

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Income

For the Period Ended December 2007

Peso Amounts in Thousands

	Dec 2007		Dec 2006		Change 2006 to 2007
	Unaudited		Audited		
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	36,184,901	93.6%	31,939,210	93.1%	13.3%
Royalties, franchise fees and others	2,486,537	6.4%	2,361,624	6.9%	5.3%
	38,671,437	100.0%	34,300,834	100.0%	12.7%
COST OF SALES	18,121,101	46.9%	15,305,207	44.6%	18.4%
GROSS PROFIT	20,550,336	53.1%	18,995,627	55.4%	8.2%
OPERATING EXPENSES					
General and administrative	16,405,120	42.4%	15,364,022	44.8%	6.8%
Advertising and promotion	1,022,512	2.6%	829,241	2.4%	23.3%
NET OPERATING INCOME	3,122,704	8.1%	2,802,363	8.2%	11.4%
FINANCE INCOME (CHARGES)					
Interest income	114,009	0.3%	135,491	0.4%	(15.9%)
Interest expense	(17,471)	(0.0%)	(80,408)	(0.2%)	78.3%
EXCESS OF FAIR VALUE OF NET ASSETS OVER ACQUISITION COST OF A SUBSIDIARY	-	-	68,416	0.2%	(100.0%)
EQUITY IN NET LOSS OF A JOINT VENTURE	-	-	(22,908)	(0.1%)	100.0%
PROFIT BEFORE INCOME TAX	3,219,242	8.3%	2,902,954	8.5%	10.9%
PROVISION FOR INCOME TAX	856,030	2.2%	742,796	2.2%	15.2%
NET INCOME	2,363,212	6.1%	2,160,158	6.3%	9.4%
Attributable to:					
Equity holders of the parent	2,364,161	6.1%	2,156,619	6.3%	9.6%
Minority interests	(949)	(0.0%)	3,539	0.0%	(126.8%)
	2,363,212	6.1%	2,160,158	6.3%	9.4%
Earnings per Share					
Basic	2.342		2.161		8.4%
Diluted	2.322		2.152		7.9%
Average Number of Common Shares-Basic (000)	1,009,526		997,858		
Average Number of Common Shares-Diluted (000)	1,017,987		1,002,028		

JOLLIBEE FOODS CORPORATION

Consolidated Statements of Income

For the Quarter Ended December 2007

(Unaudited)

Peso Amounts in Thousands

	Dec 2007		Dec 2006		Change 2006 to 2007
	Pesos	Pct.	Pesos	Pct.	
REVENUES					
Sales	9,971,248	93.4%	8,779,506	92.2%	13.6%
Royalties, franchise fees and others	705,155	6.6%	743,150	7.8%	(5.1%)
	10,676,403	100.0%	9,522,656	100.0%	12.1%
COST OF SALES	5,096,944	47.7%	4,315,802	45.3%	18.1%
GROSS PROFIT	5,579,459	52.3%	5,206,854	54.7%	7.2%
OPERATING EXPENSES					
General and administrative	4,508,345	42.2%	4,073,910	42.8%	10.7%
Advertising and promotion	296,157	2.8%	279,134	2.9%	6.1%
NET OPERATING INCOME	774,957	7.3%	853,810	9.0%	(9.2%)
FINANCE INCOME (CHARGES)					
Interest income	29,329	0.3%	35,239	0.4%	(16.8%)
Interest expense	(5,365)	(0.1%)	(2,957)	(0.0%)	(81.4%)
EQUITY IN NET LOSS OF A JOINT VENTURE		-		-	-
PROFIT BEFORE INCOME TAX	798,920	7.5%	886,091	9.3%	(9.8%)
PROVISION FOR INCOME TAX	249,193	2.3%	234,178	2.5%	6.4%
NET INCOME	549,727	5.1%	651,914	6.8%	(15.7%)
Attributable to:					
Equity holders of the parent	549,727	5.1%	650,686	6.8%	(15.5%)
Minority interests	-	-	1,228	0.0%	(100.0%)
	549,727	5.1%	651,914	6.8%	(15.7%)
Earnings per Share					
Basic	0.5414		0.6503		(16.7%)
Diluted	0.5403		0.6496		(16.8%)
Average Number of Common Shares-Basic (000)	1,015,312		1,000,523		
Average Number of Common Shares-Diluted (000)	1,017,438		1,001,642		

