

## THE JFC GROUP OF COMPANIES

### Jollibee Profit Up 62% in Q3

**Metro Manila, Philippines, November 13, 2006** – *Jollibee Foods Corporation (PSE: JFC) – Financial Results for the quarter ended September 30, 2006.*

The following are the highlights of JFC's results of operations for the quarter ended September 30, 2006.

	Quarter 3			First Nine Months		
	2006	2005	% Change	2006	2005	% Change
System Wide Retail Sales	10,927	9,446	15.7%	32,776	28,690	14.2%
Revenue	8,023	6,874	16.7%	23,999	20,803	15.4%
Gross Profit	4,317	3,528	22.4%	12,898	10,623	21.4%
Net Income after Tax before Minority Interests	444	274	62.0%	1,494	1,185	26.1%
Net Income after Tax Attributable to Equity Holders of the Parent	441	273	61.2%	1,492	1,168	27.8%
Earnings per Common Share - Basic	0.4412	0.2755	60.2%	1.4970	1.1786	27.0%
Earnings per Common Share - Diluted	0.4406	0.2749	60.3%	1.4908	1.1770	26.7%

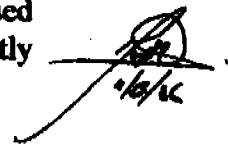
\* Amounts in PhP Millions, except % change and Per Share data

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

Jollibee Foods Corporation, the country's largest food service company generated a net income of PhP 444.1 million representing a growth of 62.0% over the profit generated in the same period last year. It's system wide sales, a measure of all sales to consumers both from company owned and franchised stores grew by 15.7% against sales in the same months in 2005 driven by the strong performance of most brands in the Philippines, the acquisition of Red Ribbon, and a substantial growth in its foreign operations. Domestic Business sales increased by 12% while Foreign Business sales grew by 50% including the acquisition of Red Ribbon. Excluding the effect of Red Ribbon, sales from foreign operations grew by 21%. Foreign operations now account for 13% of JFC's business versus only 3% three years ago, and 9% in 2005.

"We are encouraged by our progress but we have to keep working hard to continue moving toward our long term goals", Mr. Tony Tan Caktiong, JFC Chairman and CEO stated.

He cautioned however, that in the Philippines consumer spending while improving has not fully recovered yet versus two years ago. Based on market research, in recent months consumers have been slightly



increasing their frequency of visits to restaurants but at a level that is still lower than in 2004 and 2005. They are also beginning to buy more goods in retail outlets, but the volume of purchase generally is still lower than in the past two years.

“We look forward to a continued improvement in consumer spending supported by an increase in disposable income in the months and years ahead”, Mr. Tan Caktiong added.

The profit margin of JFC continued to improve with gross profit margin increasing by 2.5% points, operating profit growing by 1.7% points and net income by 1.5% points versus the same quarter in 2005. The margin improvement resulted from the combination of gradual price adjustments, cost improvement projects, price improvement of certain raw materials due to the appreciation of the peso foreign exchange rate, and some impact from the organization restructuring which controlled headcount increases in the support units even as the store network and total sales grew.

JFC Chief Finance Officer Mr. Ysmael V. Baysa stated that the company has essentially recovered its profitability from the adverse impact of high inflation and high utility cost which started in 2005, through a concerted effort by the various business units, shared services, corporate services and corporate functions. He disclosed that net income margin in the third quarter had risen from 4.5% of revenues in 2004, 4.0% in 2005 and 5.5% in 2006. JFC’s return on equity reached 19.1% in the first nine months of 2006 compared with 18.0% and 17.1% in the same period in 2004 and 2005, respectively.

JFC generated Php 2.8 billion of cash from operating activities in the first nine months of the year, double the amount achieved in the same period in 2005 of Php 1.4 billion. Of this amount, Php 1.6 billion was spent in investments, mostly new store construction, double the amount invested in 2005 of Php .8 billion.

The Jollibee Group opened 75% more stores in the first nine months of 2006 compared to the same period in 2005 with 115 new stores compared with 67 new stores in 2005. In the Philippines, Jollibee opened 39 stores, Chowking 25, Red Ribbon 17, Greenwich 11 and Délifrance 5 for a total of 97 in the domestic operations. In foreign operations, 18 new stores were built mostly Yonghe King in China with 10, Chowking in Dubai with 2, Jollibee in the US with 2 and Red Ribbon in the US with 2 including the first store in the East Coast which opened in September in



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Jersey City. The Jollibee Group, however, had to close 48 stores mainly to relocate the stores to better sites according to the real estate development in the various trade areas, for a net addition of 67 stores in the first nine months of 2006 compared to 38 net new stores in the same period last year.

