



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
5.24	6.00	7.00	7.69	8.32	9.16	9.82	10.92	11.61	12.15	13.58	15.01	16.20	17.93	19.55	21.09	<b>21.05</b>	<b>22.65</b>	Revenues per sh	27.60
1.13	1.30	1.49	1.63	1.76	1.95	2.15	2.29	2.23	2.16	2.36	2.88	2.98	3.43	4.06	4.85	<b>5.15</b>	<b>5.65</b>	"Cash Flow" per sh	6.65
.73	.84	.99	1.11	1.15	1.26	1.39	1.46	1.36	1.32	1.43	1.93	1.97	2.30	2.91	3.67	<b>4.00</b>	<b>4.45</b>	Earnings per sh <sup>A</sup>	5.25
.11	.12	.13	.15	.16	.18	.20	.22	.23	.24	.40	.55	.67	1.00	1.50	1.63	<b>2.05</b>	<b>2.25</b>	Div'ds Decl'd per sh <sup>B</sup>	2.85
.93	1.11	1.47	1.71	1.54	1.39	1.38	1.49	1.49	1.58	1.04	1.12	1.27	1.45	1.67	1.91	<b>1.95</b>	<b>2.25</b>	Cap'l Spending per sh	2.40
3.96	4.48	5.36	6.02	6.45	6.98	7.14	7.05	7.41	8.11	9.50	11.18	11.99	12.84	13.11	12.00	<b>12.35</b>	<b>13.20</b>	Book Value per sh <sup>C</sup>	18.25
1414.8	1387.4	1399.4	1389.2	1371.4	1356.2	1350.8	1304.9	1280.7	1268.2	1261.9	1269.9	1263.2	1203.7	1165.3	1115.3	<b>1075.0</b>	<b>1060.0</b>	Common Shs Outst'g <sup>D</sup>	1015.0
17.9	17.1	19.0	21.5	21.0	24.7	30.4	22.9	20.9	18.3	14.1	14.4	16.2	16.0	17.6	15.8	<b>16.0</b>	<b>17.6</b>	Avg Ann'l P/E Ratio	17.0
1.06	1.12	1.27	1.35	1.21	1.28	1.73	1.49	1.07	1.00	.80	.76	.86	.86	.93	.98	<b>.93</b>	<b>.98</b>	Relative P/E Ratio	1.15
.8%	.8%	.7%	.6%	.7%	.6%	.5%	.7%	.8%	1.0%	2.0%	2.0%	2.1%	2.7%	2.9%	2.8%	<b>2.9%</b>	<b>2.8%</b>	Avg Ann'l Div'd Yield	3.2%

