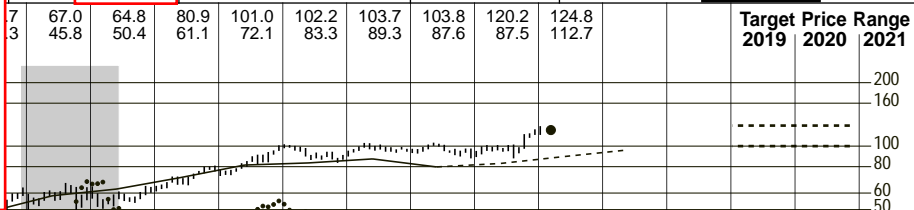




RECENT PRICE **\$129+** P/E RATIO **22.4** (Trailing: 23.9; Median: 16.0) RELATIVE P/E RATIO **1.36** DIV'D YLD **3.0%** VALUE LINE

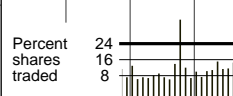


Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	1	0	1	0	4	0
to Sell	0	3	0	2	0	0	0	5	0

Institutional Decisions

	1Q2015	2Q2015	3Q2015
to Buy	604	517	543
to Sell	849	861	784
Hlds(000)	651439	643609	635470



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	19-21	
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	28.50	28.10	29.45	27.35	Revenues per sh	35.70
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	6.65	6.90	7.45	8.00	"Cash Flow" per sh	9.25
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	4.82	4.97	5.45	6.05	Earnings per sh A	7.10
.22	.23	.24	.40	.55	.67	1.00	1.50	1.63	2.05	2.26	2.53	2.87	3.12	3.28	3.44	3.60	3.75	Div'ds Decl'd per sh B	4.40
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	2.68	1.95	2.30	2.25	Cap'l Spending per sh	2.25
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	13.35	9.05	8.95	9.20	Book Value per sh C	10.00
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	962.90	905.0	840.0	815.0	Common Shs Outst'g D	700.0
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	20.0	20.2	20.2	20.2	Avg Ann'l P/E Ratio	16.0
1.49	1.07	1.00	.80	.76	.86	.86	.93	.95	.96	.98	1.00	1.10	.98	1.05	1.02	1.02	1.02	Relative P/E Ratio	1.00
.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%	3.4%	3.4%	3.4%	3.4%	Avg Ann'l Div'd Yield	3.9%

CAPITAL STRUCTURE as of 9/30/15
 Total Debt \$17990.5 mill. Due in 5 Yrs \$5885 mill.
 LT Debt \$17990.5 mill. LT Interest \$770 mill.
 (LT interest earned: 14.4x; total interest coverage: 13.9x) (68% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1382 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 918,229,823 shs.

MARKET CAP: \$109 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2013	2014	9/30/15
Cash Assets	2798.7	2077.9	2452.5
Receivables	1319.8	1214.4	1136.2
Inventory (FIFO)	123.7	110.0	99.3
Other	807.9	783.2	804.6
Current Assets	5050.1	4185.5	4492.6
Accts Payable	1086.0	860.1	802.6
Debt Due	--	--	--
Other	2084.0	1887.8	2153.9
Current Liab.	3170.0	2747.9	2956.5

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '12-'14 to '19-'21
Revenues	7.5%	6.5%	3.5%
"Cash Flow"	11.0%	8.0%	4.0%
Earnings	13.0%	8.5%	4.5%
Dividends	23.0%	12.5%	5.0%
Book Value	4.5%	3.5%	-5.5%

QUARTERLY REVENUES (\$ mill.) E

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	6605	7083	7323	7093	28106
2014	6700	7181	6987	6572	27441
2015	5959	6498	6615	6341	25413
2016	5950	6300	6400	6100	24750
2017	5450	5750	5700	5400	22300

EARNINGS PER SHARE AE

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	1.26	1.38	1.52	1.39	5.55
2014	1.21	1.40	1.09	1.12	4.82
2015	1.01	1.26	1.40	1.31	4.97
2016	1.17	1.38	1.47	1.43	5.45
2017	1.29	1.54	1.65	1.57	6.05