The Jollibee Group of Companies operates the country's largest food service network. As of September 30, 2006, it was operating a total of 1,329 stores in the Philippines: Jollibee 559, Chowking 342, Greenwich 241, Red Ribbon 146 and Delifrance 41. In foreign operations, the group had 167 stores: Yonghe King in China 105, Jollibee in the US 11, Red Ribbon in the US 19, Chowking in the US 10, Chowking in Dubai 6, Chowking in Indonesia 3 and Jollibee in other countries 13, for a total of 1,496 stores worldwide.

Recently, Jollibee Foods Corporation acquired all the shares of Delifrance Asia, Ltd- in Baker Fresh Foods Philippines, Inc. to become its sole owner. Baker Fresh is the master franchisee of Delifrance brand in the Philippines. Previously, JFC owned only 50% of the company. On November 10, 2006, JFC announced its plan to merge Chowking, Greenwich and Delifrance into one corporation named Fresh N' Famous Foods, Inc. as part of its program to simplify its structure and improve its administrative efficiency.

  
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# JOLLIBEE FOODS CORPORATION

## Consolidated Statement of Income

For the Quarter Ended September 2006

(Unaudited)

Peso Amounts in Thousands

	Quarter 3 2006		Quarter 3 2005		Change
	Pesos	Pct.	Pesos	Pct.	2004 to 2005
<b>REVENUES</b>					
Sales	7,538,592	94.0%	6,335,075	92.2%	19.0%
Royalties, franchise fees and others	484,369	6.0%	538,930	7.8%	(10.1%)
	<b>8,022,961</b>	<b>100.0%</b>	<b>6,874,005</b>	<b>100.0%</b>	<b>16.7%</b>
<b>COST OF SALES</b>	<b>3,705,818</b>	<b>46.2%</b>	<b>3,345,805</b>	<b>48.7%</b>	<b>10.8%</b>
<b>GROSS PROFIT</b>	<b>4,317,143</b>	<b>53.8%</b>	<b>3,528,200</b>	<b>51.3%</b>	<b>22.4%</b>
<b>OPERATING EXPENSES</b>					
General and administrative	3,551,993	44.3%	2,947,080	42.9%	20.5%
Advertising and promotion	194,721	2.4%	208,199	3.0%	(6.5%)
<b>FINANCE INCOME (CHARGES)</b>					
Interest income	27,580	0.3%	28,462	0.4%	(3.1%)
Interest expense	(7,880)	(0.1%)	(5,754)	(0.1%)	(37.0%)
<b>EQUITY IN NET LOSS OF A JOINT VENTURE</b>	<b>(5,507)</b>	<b>(0.1%)</b>	<b>(4,642)</b>	<b>(0.1%)</b>	<b>(18.6%)</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>584,621</b>	<b>7.3%</b>	<b>390,988</b>	<b>5.7%</b>	<b>49.5%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>140,506</b>	<b>1.8%</b>	<b>116,920</b>	<b>1.7%</b>	<b>20.2%</b>
<b>NET INCOME</b>	<b>444,115</b>	<b>5.5%</b>	<b>274,068</b>	<b>4.0%</b>	<b>62.0%</b>
<b>Attributable to:</b>					
Equity holders of the parent	440,512	5.5%	273,235	4.0%	61.2%
Minority interests	3,603	0.0%	833	0.0%	332.4%
	<b>444,115</b>	<b>5.5%</b>	<b>274,068</b>	<b>4.0%</b>	<b>62.0%</b>
<b>Earnings per Share</b>					
Basic	0.4412		0.2755		60.2%
Diluted	0.4406		0.2749		60.3%
<b>Average Number of Common Shares-Basic (000)</b>	<b>998,463</b>		<b>991,931</b>		
<b>Average Number of Common Shares-Diluted (000)</b>	<b>999,805</b>		<b>993,787</b>		

# JOLLIBEE FOODS CORPORATION

## Consolidated Statement of Income

For the Period Ended September 2006

(Unaudited)

