COVER SHEET

1 8 4 0 4 4

SEC Registration Number

J G S U M M I T H O L D I N G S , I N C . A N D S U B S I D I A R I E S

(Company's Full Name)

4 3 r d F l o o r , R o b i n s o n s - E q u i t a b l e T o w e r , A D B A v e n u e c o r n e r P o v e d a R o a d , P a s i g C i t y

(Business Address: No. Street City/Town/Province)

Constante T. Santos	**633-7631**
(Contact Person)	(Company Telephone Number)

1 2	3 1	1 7 Q		
Month	*Day*	(Form Type)	*Month*	*Day*
(Fiscal Year)			(Annual Meeting)	

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SEC Number **184044**
File Number

JG SUMMIT HOLDINGS, INC.
AND SUBSIDIARIES
(Company's Full Name)

43rd Floor, Robinsons-Equitable Tower
ADB Avenue corner Poveda Road, Pasig City
(Company's Address)

633-7631
(Telephone Number)

December 31, 2003
(Year Ending)
(month & day)

SEC Form 17-Q
Form Type

Amendment Designation (If applicable)

For the Quarter Ended June 30, 2004
Year Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2004**

2. Commission identification number **184044**

3. BIR Tax Identification No **000-775-860**

4. Exact name of registrant as specified in its charter **JG Summit Holdings, Inc.**

5. Province, country or other jurisdiction of incorporation or organization

   Pasig City, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of registrant's principal office Postal Code

   43rd Floor, Robinsons-Equitable Tower ADB Ave. corner Poveda Road, Pasig City 1600

8. Registrant's telephone number, including area code

   (632) 633-7631

9. Former name, former address and former fiscal year, if changed since last report

   Not Applicable

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock	**6,797,191,657**

11. Are any or all of the securities listed on the Philippine Stock Exchange?

    Yes [/] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements are filed as part of this Form 17-Q .

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

<u>Results of Operations</u>

Six Months Ended June 30, 2004 vs. June 30, 2003

JG Summit Holdings, Inc. posted a net income of ₱1.38 billion for the first half of the year ended June 30, 2004, down by 20.2% from the net income of ₱1.72 billion for the same period last year. Excluding nonrecurring gain amounting to ₱65.5 million in 2004 and ₱578.5 million in 2003, first half profits would have increased by 14.5% to ₱1.31 billion as against last year's ₱1.14 billion. Our core businesses, food and property sectors, continue to provide the Company with improved net profits. The airline business picked up considerably during the period due to the increased market share in its domestic routes resulting to net income in the first half of the year compared to net loss for the same period last year. Our petrochemical business continues to narrow its losses. Despite the strong showing of these business units, however, the Company's bottom line was greatly affected by the losses incurred in the telecommunications business, particularly in its wireless business and increasing interest rates, which reduced the earnings of our financial services business unit.

Consolidated revenues amounted to ₱29.85 billion for the first half of the year ended June 30, 2004, up by 13.2% from last year's ₱26.38 billion. Revenues of most business units improved, particularly the notable increase in revenues of the telecommunication and airline businesses with growth of 12.0% and 36.8%, respectively. Foods and real estate businesses reported a stable revenue growth as well as the enhanced performance of petrochemical and textiles businesses during the period.

Gross profit for the first half of the year ended June 30, 2004 amounted to ₱9.84 billion from last year's ₱7.89 billion, up by 24.7%. Operating expenses grew 14.6% to ₱7.50 billion from last year's ₱6.54 billion, mainly attributable to the telecommunication business for its wireless segment operations and foods business for its expanding regional operations.

Interest expense substantially increased by 23.6% to ₱2.91 billion from last year's ₱2.36 billion due to additional borrowings made during the period and the effects of the depreciation of the value of peso against US dollar.

As a result, net operating income went up by 39.8% to ₱1.55 billion from last year's ₱1.11 billion.

Other income (charges) account consists of, among others, amortization of goodwill, foreign exchange loss and provision for probable losses, net of recovery in value of temporary investments. For the six months ended June 30, 2004, other charges amounted to ₱4.5 million as against last year's other income of ₱562.6 million.

FOODS

Universal Robina Corporation (URC) posted consolidated net sales and services of ₱13.4 billion for the six months ended March 31, 2004, an increase of 15.6% over the same period of last year despite the depressed economic condition prevailing in the region and highly competitive environment. Revenue growth was lead by the strong performance of its core business, Branded Consumer Foods (BCF) business, particularly its expanding international operations in Southeast Asia, and the notable increase in sales of its Agro-industrial and commodity foods businesses. URC's gross margin improved by 10.4% compared to the same period of last year to ₱3.6 billion. Moreover, income from operations went up by 4.5% to ₱1.4 billion notwithstanding higher operating expenses. Operating expenses increased by 14.4% compared to the same period of last year to ₱ 2.2 billion as a result of expanding regional operations and sustained marketing activities. Net income for the first semester of fiscal year 2004 was up by ₱75.2 million, 7.8% better compared to the same period of last year.

