPENSES	2,045,498	40.8%	1,815,809	39.0%	12.6%
Income from Operations	352,650	7.0%	293,575	6.3%	20.1%
OTHER INCOME (CHARGES)	4,520	0.1%	(17,677)	(0.4%)	(125.6%)
PROFIT BEFORE INCOME TAX	357,170	7.1%	275,898	5.9%	29.5%
PROVISION FOR INCOME TAX	87,781	1.7%	74,127	1.6%	18.4%
PROFIT BEFORE MINORITY INTEREST	269,389	5.4%	201,771	4.3%	33.5%
MINORITY INTEREST	(420)	(0.0%)	(2,280)	(0.0%)	(81.6%)
NET INCOME	269,809	5.4%	204,050	4.4%	32.2%
Earnings per Share					
Basic	0.2740		0.2129		28.7%
Diluted	0.2692		0.2105		27.9%
Average Number of Common Shares-Basic (000)	984,746		958,560		
Average Number of Common Shares-Diluted (000)	1,002,124		969,203		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheet

As of March 31, 2003

(Unaudited)

Peso Amounts in Thousands

	March 2003	December 2002 (Audited)	Change
Cash and Cash Items	2,080,306	2,297,888	(217,582)
Accounts Receivables	824,863	897,454	(72,590)
Inventories	682,133	837,747	(155,614)
Prepaid Items & Other Current Assets	1,076,601	1,095,109	(18,508)
Total Current Assets	4,663,905	5,128,198	(464,293)
Property & Equipment	8,349,097	8,063,769	285,328
Accumulated Depreciation	(3,304,671)	(3,156,231)	(148,440)
Net Fixed Assets	5,044,427	4,907,538	136,889
Other Assets	1,250,441	1,243,047	7,393
Total Assets	10,958,772	11,278,783	(320,011)
Accounts Payable	1,147,766	1,510,982	(363,217)
Accrued Expenses	1,670,817	1,608,049	62,767
Other liabilities	284,918	498,197	(213,279)
Current portion of long-term debt	170,000	226,667	(56,667)
Total Current Liabilities	3,273,501	3,843,895	(570,394)
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	149,901	179,647	(29,747)
Paid-up Capital	1,032,192	1,030,082	2,109
Excess on Par	1,816,253	1,788,890	27,363
Subscription Receivables	(110,234)	(97,304)	(12,930)
Translation Adjustments	190,493	190,493	0
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	0
Unappropriated	3,186,731	3,186,731	0
Prior year adjustment			-
Pnl-to-Date	269,809	-	269,809
Less: Warrants and treasury shares	(559,873)	(574,255)	14,382
Total Equity	7,025,371	6,724,637	300,734
Total Liabilities & Equity	10,958,772	11,278,783	(320,011)

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Cash Flow:

As of March 31, 2003

(Unaudited)

Peso Amounts in Thousands

	March 2003	March 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	357,170	275,898
Adjustments for:		
Depreciation and amortization	148,440	155,998
Interest expense	16,476	27,210
Interest income	(20,996)	(10,177)
Equity in net losses (earnings of unconsolidated subsidiary)	5,134	(1,808)
Operating income before working capital changes	506,224	447,121
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	72,590	66,500
Inventories	155,614	160,461
Prepaid items and other current assets	13,374	(108,253)
Increase (decrease) in:		
Accounts payable	(363,217)	(188,738)
Accrued expenses	54,899	(87,234)
Other liabilities	(213,279)	(119,014)
Cash generated from operations	226,205	170,843
Income taxes paid	(79,912)	(71,679)
Net cash provided by operating activities	146,293	99,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(285,328)	(217,602)
(Increase) Decrease in other noncurrent assets	(7,393)	64,665
Interest received	20,996	10,177
Decrease in noncurrent liabilities	(20,604)	(19,127)
Net cash provided by (used in) investing activities	(292,329)	(161,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Warrants and treasury shares	(32,024)	
Bank loans	(56,667)	
Proceeds from:		
Issuance of Treasury Stocks	46,406	13,684
Issuance of and subscriptions to capital stock	16,542	2,004
Interest paid	(16,476)	(27,210)
Increase (decrease) in minority interest	(29,327)	57,537
Net cash provided by (used in) financing activities	(71,545)	46,015
Net Increase (Decrease) in Cash and Cash Equivalents	(217,582)	(16,707)
Cash and Cash Equivalents, Beginning	2,297,888	1,157,713
Cash and Cash Equivalents, End	2,080,306	1,141,007

