

MCDONALD'S CORP. NYSE-MCD										RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO		DIV'D YLD	VALUE LINE			
										94.45	16.9	(Trailing: 17.1)	0.92	3.4%					
										12.1	45.8	Median: 16.0	83.3	89.3	92.2				
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		Target Price Range			
SAFETY	1	New 7/27/90	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		2017 2018 2019			
TECHNICAL	3	Lowered 8/29/14	LEGENDS 12.0 x "Cash Flow" p sh - - - - - Relative Price Strength Options: Yes Shaded area indicates recession																
BETA	.60	(1.00 = Market)																	
2017-19 PROJECTIONS Total \$15430.6 mill. Due in 5 Yrs \$5350 mill. Price Gain Ann'l Total High 140 (+50%) 13% Low 115 (+20%) 9%																			
Insider Decisions O N D J F M A M J to Buy 1 0 0 0 0 0 0 0 0 0 Options 1 1 0 1 1 0 5 0 2 to Sell 2 1 0 1 3 0 6 1 2																			
Institutional Decisions 3Q2013 4Q2013 1Q2014 to Buy 657 703 653 to Sell 590 654 700 Hd's(000) 646180 633038 630102																			
Percent shares traded 24 16 8																			
% TOT. RETURN 7/14 THIS STOCK VL ARITH. INDEX 1 yr. .04 12.9 3 yr. 20.2 52.3 5 yr. 101.4 131.3																			
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1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Revenues per sh	40.00
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	29.20	30.55	"Cash Flow" per sh	10.35
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	7.30	7.85	Earnings per sh A	8.00
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	5.50	6.00	Div'ds Decl'd per sh B	4.50
.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	Cap'l Spending per sh	3.45
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	Book Value per sh C	20.00
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	16.50	17.10	Common Shs Outst'g D	900.0
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	950.0	Avg Ann'l P/E Ratio	16.0
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	16.5	17.0	Relative P/E Ratio	1.00
1.28	1.73	1.49	1.07	1.00	.80	.76	.86	.86	.93	.95	.96	.98	1.00	1.10	1.10	1.00	1.00	Avg Ann'l Div'd Yield	3.5%
.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%	3.2%	3.2%	<i>Bold figures are Value Line estimates</i>	
CAPITAL STRUCTURE as of 6/30/14 Total Debt \$15430.6 mill. Due in 5 Yrs \$5350 mill. LT Debt \$14891.4 mill. LT Interest \$625 mill. (LT interest earned: 17.4%; total interest coverage: 16.7x) (48% of Cap'l) Leases, Uncapitalized Annual rentals \$1362 mill.																			
No Defined Benefit Pension Plan Pfd Stock None																			
Common Stock 981,929,291 shs.																			
MARKET CAP: \$92.7 billion (Large Cap)																			
CURRENT POSITION (SMILL.)																			
Cash Assets	2336.1	2798.7	3670.6	BUSINESS: McDonald's Corporation operated, franchised, or licensed 35,683 fast-food restaurants in the United States, Canada, and overseas, under the McDonald's banner (as of 6/30/14). About 81% are operated by franchisees or affiliates, with the remainder under the control of the company. Foreign operations contributed 69% of systemwide sales and 57% of consolidated operating income in 2014. The company sold a stake in Pret A Manger in 2008. Spun off Chipotle Mexican Grill in 2006 and Boston Market in 2007. Has about 440,000 employees. Officers/directors own less than 1% of common stock (4/14 Proxy). CEO: Don Thompson. Incorporated: DE. Addr.: One McDonald's Plaza, Oak Brook, Illinois 60523. Telephone: 630-623-3000. Internet: www.mcdonalds.com.															
Receivables	1375.3	1319.8	1294.5	McDonald's posted lackluster second-quarter results. Revenues only increased 1.5% from a year earlier and fell short of our \$7.3 billion call. The gain stemmed almost entirely from restaurant expansion and price increases, as comparable-store sales were flat in the interim and guest traffic was negative in all of the company's geographic segments. Although weather wasn't an issue like it was in the first quarter, competition remained stiff. Meantime, greater operating costs as a percentage of sales and a higher tax rate from a year earlier weighed on share net, partially offset by a lower share count. All told, earnings rose slightly year over year, to \$1.40 a share, but missed our \$1.44 call. The third quarter will likely be even more challenging, due to concerns about food quality in Asia. A major meat processor in China, which supplies protein to McDonald's and other restaurant operators, has been accused of selling expired meat. McDonald's stopped getting shipments from the plant in question, but consumers were already spooked. Too, popular menu items like Big Macs and Chicken McNuggets were in short supply as management scrambled to find alternate sourcing. All told, July comps plunged 7.3% in the region comprised of Asia/Pacific, the Middle East, and Africa. The company's problems are not limited to overseas markets. Domestic same-restaurant sales fell 3.2% in the month of July, likely a result of competition, Americans' changing tastes, and the aforementioned news out of China. Management is working to improve customer service, regain consumers' trust, and build a more formidable online presence, but these efforts will probably take some time to bear fruit. Meantime, lower-income consumers are still being squeezed, while those with more disposable income are favoring restaurants that offer more customization and healthier ingredients. All told, management said that the food quality issues in China put at risk its full-year 2014 comparable-store sales target, which was for flat comps. In response, we cut our 2014 share-net call by \$0.25. Most investors will probably want to let the dust settle on the food quality problems before looking here. Matthew E. Spencer, CFA August 29, 2014															
Inventory (FIFO)	121.7	123.7	110.7	ANNUAL RATES Past 10 Yrs. Past 5 Yrs. to '11-'13 of change (per sh) 8.0% 7.0% 6.5% Revenues 12.0% 11.0% 7.0% "Cash Flow" 14.5% 12.5% 7.0% Earnings 25.5% 15.5% 8.0% Dividends 6.0% 3.5% 4.5%															
Other	1089.0	807.9	837.9	QUARTERLY REVENUES (\$ mill.) Full Year Cal- 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 7182 7270 7148 28300 2015 6815 7325 7525 7335 29000															
Current Assets	4922.1	5050.1	5913.7	EARNINGS PER SHARE A Full Year Cal- 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 1.40 1.49 1.40 5.50 2015 1.30 1.50 1.65 1.55 6.00															
Accts Payable	1141.9	1086.0	965.1	QUARTERLY DIVIDENDS PAID B Full Year Cal- 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 .81															
Debt Due	--	--	539.2	ACTING CHANGE: '02, (7c); '03, (3c); '04, (8c). Incl. tax benefit: '04, 7c. Excl. tax benefit '05, 4c. Next eps. report due mid-October. EPS may not sum due to rounding. (B) As of 3/08															
Other	2261.2	2084.0	1887.4	Div'ds 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.															
Current Liab.	3403.1	3170.0	3391.7	Company's Financial Strength A++ Stock's Price Stability 100 Price Growth Persistence 70 Earnings Predictability 100															

(A) Based on diluted shares. Excl. nonrecurr. 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 factoring change: '02, (7c); '03, (3c); '04, (8c). Incl. tax benefit: '04, 7c. Excl. tax benefit '05, 4c. Next eps. report due mid-October. EPS may not sum due to rounding. (B) As of 3/08

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