The Branded Consumer Foods (BCF) business unit, including the packaging division, posted sales and services value growth of 10.3% to ₱9.9 billion compared to the same period of last year. This was attributed to URC International revenue growth of 31.4% and the continued strength of the Company's products in core categories such as snacks, candy, chocolate, noodle and biscuit segments complemented by strong exports. URC International revenue accounts for 21% of the total revenues of URC, up from 19% in 2003 fiscal year.

The Company's Agro-industrial business unit recorded net sales of ₱1.9 billion, up by 29.4% from the same period of last year. The increase in net sales resulted from higher prices and volume sold by the feeds and farms businesses.

URC's Commodity Foods business unit garnered net sales and services of ₱1.6 billion, higher by 39.2% compared to the same period of previous year of ₱1.2 billion.

Costs of sales and services increased by 17.6% to ₱9.8 billion for the six months ended March 31, 2004 from ₱8.4 billion for the same period of last year. The increase was primarily due to higher sales volume and costs of major raw materials particularly for flour and feeds products and in the manufacture of BOPP films by the packaging division.

Other charges–net was ₱180.7 million for the six months ended March 31, 2004 compared to ₱218.7 million for the same period of last year. The gain on appreciation in value of temporary investments of ₱244.0 million reduces the other charges-net in 2004.

Provision for income tax was higher this year due to higher taxable income.

Minority interest in net loss of subsidiaries went up by ₱16.9 million, or 69.3%, to (₱41.3) million for the six months ended March 31, 2004 from (₱24.4) million for the six months ended March 31, 2003 due to higher net loss incurred by subsidiaries.

The Company's revenues and operating income are expected to improve further for the second half of the fiscal year as it continues to improve and expand its regional operations and domestically firm up its leadership in its core categories, consistently build strong brands, continuously improve product quality and better its cost competitiveness by streamlining plant operations and increasing efficiencies.

PROPERTY

RLC recorded gross revenues of ₱1.12 billion for the second quarter of fiscal year 2004, bringing up first half revenues to ₱2.12 billion, up by 9% from last year's ₱1.94 billion. The Company was able to achieve a 39% growth in Income from Operations, from last year's ₱589.5 million to ₱818.2 million this year. EBITDA amounting to P1.3 billion this year shows 24% increase from last year's balance of ₱1.0 billion. Net income for the first half of fiscal year 2004 stood at ₱577.6 million, up by 40% from last year's ₱411.7 million.

The largest revenue contributor remains to be the Commercial Centers Division, contributing 63% of the Company's gross revenues. Rental revenues from Commercial Centers amounted to ₱1,326 million as against last year's ₱1,154 million. The 15% increase is due to additional malls, which opened after the first quarter of FY 2003 such as, Robinsons Place - Sta. Rosa, Big R Supercenter in Cagayan De Oro and Robinsons Place - Damariñas. Moreover, with the recent addition of two more malls during the first quarter of FY 2004, the Robinsons Place – Lipa and Big R Supercenter in Cainta, revenue contribution of the Commercial Centers Division is expected to increase further. The Division's EBIT, EBITDA and Net Income before Income Tax has shown a positive variance of 34%, 23% and 34%, respectively from last year's figures mainly due to higher revenues, plus the fact that its common utility charges went down.

RLC's High Rise Buildings Division registered a 44% growth in realized revenues from ₱257.2 million last year to ₱371.5 million this year. This is mainly due to recognition of realized revenues from Bloomfields, a residential development in Novaliches, Quezon City. The Division also continues to enjoy recurring lease income from three of its office buildings (Galleria Corporate Center, Robinsons-Equitable Tower and Robinsons Summit Center), all of which have become the choice corporate addresses of reputable multinational and domestic companies. Rental income from these three properties increased by 55% from ₱58.7 million to ₱91 million over the same period. High Rise Buildings Division presented a material increase in its EBIT, EBITDA and Net Income before Income Taxes of 115%, 68% and 118%, respectively compared to that of last year's because of recognition of realized gross profit from Bloomfields, project.

The Hotel Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱232.1 million for the first half of FY 2004 as against ₱360.8 million last year. The decrease in revenue is brought about by the closure of Manila Midtown Hotel last May 2003. Despite the industry slump, the Company's two remaining hotels and apartelle continue to register satisfactory occupancy rates. The six-month average occupancy rates of Holiday-Inn Galleria Manila and Cebu Midtown Hotel both stood at 78%, while Robinsons Apartelle in Mandaluyong stood at 32%. The Hotel's EBIT, EBITDA and Net Income before Income Tax presented the same trend as its revenues showing a material decrease of 241%, 38% and 316%, respectively due to the closure of Manila Midtown Hotel.