Peso Amounts in Thousands

	September 2006		September 2005		Change
	Pesos	Pct.	Pesos	Pct.	2004 to 2005
<b>REVENUES</b>					
Sales	22,425,332	93.4%	19,156,983	92.1%	17.1%
Royalties, franchise fees and others	1,573,171	6.6%	1,645,518	7.9%	(4.4%)
	<b>23,998,503</b>	<b>100.0%</b>	<b>20,802,501</b>	<b>100.0%</b>	<b>15.4%</b>
<b>COST OF SALES</b>	<b>11,102,879</b>	<b>46.3%</b>	<b>10,179,583</b>	<b>48.9%</b>	<b>9.1%</b>
<b>GROSS PROFIT</b>	<b>12,895,624</b>	<b>53.7%</b>	<b>10,622,918</b>	<b>51.1%</b>	<b>21.4%</b>
<b>OPERATING EXPENSES</b>					
General and administrative	10,426,078	43.4%	8,438,948	40.6%	23.5%
Advertising and promotion	579,668	2.4%	646,242	3.1%	(10.3%)
<b>FINANCE INCOME (CHARGES)</b>					
Interest income	50,374	0.2%	75,064	0.4%	(32.9%)
Interest expense	(20,096)	(0.1%)	(17,263)	(0.1%)	(16.4%)
<b>EQUITY IN NET LOSS OF A JOINT VENTURE</b>	<b>(14,816)</b>	<b>(0.1%)</b>	<b>(12,681)</b>	<b>(0.1%)</b>	<b>(16.8%)</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,905,339</b>	<b>7.9%</b>	<b>1,582,849</b>	<b>7.6%</b>	<b>20.4%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>411,106</b>	<b>1.7%</b>	<b>398,273</b>	<b>1.9%</b>	<b>3.2%</b>
<b>NET INCOME</b>	<b>1,494,233</b>	<b>6.2%</b>	<b>1,184,576</b>	<b>5.7%</b>	<b>26.1%</b>
<b>Attributable to:</b>					
Equity holders of the parent	1,492,374	6.2%	1,167,811	5.6%	27.8%
Minority interests	1,859	0.0%	16,765	0.1%	(88.9%)
	<b>1,494,233</b>	<b>6.2%</b>	<b>1,184,576</b>	<b>5.7%</b>	<b>26.1%</b>
<b>Earnings per Share</b>					
Basic	1.4970		1.1786		27.0%
Diluted	1.4908		1.1770		26.7%
<b>Average Number of Common Shares-Basic (000)</b>	<b>996,942</b>		<b>990,878</b>		
<b>Average Number of Common Shares-Diluted (000)</b>	<b>1,001,042</b>		<b>992,180</b>		

# JOLLIBEE FOODS CORPORATION

## Consolidated Balance Sheet

As of September 30, 2006  
Peso Amounts in Thousands

	Sept - 2006 (Unaudited)	Dec - 2005 (Audited)	Changes
Cash and Cash Items	3,595,720	2,889,538	706,182
Accounts Receivables	1,523,026	1,607,620	(84,593)
Inventories	1,275,414	1,380,060	(104,647)
Prepaid Items & Other Current Assets	1,075,172	907,637	167,535
Property & Equipment	14,800,893	13,095,849	1,705,044
Accumulated Depreciation	(7,554,150)	(6,083,007)	(1,471,143)
Other Assets	4,255,154	3,965,629	289,525
<b>Total Assets</b>	<b>18,971,229</b>	<b>17,763,326</b>	<b>1,207,903</b>
Accounts Payable	1,979,720	2,083,801	(104,081)
Accrued Expenses	2,991,474	2,647,321	344,154
Other liabilities	685,156	754,654	(69,497)
Current portion of provisions	618,345	618,345	-
Outstanding balance on acquisition of a business	155,514	155,514	-
Current portion of long-term debt	8,070	78,485	(70,415)
<b>Total Current Liabilities</b>	<b>6,438,281</b>	<b>6,338,120</b>	<b>100,161</b>
<b>Noncurrent Liability</b>			
Long-term debt - net of current portion	99,499	32,727	66,772
Provisions - net of current portion	32,493	32,493	-
Other non-current liabilities	1,432,921	1,462,005	(29,084)
Paid-up Capital	1,024,089	1,022,700	1,389
Excess on Par	1,786,132	1,771,347	14,784
Subscriptions receivable	(17,178)	(17,178)	-
Translation Adjustments	235,578	218,682	16,896
Unrealized gain or loss on fair value of assets	(317)	(317)	-
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	-
unappropriated	5,536,586	5,825,640	(289,054)
Pri-to-Date	1,494,233		1,494,233
Less: Warrants and treasury shares	(317,480)	(364,417)	46,937
Minority Interest	26,393	241,524	(215,131)
<b>Total Equities</b>	<b>10,968,036</b>	<b>9,897,982</b>	<b>1,070,054</b>
<b>Total Liabilities &amp; Equities</b>	<b>18,971,229</b>	<b>17,763,326</b>	<b>1,207,903</b>

