



Jollibee Foods Corp. (JFC)

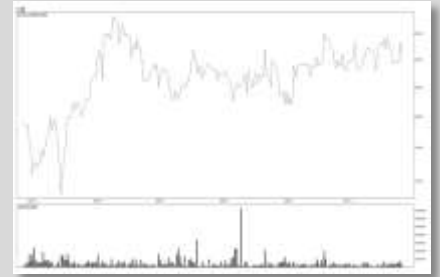
Hold

Company Snapshot

Price (P)	90.95
Price Target (P)	95.00
Shares O/S (million)	1,038
Market Cap (P million)	94,381
52-week High (P)	98.60
Low (P)	67.60
12-mo Avg. Value T/O (P'm)	21,016

Price Performance

	1m	6m	12m
JFC	-1.0%	+4.4%	+13.0%
PSEI	+7.8%	-2.4%	+14.8%



Super acquisition

- **More acquisition.** Jollibee Foods Corporation disclosed yesterday that its subsidiary, Jollibee Worldwide Pte.Ltd., had completed its acquisition of a 50% stake in SuperFoods Group, giving JFC 49% share in SF Vung Tau Joint Stock Co. in Vietnam and a 60% share in Blue Sky Holding Limited in Hong Kong. The acquisition was completed under a Framework Agreement signed May 20 of last year wherein JFC agreed to invest US\$25M for a 50% stake in SuperFoods, and US\$35M loan to Viet Thai International Joint Stock Co., which owns the remaining 50% of SuperFoods. JFC also advanced US\$5.0M to SuperFoods Group. This is equivalent to a valuation of 1.7x P/Sales.
- **In line with strategy.** The buy-in of Jollibee into SuperFoods Group is in line with JFC's strategy to expand in China and Southeast Asia as it aims to increase its foreign sales to 50% of its total. JFC divested its stake in Caffe Ti-Amo last November in anticipation of the commencement of its new businesses in the said territories. JFC's buy-in to SuperFoods increases the company's international presence as the latter holds operations in Vietnam, Indonesia, Philippines, Hong Kong and Macau. According to JFC's disclosure, SuperFoods books annual sales of about US\$30M although net results from JFC's 50% stake in SuperFoods will only be equitized in JFC's financial statements.

Jollibee Foods Corporation Stores					
Store Brand	end-Dec 2010	Net Additions, Jan-Jun 2011	end-Jun 2011	Net Additions, Jul-Dec 2011	end-Dec 2011
Jollibee	700	28	728	19	747
Chowking	408	(7)	401	(10)	391
Greenwich	223	(8)	215	(10)	205
Red Ribbon	214	(1)	213	(5)	208
Dalifrance	24	(24)	0	0	0
Manong Pepe's	15	(15)	0	0	0
Caffe Ti-amo	2	1	3	(3)	0
MangInasal	0	379	379	50	429
Burger King	0	0	0	23	23
Total -Philippines	1,586	353	1,939	64	2,003
Jollibee	60	10	70	8	78
Chowking	35	5	40	(1)	39
Red Ribbon	36	2	38	(4)	34
Yonghe King	177	49	226	39	265
Hong Zhuang Yuan	49	2	51	1	52
Total -International	357	68	425	43	468
Total -Worldwide	1,943	421	2,364	107	2,471

Source: Wealth Securities estimate, company data

A = Actual calendar/fiscal year results; C = Bloomberg consensus; I = Annualized interim results; E = Wealth Securities estimates

Bernard C. Aviñante

T: 634.5038 local 8165

E: bernardavinante@wealthsec.com

Kevin K. Cua

T: 634.5038 local 8164

E: kevin.cua@wealthsec.com



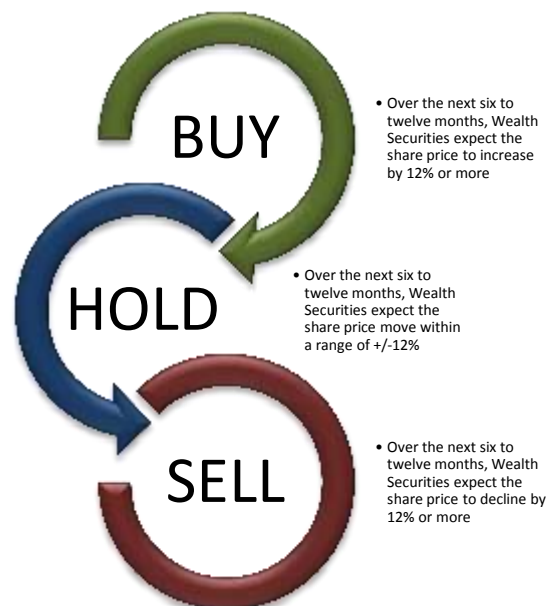
Please Read!

The information and opinions in this report were prepared by Wealth Securities, Inc. The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Wealth Securities makes no representation as to the accuracy or completeness of such information.

Wealth Securities may engage in securities transactions, on a proprietary basis or otherwise, in a manner inconsistent with the view taken in this research report. In addition, others within Wealth Securities, including traders and sales staff, may take a view that is inconsistent with that taken in this research report.

Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Wealth Securities and are subject to change without notice. Wealth Securities has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Target prices are inherently imprecise and a product of the analyst judgment.

RATINGS DEFINITION



Jerome Gonzalez
Research Head
T: 634.5038 local 8127
jerome@wealthsec.com

Nikki Yu
Media & Transport
T: 634.5038 local 8150
nikki.yu@wealthsec.com

Bernard Aviñante
Conglomerates & Power
T: 634.5038 local 8121
bernardavinante@wealthsec.com

ND Fernandez
Banking & Telcos
T: 634.5038 local 8152
ndfernandez@wealthsec.com

Miguel Agarao
Mining & Property
T: 634.5038 local 8164
miguel.agarao@wealthsec.com

Kevin Cua
Food & Beverage
T: 634.5038 local 8165
kevin.cua@wealthsec.com



Wealth Securities, Inc.
2103 East Tower, PSE Center,
Exchange Road, Ortigas Center,
Pasig City 1600
Telephone: 02.634.5038
Facsimile: 02 634 5043

www.wealthsec.com