The Company's Housing and Land Development Division, through its two housing subsidiaries, Robinsons Homes, Inc. and Trion Homes Development Corp., reported realized revenues amounting to ₱99.1 million, as against last year's ₱113.8 million. The decrease in revenue can be attributed to lower project completion. However, the Division's EBIT, EBITDA and Net Income Before Income Tax has shown a slight increase of 13%, 12% and 10%, respectively from last year's figures, despite the decrease in its revenues because of the higher income from its in-house financing.

Real Estate cost increased slightly by 13% from ₱622.2 million last year to ₱701.2 million mainly due to higher revenue realized by High-Rise Division this year; while hotel operations registered a 33% decrease compared to last year's due to the closure of Manila Midtown Hotel. General and Administrative expense increased by 16% mainly due to additional malls. There was a complete turnaround on the Other Income of the Company, last year there was Other Charges-net balance of P10.3 million, while this year's balance shows Other Income-net balance of ₱61.2 million. This was brought about by the material drop in common utility charges.

TELECOMMUNICATIONS

DIGITEL's consolidated net revenues rose to ₱3,494.7 million for the six months ended June 30, 2004, an 11.9% increase from ₱3,121.7 million for the six months ended June 30, 2003.

The increase in consolidated net revenues was attributable to the ₱675.8 million revenue by the wireless segment of the Company's business in 2004 as compared to the ₱466.2 million contribution in 2003 since its launching on March 29, 2003. Further, this was boosted by the strong growth in international toll revenues by ₱209.0 million or 22.3% due to higher inbound rates coupled with higher inbound traffic.

Wireline data communication services increased slightly to ₱184.0 million , 2004 from ₱182.4 million for the same period in 2003.

Consolidated costs and expenses amounted to ₱3,596.0 million for the six months ended June 30, 2004, or an 11.9% increase from ₱3,212.7 million for the six months ended June 30, 2003. The increase was attributable mainly to higher operating expenses of its wireless business such as rental, advertising and commission expenses by ₱402.9 million.

Depreciation and amortization decreased by ₱53.6 million or 4.3% in 2004. The lesser depreciation expense in 2004 was primarily attributable to fully depreciated assets by the end of 2003.

As a result of the foregoing, DIGITEL incurred a consolidated operating loss of ₱101.1 million, 2004 compared to ₱91.0 million for the same period in 2003.

Consolidated other charges – net (principally interest expense, net of interest income) amounted to ₱652.7 million for the six months ended June 30, 2004. This posted a 6.4% increase from ₱613.3 million for the six months ended June 30, 2003. As a result, consolidated pre-tax accounting loss amounted to ₱753.8 million for the six months ended June 30, 2004 compared to ₱704.3 million for the six months ended June 30, 2003.

DIGITEL registered a consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) of ₱1,083.9 million despite a consolidated net loss of ₱693.4 million for the six months ended June 30, 2004. For the six months ended June 30, 2003, consolidated EBITDA was ₱1,147.7 million while consolidated net loss was P478.6 million.

Management assessed the Company's performance based on the following key performance indicators:

- Revenue growth (Revenues increased by 11.9% for the six months ended June 30, 2004 as compared to same period in 2003.)
- EBITDA margin (31.0% for the six months ended June 30, 2004 as compared to 36.7% for the six months ended June 30, 2003.)
- EBIT margin [(0.3%) for the six months ended June 30, 2004 and for the same period in 2003.]
- Cash flow provided by operating activities (₱527.7 million for the six months ended June 30, 2004 from ₱1,602.4 million for the same period in 2003.)
- Debt* to equity ratio (2.3 as of June 30, 2004 as compared to 2.0 as of December 31, 2003.)

**Debt excludes trade payables, deferred tax liabilities and due to affiliates.*

TEXTILES

Litton Mills, Inc.'s revenue went up by 24% from last year's ₱979.5 million to this year's ₱1.21 billion, due to higher sales volume of woven category by 34%, bulk of which came from its denim product category which contributed 42% growth. This resulted to this year's net income of ₱84.0 million from last year's ₱1.5 million. Decrease in operating expenses by 18% had contributed also to the significant increase in net income for the period.

PETROCHEMICALS

JG Summit Petrochemicals Corporation's (JGSPC) revenue almost remained flat during the period from last year's ₱3.40 billion to this year's ₱3.47 billion, as a result of increase in average selling price by 14% and dropped in sales volume by 10%. Although operating expenses decreased by 15%, still the Company reported an increase in net loss from last year's ₱47.5 million to this year's ₱54.3 million, due to decrease in gross profit by 19%.

AIR TRANSPORTATION

Cebu Air, Inc. (Cebu Pacific) reported revenues of ₱3.94 billion for the six-month period ended June 30, 2004, a 37% increase over last year's ₱2.88 billion for the same period. Domestic operations reported major 39% revenue growth while regional operations registered 32% growth. Substantial increase in revenues plus higher gross profit by 58% to date have resulted to this year's net income of ₱480 million as against last year's net loss of ₱24 million.

EQUITY EARNINGS

Equity earnings were reported at ₱466.0 million for the first half of the year ended June 30, 2004, up by 8.4% from last year's equity earnings of ₱430.0 million. The growth was attributable to higher equity earnings from United Industrial Corp., Limited and First Private Power Corporation.