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.70	.70	.70	.77	2.87
2013	.77	.77	.77	.81	3.12
2014	.81	.81	.81	.85	3.28
2015	.85	.85	.85	.89	3.44

Yield at 10 yr low

	2013	2014	2015	2016	2017
Operating Margin	35.0%	35.0%	35.5%	36.0%	36.0%
Depreciation (\$mill)	1555	1500	1500	1500	1500
Net Profit (\$mill)	4693	4770	5145	5145	4970
Income Tax Rate	30.5%	32.0%	32.0%	32.0%	32.0%
Net Profit Margin	18.5%	19.3%	23.1%	19.9%	19.9%
Working Cap'l (\$mill)	1500	1500	1500	1500	1300
Long-Term Debt (\$mill)	24000	26000	26000	26000	26000
Shr. Equity (\$mill)	8200	7500	7500	7500	7000
Return on Total Cap'l	15.5%	15.0%	16.5%	15.5%	15.5%
Return on Shr. Equity	57.0%	63.5%	68.5%	57.0%	71.0%
Retained to Com Eq	17.5%	21.5%	26.0%	17.5%	27.0%
All Div'ds to Net Prof	68%	69%	66%	62%	62%

BUSINESS: McDonald's Corporation operated, franchised, or licensed 36,405 fast-food restaurants in the United States, Canada, and overseas under the McDonald's system. Officers/directors own less than 1% of the company. CEO: Steve Easterbrook, Inc.: DE. Plaza, Oak Brook, Illinois 60523. Telephone: 630-623-3000. Internet: www.mcdonalds.com.

McDonald's stock rose to an all-time high after the restaurant operator released fourth-quarter financials that were a trifecta of better-than-expected sales, earnings, and comps. Unfavorable foreign exchange was still an issue, but broad-based strength at home and abroad was a testament to management's turnaround efforts, which continue to gain traction. Although revenues fell 3.5% year to year, the figure topped our call and actually rose 5% on a currency-neutral basis. Moreover, global comparable-store sales climbed 5.0%, reflecting positive results from all geographic segments. Domestic figures were the most impressive, in our view, as same-store sales jumped 5.7% thanks to the introduction of All Day Breakfast in October. Mild weather across much of the country also helped, albeit to a lesser extent. A 300-basis-point decrease in total operating costs and expenses as a percentage of sales, a 174-basis-point decline in the tax rate, and a lower share count helped earnings to come in 16% higher than the depressed year-earlier figure and \$0.11 ahead of our call. Foreign currency trans-

lation weighed on the bottom line by \$0.11 per share in the fourth quarter. **We now look for the company to earn \$5.45 a share this year, up from our previous forecast of \$5.25.** All Day Breakfast has clearly been well received by customers in the United States and should continue to support comps at home over the next several quarters. Meantime, sales in China and other parts of Asia will likely continue to rebound as the supplier issue in that nation moves further into the rear view mirror. Too, foreign exchange should be less of a headwind in 2016 than in 2015, and commodity cost inflation ought to be benign. From an operational standpoint, management's plans to trim SG&A spending and re-franchise restaurants should support margins, while stock repurchases ought to buoy share earnings. Our preliminary 2017 earnings estimate is \$6.05 a share. **After timely MCD's recent gains, it is not cheap.** But, conservative momentum investors may find the dividend yield, top marks for Safety and Price Stability, and low Beta worth the premium. *Matthew Spencer, CFA February 26, 2016*

(A) Based on diluted shares. Excl. nonrecr. gain/(loss): '01, (11¢); '02, (55¢); '03, (25¢); '04, (6¢); '05, 3¢; '06, 53¢; '07, (93¢); '08, 9¢; '09, 13¢; '10, (2¢); '15 (17¢). Excl. cum. effect of acting change: '02, (7¢); '03, (3¢); '04, (8¢). Incl. tax benefit: '04, 7¢. Excl. tax benefit '05, 4¢. Next egs. report due late April. (B) As of 3/08 div'ds paid mid-Mar., Jun., Sep., Dec. Div'd. reinvestment plan available. (C) Incl. intang. At 12/31/14: \$2,735.3 mill. \$2.84/share. (D) In mill., adj. for splits. (E) May not sum due to rounding.

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Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 55
Earnings Predictability 90

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