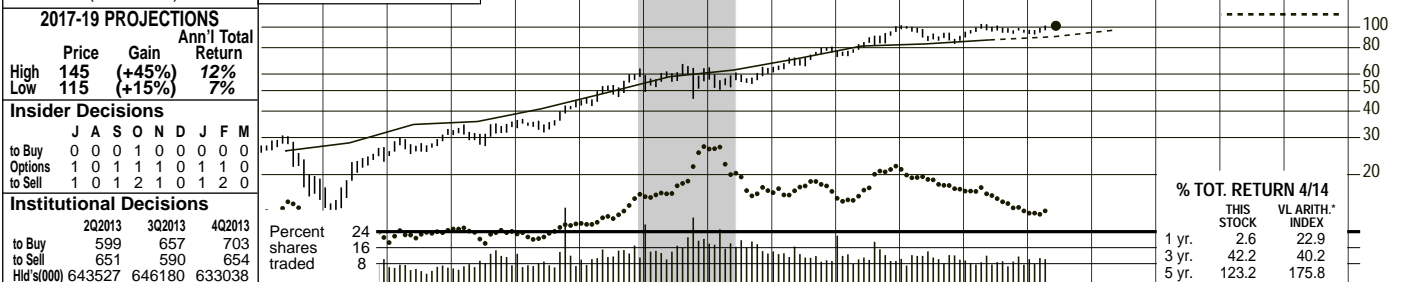


MCDONALD'S CORP. NYSE-MCD

RECENT PRICE **101.53** P/E RATIO **17.7** (Trailing: 18.4 Median: 16.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **3.2%** **VALUE LINE**

TIMELINESS 3 Raised 8/30/13	High: 27.0 33.0 35.7 44.7 63.7 67.0 64.8 80.9 101.0 102.2 103.7 103.8	Low: 12.1 24.5 27.4 31.7 42.3 45.8 50.4 61.1 72.1 83.3 89.3 92.2	Target Price Range 2017 2018 2019
SAFETY 1 New 7/27/90	LEGENDS — 12.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession		
TECHNICAL 2 Raised 5/9/14			
BETA .60 (1.00 = Market)			



2017-19 PROJECTIONS	Price	Gain	Return	Ann'l Total
High	145	(+45%)	12%	
Low	115	(+15%)	7%	
Insider Decisions				
to Buy	0	0	1	0
Options	1	0	1	1
to Sell	1	0	1	1
Institutional Decisions				
to Buy	599	657	703	
to Sell	651	590	654	
Hlds(000)	643527	646180	633038	
Percent shares traded	24	16	8	
% TOT. RETURN 4/14	1 yr. 2.6	3 yr. 42.2	5 yr. 123.2	VL ARITH. INDEX 22.9 40.2 175.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
9.16	9.82	10.92	11.61	12.15	13.58	15.01	16.20	17.93	19.55	21.09	21.12	22.85	26.44	27.49	28.38	29.90	31.60	Revenues per sh	40.55
1.95	2.15	2.29	2.23	2.16	2.36	2.88	2.98	3.43	4.06	4.85	5.22	5.92	6.77	6.93	7.24	7.50	8.10	"Cash Flow" per sh	10.50
1.26	1.39	1.46	1.36	1.32	1.43	1.93	1.97	2.30	2.91	3.67	3.98	4.60	5.27	5.36	5.55	5.75	6.25	Earnings per sh A	8.15
.18	.20	.22	.23	.24	.40	.55	.67	1.00	1.50	1.63	2.05	2.26	2.53	2.87	3.12	3.28	3.45	Div'ds Decl'd per sh B	4.50
1.39	1.38	1.49	1.49	1.58	1.04	1.12	1.27	1.45	1.67	1.92	1.81	2.03	2.67	3.04	2.85	3.10	3.15	Cap'l Spending per sh	3.45
6.98	7.14	7.05	7.41	8.11	9.50	11.18	11.99	12.84	13.11	12.00	13.03	13.89	14.09	15.25	16.16	17.00	17.80	Book Value per sh C	20.00
1356.2	1350.8	1304.9	1280.7	1268.2	1261.9	1269.9	1263.2	1203.7	1165.3	1115.3	1076.7	1053.6	1021.4	1002.7	990.40	970.0	955.0	Common Shs Outst'g D	900.0
24.7	30.4	22.9	20.9	18.3	14.1	14.4	16.2	16.0	17.6	15.8	14.4	15.4	15.9	17.3	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.28	1.73	1.49	1.07	1.00	.80	.76	.86	.86	.93	.95	.96	.98	1.00	1.10	.99			Relative P/E Ratio	1.00
.6%	.5%	.7%	.8%	1.0%	2.0%	2.0%	2.1%	2.7%	2.9%	2.8%	3.6%	3.2%	3.0%	3.1%	3.2%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 3/31/14	19065	20460	21586	22787	23522	22745	24075	27006	27567	28106	29000	30200	Revenues (\$mill)	36500
Total Debt \$13926.8 mill. Due in 5 Yrs \$5350 mill.	26.3%	26.2%	26.4%	22.3%	32.5%	34.2%	35.6%	35.9%	35.7%	35.9%	35.4%	35.5%	Operating Margin	35.5%
LT Debt \$13825.4 mill. LT Interest \$625 mill.	1201.0	1249.5	1249.9	1214.1	1207.8	1216.2	1276.2	1415.0	1488.5	1585.1	1600	1650	Depreciation (\$mill)	1900
(LT interest earned: 17.4x; total interest coverage: 16.7x) (46% of Cap'l)	2458.6	2509.8	2873.0	3522.6	4201.1	4405.5	4961.9	5503.1	5464.8	5585.9	5685	6080	Net Profit (\$mill)	7540
Leases, Uncapitalized Annual rentals \$1362 mill.	28.3%	31.5%	31.0%	1.4%	31.8%	30.4%	29.3%	31.3%	32.4%	31.9%	32.0%	32.0%	Income Tax Rate	31.5%
No Defined Benefit Pension Plan	12.9%	12.3%	13.3%	15.5%	17.9%	19.4%	20.6%	20.4%	19.8%	19.9%	19.6%	20.1%	Net Profit Margin	20.7%
Pfd Stock None	d662.7	1813.4	617.2	d916.6	979.7	427.6	1443.8	893.8	1519.0	1880.1	1500	1500	Working Cap'l (\$mill)	1200
Common Stock 988,417,241 shs.	8357.3	8937.4	8416.5	7310.0	10186	10560	11497	12134	13633	14130	14000	14000	Long-Term Debt (\$mill)	13000
MARKET CAP: \$100.4 billion (Large Cap)	14202	15146	15458	15280	13383	14034	14634	14390	15294	16010	16500	17000	Shr. Equity (\$mill)	18000
CURRENT POSITION	11.6%	11.1%	12.8%	16.4%	18.8%	18.8%	19.8%	21.6%	19.8%	19.4%	19.5%	20.5%	Return on Total Cap'l	25.0%
2012	17.3%	16.6%	18.6%	23.1%	31.4%	31.4%	33.9%	38.2%	35.7%	34.9%	34.5%	35.5%	Return on Shr. Equity	42.0%
2013	12.4%	11.0%	10.7%	11.5%	17.8%	15.5%	17.5%	20.1%	16.8%	15.4%	15.0%	16.0%	Retained to Com Eq	19.0%
2014	28%	34%	42%	50%	43%	51%	49%	47%	53%	56%	57%	55%	All Div'ds to Net Prof	55%