Financial Position

June 30, 2004 vs. December 31, 2003

As of June 30, 2004, the Company's balance sheet remains solid, with consolidated assets of ₱171.79 billion from ₱173.22 billion as of December 31, 2003.

Cash and cash equivalents decreased from ₱10.03 billion as of December 31, 2003 to ₱8.04 billion as of June 30, 2004. The principal sources of cash were from operating activities amounting to ₱5.36 billion. As of June 30, 2004, net cash used in investing activities and in financing activities amounted to ₱1.47 billion and ₱5.89 billion, respectively. Temporary cash investments, which consist mostly of investments in debt securities, went down by 16.6% from ₱27.87 billion as of December 31, 2003 to ₱23.24 billion as of June 30, 2004. Overall, cash and near-cash items (cash and cash equivalents and temporary cash investments) decreased from ₱37.90 billion as of year-end 2003 to ₱31.27 billion. The Company does not expect any liquidity problems that may arise in the near future.

Inventories slightly increased by 7.2% from ₱8.52 billion as of December 31, 2003 to ₱9.13 billion as of June 30, 2004.

Other current assets increased by 18.6% from ₱2.91 billion as of year end 2003 to ₱3.44 billion as of June 30, 2004 due to higher input tax during the period.

Investments in real properties grew 6.1% from ₱16.65 billion as of year-end 2003 to ₱17.67 billion as of June 30, 2004 due to acquisition of land in Fort Bonifacio and on-going construction of new malls located in Angeles, Edsa and Bacolod.

Property, plant and equipment increased by 3.2% from ₱67.93 billion as of year end 2003 to ₱70.11 billion as of June 30, 2004. This is mainly attributable to Digitel's continuous capital expenditures for its mobile phone operations.

Other assets almost remained flat from ₱5.20 billion as of December 31, 2003 to ₱5.27 billion as of June 30, 2004.

Accounts payable and accrued expenses increased by 14.6% from ₱16.40 billion as of year-end 2003 to ₱18.79 billion mainly due to higher trade payables.

Notes payable decreased by 20.8% from ₱11.13 billion as of December 31, 2003 to ₱8.82 billion as of June 30, 2004 due to partial payment of bank loans during the period.

Income tax payable increased from ₱73.5 million as of year end 2003 to ₱416.3 million as of June 30, 2004 due to higher provision for income tax during the period.

Customers' deposits and other current liabilities grew from ₱2.64 billion to ₱3.08 billion due to increased customers' deposit by 15%.

Long-term debt, including current portion, went down by 8.4% from ₱69.16 billion as of December 31, 2003 to ₱63.36 billion due to maturity of outstanding balance of JG 04 bond in March 2004 and the partial payment of supplier's credit agreement.

Stockholders' equity grew to ₱59.72 billion as of June 30, 2004 from ₱58.23 billion at the end of 2003. Book value per share improved from ₱8.57 per share as of December 31, 2003 to ₱8.79 per share as of June 30, 2004.

The Company's key performance indicators are as follows: a.) Revenues; b.) EBIT (earnings before interest and taxes) computed as Net income add or deduct Provision (benefit from) for income tax, Interest and financing charges and Nonrecurring items; c.) EBITDA (earnings before interest, taxes and depreciation and amortization charges) computed as Net income add or deduct Provision (benefit from) for income tax, Interest and financing charges, Nonrecurring items and Depreciation & amortization; d.) Current Ratio computed as Current assets divided by current liabilities; and e.) Debt to Equity ratio computed as total financial debt divided by total equity.

Revenues amounted to ₱29.85 billion for the first half of the year ended June 30, 2004, up by 13.2% from last year's ₱26.38 billion. EBIT increased to ₱4.60 billion as against last year's ₱3.59 billion. EBITDA slightly increased from ₱7.49 billion in 2003 to ₱7.80 billion for the six months ended June 30, 2004. Excluding nonrecurring gain in 2004, EBITDA would have increased by 11.8% to ₱7.73 billion from last year's ₱6.92 billion. As of June 30, 2004, current ratio stood at 1.47:1 compared to 1.50:1 as of December 31, 2003. Debt to equity ratio stood at 1.21:1 in 2004 as against 1.38.1 in 2003 while Net debt to equity ratio decreased to 0.68:1 from 0.73:1 as of December 31, 2003.

As of June 30, 2004, the Company is not aware of any events and uncertainties that would have a material impact on the Company's net sales, revenues, and income from operations and future operations.

The Company, in the normal course of business, makes various commitments and has certain contingent liabilities that are not reflected in the accompanying consolidated financial statements. The commitments and contingent liabilities include various guarantees, commitments to extend credit, standby letters of credit for the purchase of equipment, tax assessments and bank guarantees through its subsidiary bank. The Company does not anticipate any material losses as a result of these transactions.