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Changes in Stockholders' Equity

As of March 31, 2003

(Unaudited)

Peso Amounts in Thousands

	March 2003	March 2002
Capital Stock - P1 par value		
Issued		
Balance, beginning	1,017,260	1,017,239
Issuances	1	3
Balance, end	1,017,261	1,017,242
Additional Paid-in Capital		
Balance, beginning	1,788,890	1,656,968
Issuances	9	2,001
Premium on new subscriptions	27,354	97,448
Balance, end	1,816,253	1,756,417
Subscribed Capital Stock		
Balance, beginning	12,822	-
New subscriptions	2,109	12,822
Issuances	(1)	
Balance, end	14,930	12,822
Subscription Receivable		
Balance, beginning	(97,304)	-
Receivables on new subscriptions	(25,308)	(128,220)
Collections	12,378	17,950
Balance, end	(110,234)	(110,270)
Share in Translation Adjustments of Investees		
Balance, beginning of year	190,493	85,196
Share in translation adjustments during the year	(0)	-
Balance, end	190,493	85,196
Retained Earnings		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	3,186,731	2,420,244
Net income	269,809	204,050
Balance, end	3,456,540	2,624,293
	4,656,540	3,824,293
Warrants and Treasury Shares		
Balance, beginning	(574,255)	(703,963)
Acquisitions of stocks and warrants	(32,024)	-
Issuances (Stock Option Exercise & Conversion of Warrants)	46,406	13,684
	(559,873)	(690,279)
	7,025,371	5,895,423

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 1st Quarter 2002 Income Statement has been restated as a result of 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 the Q1 2002 by P6.4 million.

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 the 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 March 31, 2003 and 2002

Quarter Ended March 31, 2003
Food Service Franchising Real Estate Eliminations
(In Thousands)

Results of Operations

Revenues from external customers	4,350,480	632,169	36,620		5,019,269
Inter-segment revenues	288,523	27,121	-	(315,644)	-
Segment revenue	4,639,003	659,290	36,620	(315,644)	5,019,269
Segment expense	(4,878,053)	(27,121)	(39,415)	321,224	(4,623,365)
Other segment income	54,597	3	-	(5,580)	49,020
Segment result	(184,453)	632,172	(2,795)	-	444,924
Interest expense					(16,476)
Interest income					22,457
Equity in net loss of joint venture					(5,134)
Income tax expense					(93,541)
Minority interest					420
Net income					<u>352,650</u>

Assets and liabilities

Segment assets	10,168,752	-	525,132	(255,924)	10,437,960
Income tax assets					484,288
Interest in joint venture					36,524
Total assets					<u>10,958,772</u>
Segment liabilities	2,817,528	20,200	425,235	(174,909)	3,088,054
Long-term debt					680,000
Income tax liabilities					15,447
Total liabilities					<u>3,783,501</u>

Other segment information

Capital expenditures	281,817	-	3,511	-	285,328
Depreciation and amortization	143,141	-	5,298	-	148,440
Impairment losses	-	-	-	-	-
Other non-cash expenses	-	-	-	-	-
Cash flows provided by (used in):					
Operating activities	130,819	14,275	1,199	-	146,293
Investing activities	(288,661)	-	(3,668)	-	(292,329)
Financing activities	(66,932)	-	(4,613)	-	(71,545)

Quarter Ended March 31, 2002
Food Service Franchising Real Estate Eliminations
(In Thousands)