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statements of Cash Flows**  
As of September 30, 2006  
(Unaudited)  
Peso Amounts in Thousands

	Sept 2006	Sept 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax and minority interest	1,905,339	1,582,849
Adjustments for:		
Depreciation and amortization	1,100,071	782,880
Loss (Gain) on disposals and retirement of property and equipment	10,999	8,846
Interest income	(50,374)	(75,064)
Provisions for:		
Impairment in value of property, plant and equipment	-	2,687
Interest expense	20,096	17,263
Equity in net loss of a joint venture	14,816	12,681
Operating income before working capital changes	3,000,947	2,332,142
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	84,593	185,343
Inventories	104,647	(240,622)
Prepaid items and other current assets	(167,535)	(397,693)
Increase (decrease) in:		
Accounts payable	(104,081)	(203,131)
Accrued expenses	282,549	114,715
Other liabilities	(82,364)	(44,045)
Cash generated from operations	3,118,757	1,746,710
Income taxes paid	(349,502)	(389,037)
Net cash provided by operating activities	2,769,255	1,357,673
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(1,365,417)	(792,323)
(Increase) Decrease in other noncurrent assets	(304,341)	(121,795)
Interest received	50,374	75,064
Proceeds from disposal of property and equipment	20,447	-
Net cash provided by (used in) investing activities	(1,598,937)	(839,054)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Cash dividends	(276,188)	(256,631)
Bank loans	(70,415)	(170,000)
Proceeds from:		
Availment of bank loans	66,772	-
Issuance of Treasury Stocks	48,937	55,880
Issuance of and subscriptions to capital stock	16,174	2,281
Interest paid	(20,096)	(17,263)
Increase (Decrease) in noncurrent liabilities	(29,084)	36,295
Increase (decrease) in minority interest	(215,131)	(23,449)
Net cash provided by (used in) financing activities	(481,031)	(372,887)
Translation adjustments	16,896	3,911
Net Increase (Decrease) in Cash and Cash Equivalents	706,182	149,644
Cash and Cash Equivalents, Beginning	2,889,538	3,283,588
Cash and Cash Equivalents, End	3,595,720	3,433,231

**JOLLIBEE FOODS CORPORATION**  
**Consolidated Statements of Changes in Stockholders' Equity**  
As of September 30, 2006  
(Unaudited)  
Peso Amounts in Thousands

	Sep-06	Sep-05
<b>Capital Stock - P1 par value</b>		
Issued and Subscribed		
Balance, beginning	1,022,700	1,022,158
Subscriptions and Issuances	1,389	429
Balance, end	1,024,089	1,022,588
<b>Subscriptions Receivable</b>		
Balance, beginning	(17,178)	(17,235)
Receivables on new subscriptions	-	-
Collections	-	57
Balance, end	(17,178)	(17,178)
<b>Additional Paid-in Capital</b>		
Balance, beginning	1,771,347	1,710,782
Premium on new issuances	18,673	5,856
Premium on re-issuances of treasury shares	(3,889)	(4,981)
Balance, end	1,786,132	1,711,657
<b>Share in Translation Adjustments of Investees</b>		
Balance, beginning of year	218,682	144,292
Share in translation adjustments during the year	16,896	3,911
Balance, end	235,578	148,203
<b>Retained Earnings</b>		
Appropriated for future expansion	1,200,000	1,200,000
Unappropriated		
Balance, beginning	5,825,640	4,748,307
Net income	1,494,233	1,167,811
Cash dividends	(289,054)	(268,221)
Balance, end	7,030,818	5,647,897
	8,230,818	6,847,897
<b>Unrealized Loss on Available-For-Sale Financial Assets</b>	(317)	(317)
<b>Treasury Shares</b>		
Balance, beginning	(364,417)	(440,653)
Reissuances	46,937	55,880
Balance, end	(317,480)	(384,773)
<b>Minority Interest</b>	26,393	232,116
	<b>10,968,036</b>	<b>9,560,193</b>



## Notes and Other Disclosures

1. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes statements titled PFRS and Philippine Accounting Standards (PAS), including Interpretations, issued by the Philippine Accounting Standards Council.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative and available-for-sale financial assets in the 2005 balance sheet which are carried at fair value.. The consolidated financial statements are presented in Philippine peso, the Jollibee Group's functional and reporting currency, and all values are rounded to the nearest peso, except when otherwise indicated.

2. The consolidated financial statements comprise the financial statements of Jollibee Foods Corporation and its subsidiaries as at September 30, 2006.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets and liabilities, are eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date that such control ceases.