PART II – OTHER INFORMATION

NONE.

SIGNATURES

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JG SUMMIT HOLDINGS, INC.

By:

JAMES L. GO
Chairman and Chief Executive Officer
Date 8-11-04

LANCE Y. GOKONGWEI
President and Chief Operating Officer
Date 8-11-04

CONSTANTE T. SANTOS
SVP - Corporate Controller
Date 8-11-04

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)

	June 30, 2004 (Unaudited)	December 31, 2003 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**P8,035,701**	P10,030,588
Temporary investments - net	**23,236,986**	27,870,107
Receivables - net	**16,537,412**	16,229,244
Inventories - net (Note 2)	**9,132,370**	8,517,514
Other current assets	**3,444,171**	2,905,355
Total Current Assets	**60,386,640**	65,552,808
Investments in Associates and Advances - net	**18,351,088**	17,880,784
Investments in Real Properties - net	**17,672,707**	16,654,541
Property, Plant and Equipment - net	**70,111,914**	67,929,637
Other Assets	**5,271,234**	5,201,337
	P171,793,583	P173,219,107
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	**P18,788,630**	P16,399,669
Notes payable	**8,815,068**	11,128,217
Current portion of long-term debt (Note 3)	**9,320,434**	12,878,787
Estimated land development costs	**537,245**	525,735
Income tax payable	**416,286**	73,506
Customers' deposits and other current liabilities	**3,076,302**	2,643,291
Total Current Liabilities	**40,953,965**	43,649,205
Long-term Debt - net of current portion (Note 3)	**54,043,160**	56,279,893
Due to Affiliated Companies and Other Liabilities	**5,991,282**	3,809,582
Total Liabilities	**100,988,407**	103,738,680
Minority Interest in Consolidated Subsidiaries	**11,081,302**	11,253,504
Stockholders' Equity	**59,723,874**	58,226,923
	P171,793,583	P173,219,107

See accompanying Notes to Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)

	Quarters Ended June 30		Six Months Ended June 30	
	2004	2003	**2004**	2003
REVENUES				
Foods	**P7,025,848**	P5,543,606	**P13,414,034**	P11,603,334
Telecommunications	**1,746,873**	1,830,775	**3,494,653**	3,121,669
Air transportation	**2,143,388**	1,497,222	**3,938,376**	2,879,581
Real estate and hotels	**1,116,503**	1,017,967	**2,119,309**	1,944,523
Petrochemicals	**1,811,125**	1,973,279	**3,473,038**	3,397,964
Textiles and other supplementary businesses	**719,995**	662,322	**1,288,390**	1,313,896
Equity in net earnings of associates	**203,636**	222,207	**466,045**	429,976
Interest, investment and other income	**854,857**	832,026	**1,657,873**	1,686,249
	15,622,225	13,579,404	**29,851,718**	26,377,192
COST AND EXPENSES				
Cost of sales and services	**9,420,781**	8,633,828	**17,886,671**	16,367,949
Operating and other expenses	**3,868,788**	3,315,887	**7,499,007**	6,542,404
Interest expense	**1,421,847**	1,343,712	**2,912,232**	2,355,227
	14,711,416	13,293,427	**28,297,910**	25,265,580
NET OPERATING INCOME	**910,809**	285,977	**1,553,808**	1,111,612
OTHER INCOME (EXPENSES) - net	**97,673**	429,131	**(4,545)**	562,559
INCOME BEFORE PROVISION FOR INCOME TAX AND NET LOSSES APPLICABLE TO MINORITY INTEREST	**1,008,482**	715,108	**1,549,263**	1,674,171
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	**244,297**	201,210	**350,310**	328,830
Deferred	**(9,893)**	(187,769)	**30,353**	(242,778)
	234,404	13,441	**380,663**	86,052
INCOME BEFORE NET LOSSES APPLICABLE TO MINORITY INTEREST	**774,078**	701,667	**1,168,600**	1,588,119
NET LOSSES APPLICABLE TO MINORITY INTEREST	**126,840**	99,945	**206,579**	134,323
NET INCOME	**P900,918**	P801,612	**P1,375,179**	P1,722,442
Earnings Per Share (Note 4)	**P0.13**	P0.12	**P0.20**	P0.25

See accompanying Notes to Unaudited Consolidated Financial Statements.