JOLLIBEE FOODS CORPORATION

Consolidated Balance Sheets

As of December 31, 2007

Peso Amounts in Thousands

	Dec - 2007 (Unaudited)	Dec - 2006 Audited	Changes
Cash and Cash Items	5,430,407	4,452,444	977,963
Accounts Receivables	2,030,345	1,627,286	403,059
Inventories	1,667,486	1,266,343	401,143
Prepaid Items & Other Current Assets	1,612,831	1,055,004	557,827
Property & Equipment	16,165,552	14,070,640	2,094,912
Accumulated Depreciation	(9,073,548)	(7,013,867)	(2,059,681)
Other Assets	4,886,973	3,600,744	1,286,229
Total Assets	22,720,045	19,058,594	3,661,451
Accounts Payable	2,683,449	2,361,845	321,604
Accrued Expenses	4,259,745	2,941,529	1,318,215
Other liabilities	1,252,041	929,973	322,069
Current portion of provisions	43,232	43,232	-
Outstanding balance on acquisition of a business	-	160,690	(160,690)
Current portion of long-term debt	78,727	59,931	18,796
Total Current Liabilities	8,317,194	6,497,200	1,819,994
Noncurrent Liability			
Long-term debt - net of current portion	47,159	47,159	-
Provisions - net of current portion	32,112	32,112	-
Other non-current liabilities	1,319,921	1,520,332	(200,411)
Paid-up Capital	1,034,139	1,024,183	9,956
Excess on Par	2,077,321	1,817,488	259,833
Subscriptions receivable	(17,178)	(17,178)	-
Translation Adjustments	235,055	72,950	162,105
Unrealized gain or loss on fair value of assets	(198)	(198)	-
Excess on the acquisition cost over the carrying value of minority interest	(168,258)	(168,258)	-
Retained Earnings			
Appropriated for future expansion	1,200,000	1,200,000	-
unappropriated	6,497,686	7,303,774	(806,088)
Pnl-to-Date	2,363,212	-	2,363,212
Less: Treasury shares	(218,122)	(292,446)	74,324
Minority Interest	-	21,475	(21,475)
Total Equities	13,003,658	10,961,791	2,041,867
Total Liabilities & Equities	22,720,045	19,058,594	3,661,451

JOLLIBEE FOODS CORPORATION
Consolidated Statements of Cash Flows
As of December 31, 2007
Peso Amounts in Thousands

	Dec 2007 Unaudited	Dec 2006 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and minority interest	3,219,242	2,902,954
Adjustments for:		
Depreciation and amortization	2,267,507	1,573,845
Loss (Gain) on disposals and retirement of property and equipment	28,573	33,457
Interest income	(114,009)	(135,491)
Excess of fair value of net assets over acquisition cost of a subsidiary		(68,416)
Interest expense	17,471	80,408
Equity in net loss of a joint venture	-	22,908
Foreign exchange loss (gain)	44,521	12,733
Operating income before working capital changes	5,463,305	4,422,398
Changes in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	(403,059)	(19,666)
Inventories	(401,143)	113,717
Prepaid items and other current assets	(557,827)	(206,156)
Increase (decrease) in:		
Accounts payable	321,604	278,044
Accrued expenses	1,028,648	474,930
Other liabilities	959,359	204,684
Cash generated from operations	6,410,887	5,267,950
Income taxes paid	(566,462)	(614,032)
Net cash provided by operating activities	5,844,425	4,653,918
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(2,333,162)	(1,920,244)
Acquisition of minority interest	(290,460)	(384,000)
(Increase) Decrease in other noncurrent assets	(995,769)	(61,063)
Interest received	114,009	110,854
Advances to a joint venture		(37,002)
Acquisition of a subsidiary - net of cash acquired		25,618
Proceeds from disposal of property and equipment	1,851	57,418
Net cash provided by (used in) investing activities	(3,503,531)	(2,208,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Liability for acquisition of a business	(307,879)	(172,304)
Cash dividends	(490,101)	(659,641)
Bank loans	(117,460)	(78,485)
Proceeds from:		
Availment of bank loans	91,735	
Issuance of Treasury Stocks	74,324	58,513
Issuance of and subscriptions to capital stock	269,789	21,039
Interest paid	(17,471)	(25,759)
Increase (Decrease) in noncurrent liabilities	(1,006,499)	(21,071)
Increase (decrease) in minority interest	(21,475)	7,847
Net cash provided by (used in) financing activities	(1,525,037)	(869,861)
Translation adjustments	162,105	(12,733)
Net Increase (Decrease) in Cash and Cash Equivalents	977,963	1,562,906
Cash and Cash Equivalents, Beginning	4,452,444	2,889,538
Cash and Cash Equivalents, End	5,430,407	4,452,443