3. The Company adopted the same accounting policies, standards and methods of computations applied in the 2005 audited consolidated financial statements.
4. Food service operations have both peak and lean seasons. The material financial impact of this seasonality has been considered in the financial forecast.

### 5. 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 September 30, 2006 and 2005:

**JOLLIBEE FOODS CORPORATION**

	Dec-05 Stores	Opened YTD	Closed YTD	Ownership Change	Sep-06 Stores
<b>NUMBER OF STORES</b>					
<b>JFC-Philippines</b>					
Co-owned	229	29	5	1	254
Franchised	300	10	4	-1	305
<b>Total</b>	<b>529</b>	<b>39</b>	<b>9</b>	<b>0</b>	<b>559</b>
<b>Chowking-Phils</b>					
Co-owned	109	8	6	0	111
Franchised	219	17	5	0	231
<b>Total</b>	<b>328</b>	<b>25</b>	<b>11</b>	<b>0</b>	<b>342</b>
<b>Greenwich</b>					
Co-owned	128	7	6	1	130
Franchised	111	4	3	-1	111
<b>Total</b>	<b>239</b>	<b>11</b>	<b>9</b>	<b>0</b>	<b>241</b>
<b>Red Ribbon</b>					
Co-owned	105	10	9	-2	104
Franchised	34	7	1	2	42
<b>Total</b>	<b>139</b>	<b>17</b>	<b>10</b>	<b>0</b>	<b>146</b>
<b>Delifrance</b>					
Co-owned	33	5	1	0	37
Franchised	4	0	0	0	4
<b>Total</b>	<b>37</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>41</b>
<b>Total Local Stores</b>	<b>1272</b>	<b>97</b>	<b>40</b>	<b>0</b>	<b>1329</b>
<b>International:</b>					
<b>Jollibee:</b>					
Hongkong	1	0	0	0	1
US	10	2	1	0	11
Vietnam	4	1	0	0	5
Others	8	0	1	0	7
<b>Total</b>	<b>23</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>24</b>
<b>Chowking:</b>					
US	9	1	0	0	10
Dubai	4	2	0	0	6
Indonesia	3	0	0	0	3
<b>Total</b>	<b>16</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Red Ribbon</b>					
C Co-owned	17	2	0	0	19
F Franchised	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Yonghe King</b>					
C Co-owned	95	10	6	0	99
F Franchised	6	0	0	0	6
<b>Total</b>	<b>101</b>	<b>10</b>	<b>6</b>	<b>0</b>	<b>105</b>
<b>Total International Stores</b>	<b>157</b>	<b>18</b>	<b>8</b>	<b>0</b>	<b>167</b>
<b>Grand Total</b>	<b>1429</b>	<b>115</b>	<b>48</b>	<b>0</b>	<b>1496</b>
<b>Issued and Subscribed (Net of treasury shares)</b>					<b>999,519</b>
<b>Weighted Average - Basic</b>					<b>996,942</b>
<b>Weighted Average - Diluted</b>					<b>1,001,042</b>
<b>SYSTEMWIDE SALES (in '000 Pesos)</b>					
	<b>Sep-05</b>	<b>Sep-06</b>		<b>Growth</b>	
<b>Quarter 3</b>	<b>9,446,141</b>	<b>10,927,044</b>		<b>15.7%</b>	
<b>Year-to-date September 2006</b>	<b>28,690,341</b>	<b>32,776,138</b>		<b>14.2%</b>	

**STORES GEOGRAPHICAL LOCATION**

As of September, 2006

<b>Jollibee - Philippines</b>	<b>Sep-06</b>	<b>Dec-05</b>	<b>Change</b>
Metro Manila	228	222	6
Central Luzon	42	38	4
Northern Luzon	53	50	3
Southern Luzon	124	117	7
Visayas	64	57	7
Mindanao	48	45	3
<b>Total</b>	<b>559</b>	<b>529</b>	<b>30</b>
<b>Greenwich Pizza</b>			
Metro Manila	115	117	-2
Central Luzon	31	29	2
Northern Luzon	16	16	0
Southern Luzon	40	37	3
Visayas	19	19	0
Mindanao	20	21	-1
<b>Total</b>	<b>241</b>	<b>239</b>	<b>2</b>
<b>Chowking</b>			
Metro Manila	173	170	3
Central Luzon	41	42	-1
Northern Luzon	22	19	3
Southern Luzon	53	49	4
Visayas	30	26	4
Mindanao	23	22	1
<b>Total</b>	<b>342</b>	<b>328</b>	<b>14</b>