Certain accounts on June 30, 2003 Unaudited Consolidated Financials Statements were restated to conform with the June 30, 2004 Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In Thousands)

	Six Months Ended June 30	
	2004	2003
Capital stock - P1 par value		
Authorized:		
Common - 12,850,800,000 shares		
Preferred - 2,000,000,000 shares		
Issued:		
Common - 6,895,273,657 shares	**P6,895,274**	P6,895,274
Preferred (Note 6)		
Additional paid-in capital	**5,961,714**	5,961,714
Accumulated translation adjustment	**1,332,230**	992,464
Retained earnings		
Beginning	**44,881,325**	42,652,458
Effect of adoption of SFAS/IAS 37 and 38 (Note 1)	**-**	(511,298)
As restated	**44,881,325**	42,141,160
Net income	**1,375,179**	1,722,442
End	**46,256,504**	43,863,602
Treasury stock -at cost	**(721,848)**	(721,848)
	P59,723,874	P56,991,206

See accompanying Notes to Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Six Months Ended June 30	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and net earnings (losses) applicable to minority interest	**P1,168,600**	P1,588,119
Adjustments for:		
Depreciation and amortization	**3,131,780**	3,329,828
Interest expense	**2,912,232**	2,355,227
Interest income	**(1,593,806)**	(1,134,055)
Provision for doubtful accounts	**316,750**	209,604
Equity in net earnings of associates	**(466,045)**	(429,976)
Operating income before working capital changes	**5,469,511**	5,918,747
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	**(597,396)**	27,216
Inventories	**(614,857)**	(1,283,641)
Other current assets	**(538,815)**	(565,423)
Other assets	**(173,107)**	380,801
Increase (decrease) in:		
Accounts payable and accrued expenses	**2,965,959**	(1,306,389)
Income tax payable	**342,779**	101,146
Customers' deposits and other current liabilities	**433,011**	110,177
Net cash generated from operations	**7,287,085**	3,382,634
Interest received	**1,566,285**	912,239
Interest paid	**(3,489,231)**	(1,454,711)
Net cash provided by (used in) operating activities	**5,364,139**	2,840,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in:		
Temporary investments	**4,633,121**	(6,366,868)
Investments in associates and advances	**117,513**	226,165
Property, plant and equipment	**(5,210,847)**	(5,395,633)
Investments in real properties	**(1,006,656)**	(1,013,611)
Net cash provided by (used in) investing activities	**(1,466,869)**	(12,549,947)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Notes payable	**(2,313,148)**	1,275,890
Long-term debt	**(5,795,086)**	26,019,797
Due to affiliated companies and other liabilities	**2,181,700**	(108,336)
Minority interest in consolidated subsidiaries	**34,377**	(2,745)
Net cash provided by (used in) financing activities	**(5,892,157)**	27,184,606
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(P1,994,887)**	P17,474,821
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10,030,588**	8,059,424
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P8,035,701**	P25,534,245

See accompanying Notes to Unaudited Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Philippines (Philippine GAAP) and under the historical cost convention, except for property, plant and equipment which are carried at revalued amounts.

The preparation of financial statements in accordance with Philippine GAAP requires the Group to make estimates and assumptions that affect the reported amounts on income, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management believes that actual results will not be materially different from those estimates.

Among others, the Group adopted the following accounting standards effective January 1, 2003.

Statement of Financial Accounting Standards (SFAS) 37/International Accounting Standard (IAS) 37, *Provisions, Contingent Liabilities and Contingent Assets,* provides the criteria for the recognition and bases for measurement of provisions, contingent liabilities and contingent assets. Accordingly, certain subsidiaries changed their method of accounting for provisions, contingent liabilities and contingent assets.

SFAS 38/IAS 38, *Intangible Assets,* establishes the criteria for the recognition and measurement of intangible assets. It also requires that the expenditures on research, start-up, training, advertising and relocation be expensed as incurred. Accordingly, certain subsidiaries changed their method of accounting for developmental and preoperating expenses and reversed their unamortized developmental and preoperating expenses to conform to the standard. Previously, such expenses were deferred and amortized.

Principles of Consolidation

The unaudited consolidated financial statements as of and for the quarters ended June 30, 2004 and 2003 represent the consolidation of the financial statements of JG Summit Holdings, Inc. (the Parent Company) and the following subsidiaries directly and indirectly owned by the Parent Company:

	Effective Percentage of Ownership	
Companies	**2004**	2003
Foods		
Universal Robina Corporation and Subsidiaries	**86.12**	88.72
Textiles		
Litton Mills, Inc.	**100.00**	100.00
Westpoint Industrial Mills Corporation	**100.00**	100.00
Real estate and Hotels		
Robinsons Land Corporation and Subsidiaries	**91.89**	92.03
Adia Development and Management Corporation	**100.00**	100.00
Telecommunications		
Digital Telecommunications Philippines, Inc. and Subsidiaries	**49.90**	49.91
International Capital and Financial Services		
JG Summit (Cayman), Ltd.	**100.00**	100.00
JG Summit Philippines Ltd. and Subsidiaries	**100.00**	100.00
JG Summit Limited	**100.00**	100.00
JG Summit Capital Services Corporation and Subsidiaries	**100.00**	100.00
Express Holdings, Inc. and a Subsidiary	**100.00**	100.00
Multinational Finance Group Ltd.	**100.00**	100.00