JOLIBEE FOODS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Amounts in Php '000)	Retained Earnings										Minority Interest	Total
	Capital Stock	Subscription Receivable	Additional Paid-in Capital	Cumulative Translation Adjustments of Subsidiaries	Unrealized Loss on Available-for-Sale Financial Assets	Excess in the Acquisition Cost over the Carrying Value of Minority Interest	Appropriated for Future Expansion	Unappropriated	Cost of Common Stock Held in Treasury	Total		
Balance at January 1, 2007	1,024,183	(17,178)	1,817,488	72,950	(198)	(168,258)	1,200,000	7,303,774	(292,446)	10,940,316	21,475	10,961,791
Net income for the year								2,364,161		2,364,161	(949)	2,363,212
Translation adjustments during the year				162,105						162,105		162,105
Unrealized gain on available-for-sale financial assets for the year					-							
Total income and expenses for the year	-	-	-	162,105	-	-	-	2,364,161	-	2,526,266	(949)	2,525,317
Subscriptions and issuances of shares	9,956		182,949							192,905		192,905
Re-issuances for stock purchase exercised			(8,704)						74,324	65,620		65,620
Re-issuances for stock purchase by retirement fund										-		-
Cost of stock options granted			85,589							85,589		85,589
Cash dividends								(806,088)		(806,088)		(806,088)
Minority Interest											(21,475)	(21,475)
	9,956	-	259,833	-	-	-	-	(806,088)	74,324	(461,975)	(21,475)	(483,450)
Balance at December 31, 2007	1,034,139	(17,178)	2,077,321	235,055	(198)	(168,258)	1,200,000	8,861,847	(218,122)	13,004,607	(949)	13,003,658

(Amounts in Php '000)	Retained Earnings										Minority Interest	Total
	Capital Stock	Subscription Receivable	Additional Paid-in Capital	Cumulative Translation Adjustments of Subsidiaries	Unrealized Loss on Available-for-Sale Financial Assets	Excess in the Acquisition Cost over the Carrying Value of Minority Interest	Appropriated for Future Expansion	Unappropriated	Cost of Common Stock Held in Treasury	Total		
Balance at January 1, 2006	1,022,700	(17,178)	1,771,347	218,682	(317)		1,200,000	5,825,640	(364,417)	9,656,458	241,524	9,897,982
Net income for the year								2,156,619		2,156,619	3,539	2,160,158
Translation adjustments during the year				(145,732)						(145,732)	(7,847)	(153,578)
Unrealized gain on available-for-sale financial assets for the year					119					119		119
Total income and expenses for the year	-	-	-	(145,732)	119	-	-	2,156,619	-	2,011,006	(4,307)	2,006,699
Subscriptions and issuances of shares	1,483		19,556							21,039		21,039
Re-issuances for stock purchase exercised			(13,458)						71,971	58,513		58,513
Re-issuances for stock purchase by retirement fund										-		-
Cost of stock options granted			40,042							40,042		40,042
Cash dividends								(678,484)		(678,484)		(678,484)
Acquisition of minority interest						(168,258)				(168,258)		(168,258)
Minority Interest											(215,742)	(215,742)
	1,483	-	46,141	-	-	(168,258)	-	(678,484)	71,971	(727,147)	(215,742)	(942,890)
Balance at December 31, 2006	1,024,183	(17,178)	1,817,488	72,950	(198)	(168,258)	1,200,000	7,303,774	(292,446)	10,940,317	21,474	10,961,791

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 2007 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 December 31, 2007.