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '11-'13
of change (per sh)	10 Yrs	5 Yrs	to '17-'19
Revenues	8.0%	7.0%	6.5%
"Cash Flow"	12.0%	11.0%	7.0%
Earnings	14.5%	12.5%	7.0%
Dividends	25.5%	15.5%	8.0%
Book Value	6.0%	3.5%	4.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	6112	6905	7166	6823	27006
2012	6546	6915	7152	6952	27567
2013	6605	7084	7324	7093	28106
2014	6700	7300	7625	7375	29000
2015	6975	7615	7950	7660	30200

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1.15	1.35	1.45	1.32	5.27
2012	1.23	1.32	1.43	1.38	5.36
2013	1.26	1.38	1.52	1.40	5.55
2014	1.21	1.44	1.62	1.48	5.75
2015	1.33	1.57	1.75	1.60	6.25

The road ahead is apt to be bumpy, but profitable, nonetheless. Management said that global same-store sales were modestly positive (up 1.2%) in the month of April. However, while weather-related challenges ought to ease, fundamental issues still remain. Competition is

margin expectations. However, commodity cost inflation is still expected to be modest (up 1%-2% in the U.S. and Europe), and new stores and slight price increases should add to revenues.

Challenges remain, but management's efforts to modernize restaurants, ex-

Cal-endar	QUARTERLY DIVIDENDS PAID ■				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.55	.55	.55	.61	2.26
2011	.61	.61	.61	.70	2.53
2012	.70	.70	.70	.77	2.87
2013	.77	.77	.77	.81	3.12
2014	.81				

fierce, especially in the breakfast segment, and rivals are constantly trying to wrest market share from this industry leader. Internally, management knows it has to improve customer service and throughput, as its increasingly large and complex menu has left more room for customiza-

pand the store base, optimize the menu, buy back stock, and improve customer service are encouraging. All told, we continue to like neutrally ranked MCD stock for conservative investors with a taste for income.

Matthew E. Spencer, CFA *May 30, 2014*

(A) Based on diluted shares. Excl. nonrecr. gain/loss: '98, (8c); '01, (11c); '02, (55c); '03, (25c); '04, (6c); '05, 3c; '06, 53c; '07, (93c); '08, 9c; '09, 13c; '10, (2c). Excl. cum. effect of acct'g change: '02, (7c); '03, (3c); '04, (8c). Incl. tax benefit: '04, 7c. Excl. tax benefit '05, 4c. Next egs. report due mid-July. EPS may not sum due to rounding. (B) As of 3/08 div's paid mid-Mar., Jun., Sep., Dec. ■ Div'd. reinvestment plan available. (C) Incl. intang. At 12/31/13: \$2,872.7 mill. \$2.90/share. (D) In mill., adj. for splits.

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