Results of Operations

Revenues from external customers	4,050,099	559,859	40,179		4,650,137
Inter-segment revenues	245,625	-	-	(245,625)	-
Segment revenue	4,295,724	559,859	40,179	(245,625)	4,650,137
Segment expense	(4,516,315)	-	(43,915)	249,748	(4,310,483)
Other segment income	44,642	-	-	(4,123)	40,519
Segment result	(175,949)	559,859	(3,736)	-	380,173
Interest expense					(26,922)
Interest income					5,552
Equity in net loss of joint venture					(1,808)
Income tax expense					(65,700)
Minority interest					2,280
Net income					293,575

Assets and liabilities

Segment assets	10,529,095	-	957,482	(2,126,903)	9,359,673
Income tax assets					204,624
Interest in joint venture					49,994
Total assets					9,614,291
Segment liabilities	2,119,664	-	1,209,814	(519,703)	2,809,775
Long-term debt					736,667
Income tax liabilities					18,162
Total liabilities					3,564,604

Other segment information

Capital expenditures	217,585	-	18	-	217,602
Depreciation and amortization	149,010	-	6,988	-	155,998
Impairment losses	-	-	-	-	-
Other non-cash expenses	-	-	-	-	-
Cash flows provided by (used in):					
Operating activities	58,691	54,904	(14,431)	-	99,164
Investing activities	(183,200)	-	21,314	-	(161,886)
Financing activities	54,834	-	(8,819)	-	46,015

> Geographical Segments

The Company operates in the domestic and international markets. Revenues from operations within the Philippines account for 96% of the Company's total revenues in the 1st Quarter 2003 and 2002.

JOLLIBEE FOODS CORPORATION

	Dec-02	Opened	Closed	Mar-03
NUMBER OF STORES				
JFC-Philippines				
Co-owned	188	2	1	189
Franchised	248	2	1	249
Total	436	4	2	438
Greenwich				
Co-owned	110	1	1	110
Franchised	81	3	0	84
Total	191	4	1	194
Mary's Foods Corporation				
Co-owned	0	0	0	0
Franchised	0	0	0	0
Total	0	0	0	0
Delifrance				
Co-owned	23	0	2	21
Franchised	5	0	0	5
Total	28	0	2	26
Chowking-Phils				
Co-owned	69	1	0	70
Franchised	147	5	1	151
Total	216	6	1	221
Total Local Stores	871	14	6	879
International:				
Jollibee:				
Hongkong	4	0	0	4
US	8	0	1	7
Others	9	0	0	9
Total	21	0	1	20
Chowking:				
US	5	0	0	5
Dubai	3	0	0	3
Total	8	0	0	8
Tomi's Teriyaki	2	0	0	2
Total International Stores	31	0	1	30
Grand Total	902	14	7	909
NUMBER OF SHARES (in '000)				
Issued and Subscribed (Net of treasury shares)	982,119			986,264
Weighted Average - Basic	974,100			984,746
SYSTEMWIDE SALES (in '000 Pesos)				
Quarter 1	6,137,590	6,729,348	9.6%	

STORES GEOGRAPHICAL LOCATION

As of March 31, 2003

Jollibee - Philippines	Mar-03	Dec-02	Changes
Metro Manila	203	204	-1
Central Luzon	38	38	0
Northern Luzon	25	25	0
Southern Luzon	97	96	1
Visayas	45	44	1
Mindanao	30	29	1
Total	438	436	2
Greenwich Pizza			
Metro Manila	93	93	0
Central Luzon	15	14	1
Northern Luzon	19	17	2
Southern Luzon	32	32	0
Visayas	22	22	0
Mindanao	13	13	0
Total	194	191	3
Chowking			
Metro Manila	124	119	5
Central Luzon	25	26	-1
Northern Luzon	12	12	0
Southern Luzon	31	30	1
Visayas	17	17	0
Mindanao	12	12	0
Total	221	216	5