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 2006 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. Those transfers are eliminated at the consolidation.

The Jollibee Group's geographical segments are based on the location of the assets producing the revenues. Sales to external customers disclosed in the geographical segments are based on the geographical location of its customers.

> 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 December 31, 2007 and 2006:

	As of the Period Ended December 31, 2007				Total
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	36,472,661	1,962,963	235,814		38,671,437
Inter-segment revenues	4,182,471	270,610	7,707	(4,460,789)	-
Segment revenue	40,655,132	2,233,573	243,521	(4,460,789)	38,671,437
Segment expense	(35,368,495)	12,747	(192,985)		(35,548,733)
Other segment income		-			-
Segment result	5,286,636	2,246,320	50,536	(4,460,789)	3,122,704
Interest expense					(17,471)
Interest income					114,009
Equity in net loss of joint venture	-				-
Income before income tax and minority interest					3,219,242
Income tax expense					(856,030)
Net income					2,363,212
Assets and liabilities					
Segment assets	24,260,183		439,661	(1,979,799)	22,720,045
Interest in and advances to a joint venture	-				-
Total assets					22,720,045
Segment liabilities	11,315,209	-	354,688	(2,000,670)	9,669,227
Long-term debt					47,159
Total liabilities					9,716,386
Other segment information					
Capital expenditures	2,333,162	-	-	-	2,333,162
Depreciation and amortization	2,264,159	-	3,348	-	2,267,507

	As of the Period Ended December 31, 2006				Total
	Food Service	Franchising	Real Estate	Eliminations	
	<i>(In Thousands)</i>				
Results of Operations					
Revenues from external customers	32,015,218	1,807,557	94,388		33,917,163
Inter-segment revenues	4,391,401	240,729	132,332	(4,770,407)	(5,945)
Segment revenue	36,406,619	2,048,286	226,720	(4,770,407)	33,911,218
Segment expense	(36,239,852)		(191,157)	4,932,538	(31,498,471)
Other segment income	497,868	-	13,033	(121,285)	389,616
Segment result	664,635	2,048,286	48,596	40,846	2,802,363
Interest expense					135,491
Interest income					(80,408)
Excess of fair value of net assets over acquisition cost of a subsidiary					68,416
Equity in net loss of joint venture	(14,816)				(22,908)
Income before income tax and minority interest					2,902,954
Income tax expense					(742,796)
Net income					2,160,158

Assets and liabilities					
Segment assets	26,913,967	-	335,654	(8,831,654)	18,417,967
Deferred tax assets	676,610		42,555	(78,538)	640,627
Total assets					19,058,594
Segment liabilities	9,535,325	-	345,435	(1,899,896)	7,980,864
Long-term debt					107,090
Income tax payable					8,850
Total liabilities					8,096,804
Other segment information					
Capital expenditures	1,920,244	-	-	-	1,920,244
Depreciation and amortization	1,568,320	-	5,525	-	1,573,845

Geographical Segments

The following table presents revenue, segment assets and capital information regarding the Jollibee Group's geographical segments:

	Philippines	International	Eliminations	Total
December 2007				
Revenue	39,202,173	4,359,731	(4,890,467)	38,671,437
Segment assets	23,931,773	5,311,487	(6,523,214)	22,720,045
Capital expenditures	-	572,422	-	572,422
December 2006				
Revenue	34,633,225	4,048,400	(4,770,407)	33,911,218
Segment assets	24,275,590	2,992,434	(8,850,057)	18,417,967
Capital expenditures	1,436,539	483,705	-	1,920,244

- On June 18, 2007, JFC bought the 15% share of Yonghe King from its partners, making JFC the sole owner of the Yonghe King business in the People's Republic of China. The 15% share of Belmont Enterprises Ventures, Limited was bought for US\$ 6.0 million (or PhP 290.5 million) in cash from Academy Resources Ltd. This was funded by JFC's cash reserves.
- On July 24, 2007, the Company introduced a new restaurant concept with the trade name "TIO PEPE's KARINDERIA". The pilot restaurant is located in Edsa Central. The results of operations and financial condition of Tio Pepe's Karinderia are now consolidated with those of the JFC Group.
- On September 27, 2007, the Parent Company paid the remaining tranches of payments for the acquisition of Red Ribbon.