	Effective Percentage of Ownership	
	2004	2003
Petrochemicals		
JG Summit Petrochemical Corporation	**82.28**	80.00
Air Transportation		
Cebu Air, Inc.	**100.00**	100.00
CP Air Holdings, Inc.	**100.00**	100.00
Supplementary Businesses		
Premiere Printing Company, Inc.	**100.00**	100.00
Terai Industrial Corporation	**100.00**	100.00
Unicon Insurance Brokers Corporation	**100.00**	100.00
Hello Snack Foods Corporation	**100.00**	100.00
JG Cement Corporation	**100.00**	100.00
Cebu Pacific Manufacturing Corporation	**100.00**	100.00
Savannah Industrial Corporation	**100.00**	100.00
Cambridge Electronics Corporation (CEC)	**-**	100.00

Under generally accepted accounting principles (GAAP), it is acceptable to use, for consolidation purposes, financial statements of subsidiaries for fiscal periods differing from that of the Parent Company if the difference is not more than three months. Subsidiaries in the following businesses have a financial year-end of September 30: foods, textiles, real estate and hotels, petrochemicals, and supplementary businesses, substantially all subsidiaries.

On July 11, 2003, the Board of Directors of CEC approved the closure of CEC. With such closure, CEC is no longer consolidated and the investment therein is accounted for at cost as of December 31, 2003. Prior year consolidated financial statements were not restated.

2. INVENTORIES

Inventories consist of:	**June 30, 2004 (Unaudited)**	December 31, 2003 (Audited)
At cost:		
Finished Goods	**P1,924,430**	P1,851,326
Raw materials	**2,119,384**	1,916,538
Materials in-transit	**1,111,025**	1,014,941
	5,154,839	4,782,805
At net realizable value:		
Work-in-process	**344,234**	350,366
Spare parts, packaging materials and other supplies	**2,448,532**	2,002,055
Poultry and hog breeder stock, market stock and by-products	**519,760**	539,561
Subdivision land and condominium and residential units for sale	**825,642**	959,610
Allowance for inventory obsolescence	**(160,637)**	(116,883)
	3,977,531	3,734,709
	P9,132,370	P8,517,514

Under the terms of the agreements covering liabilities under trust receipts, certain inventories have been released to certain subsidiaries in trust for the banks. Certain subsidiaries are accountable to the banks for the value of the trusteed inventories or their sales proceeds.

3. LONG-TERM DEBT

Long-term debt is summarized as follows:

	June 30, 2004 (Unaudited)	December 31, 2003 (Audited)
Parent Company:		
Foreign Currency:		
Loan from a foreign bank at interest rate of LIBOR plus spread; payable in 14 equal semi-annual amortizations	**P 4,830,252**	P 5,170,574
Loan from a foreign bank due 2011	**1,262,381**	-
Philippine Peso:		
Borrowing from a local bank	**1,000,000**	1,000,000
	7,092,633	6,170,574
Subsidiaries		
Foreign currencies:		
Supplier's credit agreements with maturities up to 2007 at interest rates of 1.5% to 2% over 180-day LIBOR	**6,342,317**	13,665,737
US$200 million 8.375% Notes Due 2004	**-**	4,323,757
US$100 million 8 3/8% Notes Due 2006	**2,964,101**	2,893,500
US$ 102.3 million Guaranteed Floating Rate Notes and Term Loan Facility Agreement Due 2006	**4,904,165**	4,852,658
US$ 100 million 9.25% Notes Due 2006	**5,477,160**	5,419,635
US$ 300 million 8.25% Notes Due 2008	**16,459,568**	16,286,698
US$ 125 million, 9% Guaranteed Notes Due 2008 interest payable on February 6 and August 6 of each year	**7,027,000**	6,859,625
Zero Coupon 12% Convertible Bonds Due 2013	**11,027**	10,911
Various bank borrowings	**8,008,564**	3,377,326
Minimum capacity purchase agreement	**533,672**	750,411
	51,727,574	58,440,258
Philippine Pesos:		
Capital lease obligation	**2,475,540**	2,475,540
Philippine Sugar Corporation, restructured loan payable in twenty five equal annual amortizations	**67,847**	72,308
Five-year promissory note payable in six semi-annual amortization with remaining balance at maturity	**1,000,000**	1,000,000
P1,000 million Bonds	**1,000,000**	1,000,000
	4,543,387	4,547,848
	63,363,594	69,158,680
Less current portion	**9,320,434**	12,878,787
	P 54,043,160	P 56,279,893

The exchange rate used to restate the foreign currency denominated long-term borrowings as of June 30, 2004 was P56.176:US$1, except for the foreign currency denominated borrowings of certain subsidiaries with fiscal year ending September 30 where such borrowings were restated at the rate of P56.216:US$1.