CAPITAL STRUCTURE as of 9/30/09				BUSINESS: McDonald's Corporation operates or licenses over 32,275 fast-food restaurants in the United States, Canada, and overseas, mostly under the McDonald's banner (9/09). About 80% are operated by franchisees, with the remainder under the control of the company or affiliates. Foreign operations contribute around 65% of systemwide sales and about 53% of consolidated operating profits. Sold stake in Pret A Manger in 2008. Spun off Chipotle Mexican Grill in 2006 and Boston Market in 2007. Has about 400,000 employees. Officers/directors own less than 1% of common stock (4/09 Proxy). President & CEO: Jim Skinner, Inc.: DE. Addr.: One McDonald's Plaza, Oak Brook, Illinois 60523. Telephone: 630-623-3000. Internet: www.mcdonalds.com.															
Total Debt	\$11082.2 mill.	Due in 5 Yrs	\$4130 mill.	13259	14243	14870	15406	17141	19065	20460	21586	22787	23522	22650	24000	24000	24000	Revenues (\$mill)	28000
LT Debt	\$10657.9 mill.	LT Interest	\$700.0 mill.	31.3%	29.1%	27.2%	26.1%	25.6%	26.3%	26.2%	26.4%	22.3%	32.5%	32.2%	32.5%	32.5%	32.5%	Operating Margin	30.5%
(LT interest earned: 14.1x; total interest coverage: 12.5x) (45% of Cap'l)				956.3	1010.7	1086.3	1050.8	1148.2	1201.0	1249.5	1249.9	1214.1	1207.8	1200	1250	1200	1250	Depreciation (\$mill)	1425
Leases, Uncapitalized Annual rentals \$1046 mill.				1947.9	1977.3	1772.6	1692.0	1831.4	2458.6	2509.8	2873.0	3522.6	4201.1	4300	4715	4300	4715	Net Profit (\$mill)	5320
No Defined Benefit Pension Plan				32.5%	31.4%	29.9%	32.7%	33.5%	28.3%	31.5%	31.0%	NMF	31.8%	30.5%	30.5%	30.5%	30.5%	Income Tax Rate	30.5%
Pfd Stock None				14.7%	13.9%	11.9%	11.0%	10.7%	12.9%	12.3%	13.3%	15.5%	17.9%	19.0%	19.7%	19.0%	19.7%	Net Profit Margin	19.0%
Common Stock 1,079,186,614 shs. (Options exercisable: 9.0%)				d1702	d698.5	d429.0	d706.9	d600.4	d662.7	1813.4	617.2	d916.6	979.7	100	500	500	500	Working Cap'l (\$mill)	650
MARKET CAP: \$69 billion (Large Cap)				5632.4	7843.9	8555.5	9703.6	9342.5	8357.3	8937.4	8416.5	7310.0	10186	10500	10250	10250	10250	Long-Term Debt (\$mill)	8500
CURRENT POSITION				9639.1	9204.4	9488.4	10281	11982	14202	15146	15458	15280	13383	13250	14000	14000	14000	Shr. Equity (\$mill)	18500
CASH ASSETS (\$MILL.)				13.9%	12.8%	11.1%	9.4%	9.5%	11.6%	11.1%	12.8%	16.4%	18.8%	18.0%	19.5%	19.5%	19.5%	Return on Total Cap'l	19.5%
RECEIVABLES (\$MILL.)				20.2%	21.5%	18.7%	16.5%	15.3%	17.3%	16.6%	18.6%	23.1%	31.4%	32.5%	33.5%	33.5%	33.5%	Return on Shr. Equity	29.0%
INVENTORY (\$MILL.)				17.5%	18.4%	15.6%	13.6%	11.1%	12.4%	11.0%	10.7%	11.5%	17.8%	16.0%	16.5%	16.5%	16.5%	Retained to Com Eq	13.0%
OTHER ASSETS (\$MILL.)				14%	14%	16%	18%	27%	28%	34%	42%	50%	43%	51%	51%	51%	51%	All Div'ds to Net Prof	54%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2006	4914 5367 5672 5633	21586
2007	5293 5839 5901 5754	22787
2008	5615 6075 6267 5565	23522
2009	5077 5647 6047 5879	22650
2010	5525 6025 6300 6150	24000

Cal-endar	EARNINGS PER SHARE <sup>A</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2006	.49 .56 .64 .61	2.30
2007	.63 .72 .83 .73	2.91
2008	.81 .94 1.05 .87	3.67
2009	.83 .97 1.15 1.05	4.00
2010	.95 1.11 1.27 1.12	4.45

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2005	-- -- -- .67	.67
2006	-- -- -- 1.00	1.00
2007	-- -- -- 1.50	1.50
2008	.375 .375 .375 .50	1.63
2009	.50 .50 .50 .55	2.05

**Almost like clockwork, another quarter brought another round of year-over-year earnings growth at McDonald's Corporation.** Share net was \$1.15 in the September period, \$0.06 ahead of our estimate and 10% higher than the year-earlier figure. Comparable-store sales increased 3.8%. **The December interim ought to be solid, as well.** Comps were up 3.3% in October, as customers continued to visit McDonald's for its convenience and value. The Dollar Menu, Angus burgers, and coffee drinks all helped drive sales. We look for these trends to continue, and think that the company will earn approximately \$1.05 a share in the fourth quarter, over 20% higher than the year-earlier tally. **We added \$0.25 onto our 2010 share-earnings estimate.** The company's value and taste have struck chords with consumers, especially in these challenging economic times. Consequently, we look for comparable-store sales increases and a top-line rebound next year. Remodeled restaurants (see below) will likely drive traffic, as well. Additionally, commodity-cost inflation ought to be fairly benign in 2010, and the weakening United States dollar should ease currency headwinds, and may well boost earnings. In sum, we think that earnings of \$4.45 a share are achievable next year. This represents bottom-line growth of approximately 11%. **Capital spending is on the rise.** The company expects to spend about \$2.4 billion next year, up from about \$2.1 billion this year. Much of the money will be used to reimage 2,300 locations (up from 1,800 in 2009). We like the move, as remodeled restaurants typically deliver impressive comparable-store sales, leading to high returns on investment. **We continue to view these shares as a good holding for conservative investors.** The stock is neutrally ranked for relative price performance in the year ahead, and its recent quotation leaves it with slightly below-average appreciation potential over the pull to 2012-2014. Still, the company's strong balance sheet and stellar Financial Strength rating, combined with a well-covered dividend and the stock's high marks for Safety and Price Stability, make it appealing to risk-averse investors. *Matthew E. Spencer December 4, 2009*

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