December 2006 Balance: (in '000)

Current portion	160,689.96
Noncurrent portion	147,189.33
Total	307,879.29
Less: Payment	(307,879.29)
Balance	-

- On September 20, 2007, the Company entered into an agreement to acquire Hongzhuangyuan, a chain of restaurants located mostly in Beijing in the Peoples' Republic of China. The chain consists of 26 company-owned stores all located in Beijing and 7 franchised stores in other cities in PRC and has an estimated total sales of US\$ 24 million in 2007. The Company is earmarking P1.5 billion for this acquisition.

10. 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-06 Stores	Opened YTD	Closed YTD	Ownership Change	Dec-07 Stores
NUMBER OF STORES					
JFC-Philippines					
Co-owned	258	44	5	1	298
Franchised	308	18	3	-1	322
Total	566	62	8	0	620
Chowking-Phils					
Co-owned	111	17	1	5	132
Franchised	244	14	11	-5	242
Total	355	31	12	0	374
Greenwich					
Co-owned	132	4	5	1	132
Franchised	107	5	5	-1	106
Multi-brand	3	4	0		7
Total	242	13	10	0	245
Red Ribbon					
Co-owned	110	16	12	3	117
Franchised	49	26	0	-3	72
Total	159	42	12	0	189
Delifrance					
Co-owned	33	1	12	0	22
Franchised	4	0	0	0	4
Total	37	1	12	0	26
Tio Pepe	0	2	0	0	2
Total Local Stores	1359	151	54	0	1456
International:					
Jollibee:					
Hongkong	1	0	0	0	1
US	11	3	0	0	14
Vietnam	5	4	2	0	7
Others	9	2	0	0	11
Total	26	9	2	0	33
Chowking:					
US	11	1	0	0	12
Dubai	6	3	0	0	9
Indonesia	3	2	0	0	5
Total	20	6	0	0	26
Red Ribbon					
Co-owned	19	2	1	0	20
Franchised	0	0	0	0	0
Total	19	2	1	0	20
Yonghe King					
Co-owned	101	5	11	0	95
Franchised	4	0	0	0	4
Total	105	5	11	0	99
CST	1	0	0	0	1
Total International Stores	171	22	14	0	179
Grand Total	1530	173	68	0	1635
NUMBER OF SHARES (in '000)					
Issued and Subscribed (Net of treasury shares)					1,017,447
Weighted Average - Basic (YTD)					1,009,526
Weighted Average - Diluted (YTD)					1,017,987
SYSTEMWIDE SALES (in '000 Pesos)					
	Dec-06	Dec-07		Growth	
December Year-to-date	45,206,332	51,550,858		14.0%	
Quarter 4	12,430,194	14,015,983		12.8%	

STORES GEOGRAPHICAL LOCATION

As of Dec 2007

Jollibee - Philippines	<u>Dec-07</u>	<u>Dec-06</u>	<u>Changes</u>
Metro Manila	236	230	6
Central Luzon	44	45	-1
Northern Luzon	62	53	9
Southern Luzon	136	125	11
Visayas	81	65	16
Mindanao	61	48	13
Total	620	566	54
Greenwich Pizza (Including multibrand stores)			
Metro Manila	118	116	2
Central Luzon	15	30	-15
Northern Luzon	30	16	14
Southern Luzon	39	40	-1
Visayas	21	19	2
Mindanao	22	21	1
Total	245	242	3
Chowking			
Metro Manila	187	179	8
Central Luzon	44	43	1
Northern Luzon	30	24	6
Southern Luzon	53	54	-1
Visayas	35	32	3
Mindanao	25	23	2
Total	374	355	19