4. EARNINGS PER SHARE

The following table presents information necessary to calculate EPS as of June 30, 2004 and 2003:

	Quarters Ended June 30		Six Months Ended June 30	
	2004	2003	**2004**	2003
Net income	**P 900,918**	P 801,612	**P 1,375,179**	P 1,722,442
Add interest expense on convertible bonds	**-**	38,918	**-**	93,315
Net income applicable to common stock	**P 900,918**	P 840,530	**P 1,375,179**	P 1,815,757
Weighted average number of common shares	**6,797,191,657**	6,797,191,657	**6,797,191,657**	6,797,191,657
Potential common shares on convertible bonds	**-**	214,748,992	**-**	214,748,992
Common and potential common shares from assumed conversion	**7,011,940,649**	7,011,940,649	**6,797,191,657**	7,011,940,649
Earnings per share				
Basic	**P 0.13**	P 0.12	**P 0.20**	P 0.25
Diluted	**-**	P 0.12	**-**	P 0.26

As of June 30, 2003 the assumed conversion of convertible bonds is anti-dilutive. Dilutive effect for the EPS in June 30, 2004 was no longer computed.

5. BUSINESS SEGMENT INFORMATION

The industry segments where the Group operates are as follows:

a. Food, agro-industrial and commodities businesses
b. Property development and hotel management
c. Telecommunications
d. Textiles
e. Petrochemicals
f. International Capital and financial services
g. Air transportation
h. Other supplementary businesses

Financial information about the operations of these business segments as of June 30 is summarized as follows:

	REVENUES		EXPENSES	
	2004	2003	**2004**	2003
Food, agro-industrial and commodities	**P 13,414,034**	P 11,603,334	**P 12,517,316**	P 10,746,221
Telecommunications	**3,494,653**	3,121,669	**3,840,658**	3,360,536
Petrochemicals	**3,473,038**	3,397,964	**3,517,743**	3,445,636
Air transportation	**3,938,376**	2,879,581	**3,542,973**	2,904,548
Real estate & hotels	**2,119,309**	1,944,523	**1,588,577**	1,565,635
Textiles and other supplementary business	**1,288,390**	1,313,896	**1,209,020**	1,342,902
Parent/International, capital and financial services	**2,123,918**	2,116,225	**2,260,252**	1,289,272
	P 29,851,718	P 26,377,192	**P 28,476,539**	P 24,654,750

	NET INCOME		TOTAL ASSETS	
	2004	2003	**2004**	2003
Food, agro-industrial and commodities	**P 896,718**	P 857,113	**P 43,638,051**	P 42,680,983
Telecommunications	**(346,005)**	(238,867)	**49,160,020**	41,939,492
Petrochemicals	**(44,705)**	(47,672)	**12,172,250**	11,510,370
Air transportation	**395,403**	(24,967)	**2,908,375**	4,170,100
Real estate & hotels	**530,732**	378,888	**21,627,413**	19,545,685
Textiles and other supplementary business	**79,370**	(29,006)	**3,730,077**	5,203,698
Parent/International, capital and financial services	**(136,334)**	826,953	**38,557,397**	48,645,255
	P 1,375,179	P 1,722,442	**P171,793,583**	P 173,695,583

	LIABILITIES		NET ASSETS	
	2004	2003	**2004**	2003
Food, agro-industrial and commodities	**P 24,719,540**	P 24,285,119	**P 18,918,511**	P 18,395,864
Telecommunications	**44,637,508**	36,679,008	**4,522,512**	5,260,484
Petrochemicals	**6,038,994**	11,684,590	**6,133,256**	(174,220)
Air transportation	**1,820,270**	3,789,404	**1,088,105**	380,696
Real estate & hotels	**10,196,535**	8,807,342	**11,430,878**	10,738,343
Textiles and other supplementary business	**1,488,820**	3,337,259	**2,241,257**	1,866,439
Parent/International, capital and financial services	**23,168,042**	28,121,655	**15,389,355**	20,523,600
	P112,069,709	P 116,704,377	**P 59,723,874**	P 56,991,206

6. OTHER EVENTS

On March 18, 2004, the stockholders approved the amendment of the Parent Company's Articles of Incorporation reclassifying a portion of the Parent Company's common shares into preferred shares.

On March 24, 2004, the Securities and Exchange Commission approved the reclassification of the Parent Company's authorized capital stock from 14,850,800,000 common shares to 12,850,800,000 common shares and 2,000,000,000 preferred shares with par value of P1.00.

On July 29, 2004, the Parent Company issued 255,000,000 redeemable and non-voting preferred shares at an issue price of P5.00 per share.

On August 5, 2004, the Parent Company issued 179,100,000 redeemable and non-voting preferred shares at an issue price of P5.00 per share.

JG SUMMIT HOLDINGS, INC. & SUBSIDIARIES
AGING OF RECEIVABLES
June 30, 2004
(In Thousand Pesos)

	TOTAL	UP TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR
TRADE RECEIVABLES	9,383,495	6,497,450	2,886,045
Less: Allowance for doubtful accounts	(1,952,726)	-	(1,952,726)
NET TRADE RECEIVABLES	7,430,769	6,497,450	933,319
NON-TRADE RECEIVABLES			
Finance receivables	2,252,249	2,252,249	-
Others	6,854,394	5,755,830	1,098,564
	9,106,643	8,008,079	1,098,564
	16,537,412	14,505,529	2,031,883