

Performance at a glance

McDonald's is the largest and best-known global food-service retailer, with more than 21,000 restaurants in 101 countries. Still, our global market potential is enormous.



On any day, even as the market leader, McDonald's serves less than one percent of the world's population. Our outstanding brand recognition, experienced management, high-quality food, site development expertise, advanced operational systems and unique global infrastructure position us to capitalize on global opportunities. We plan to expand our leadership position through convenience, superior value and excellent operations. Our efforts to increase market share, profitability and customer satisfaction have produced high returns to shareholders—a compound average of 17 percent per year over the past 10 years.

11-year summary	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
	<i>(Dollars rounded to millions, except per common share data and average restaurant sales)</i>										
Systemwide sales	\$31,812	29,914	25,987	23,587	21,885	19,928	18,759	17,333	16,064	14,330	12,432
U.S.	\$16,370	15,905	14,941	14,186	13,243	12,519	12,252	12,012	11,380	10,576	9,534
Outside the U.S.	\$15,442	14,009	11,046	9,401	8,642	7,409	6,507	5,321	4,684	3,754	2,898
Systemwide sales by type											
Operated by franchisees	\$19,969	19,123	17,146	15,756	14,474	12,959	12,017	11,219	10,424	9,452	8,422
Operated by the Company	\$ 7,571	6,863	5,793	5,157	5,103	4,908	5,019	4,601	4,196	3,667	3,106
Operated by affiliates	\$ 4,272	3,928	3,048	2,674	2,308	2,061	1,723	1,513	1,444	1,211	904
Average sales by Systemwide restaurants <i>(in thousands)</i>	\$ 1,708	1,844	1,800	1,768	1,733	1,658	1,649	1,621	1,596	1,502	1,369
Total revenues	\$10,687	9,795	8,321	7,408	7,133	6,695	6,640	6,066	5,521	4,853	4,143
Revenues from franchised and affiliated restaurants	\$ 3,116	2,931	2,528	2,251	2,031	1,787	1,621	1,465	1,325	1,186	1,037
Operating income	\$ 2,633	2,601	2,241	1,984	1,862	1,679	1,596	1,438	1,288	1,160	983
Income before provision for income taxes	\$ 2,251	2,169	1,887	1,676	1,448	1,299	1,246	1,157	1,046	959	848
Net income	\$ 1,573	1,427	1,224	1,083	959	860	802	727	646	549*	480
Cash provided by operations	\$ 2,461	2,296	1,926	1,680	1,426	1,423	1,301	1,246	1,177	1,051	852
Capital expenditures	\$ 2,375	2,064	1,539	1,317	1,087	1,129	1,571	1,555	1,321	1,027	942
Treasury stock purchases	\$ 605	321	500	628	92	117	157	497	136	143	209
Financial position at year end											
Net property and equipment	\$14,352	12,811	11,328	10,081	9,597	9,559	9,047	7,758	6,800	5,820	4,878
Total assets	\$17,386	15,415	13,592	12,035	11,681	11,349	10,668	9,175	8,159	6,982	5,969
Total debt	\$ 5,523	4,836	4,351	3,713	3,857	4,615	4,792	4,036	3,269	2,784	2,321
Total shareholders' equity	\$ 8,718	7,861	6,885	6,274	5,892	4,835	4,182	3,550	3,413	2,917	2,506
Per common share											
Net income	\$ 2.21	1.97	1.68	1.45	1.30	1.17	1.10	.97	.86	.72*	.62
Dividends declared	\$.29	.26	.23	.21	.20	.18	.17	.15	.14	.12	.11
Market price at year end	\$ 45³/₈	45 ¹ / ₈	29 ¹ / ₄	28 ¹ / ₂	24 ³ / ₈	19	14 ¹ / ₂	17 ¹ / ₄	12	11	10 ¹ / ₈
Systemwide restaurants at year end	21,022	18,380	15,950	14,163	13,093	12,418	11,803	11,162	10,513	9,911	9,410
U.S.	12,094	11,368	10,238	9,397	8,959	8,764	8,576	8,270	7,907	7,567	7,272
Outside the U.S.	8,928	7,012	5,712	4,766	4,134	3,654	3,227	2,892	2,606	2,344	2,138
Systemwide restaurants by type											
Operated by franchisees	13,428	12,217	10,965	9,933	9,237	8,735	8,131	7,573	7,110	6,760	6,406
Operated by the Company	4,357	3,816	3,238	2,746	2,551	2,547	2,643	2,691	2,600	2,399	2,301
Operated by affiliates	3,237	2,347	1,747	1,484	1,305	1,136	1,029	898	803	752	703
Number of countries at year end	101	89	79	70	65	59	53	51	50	47	46

*Before the cumulative prior years' benefit from the change in accounting for income taxes.

Geographic comparisons-

Restaurants



1996: 21,022



1991: 12,418

Systemwide sales in billions



1996: \$31.8



1991: \$19.9

Operating income* in billions



1996: \$2.6



1991: \$1.7

Assets in billions**



1996: \$17.4



1991: \$11.3

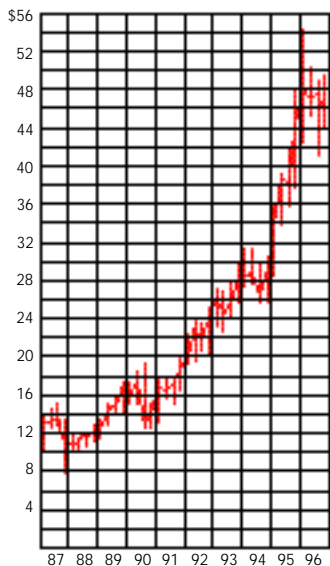
● U.S.
● Outside the U.S.

* Graph excludes Corporate G&A expense of \$52 and \$27 million in 1996 and 1991, respectively.

** Graph excludes Corporate assets of \$272 and \$233 million in 1996 and 1991, respectively.

Market price per common share

in dollars



! Quarterly stock price range
— Price at quarter end

Compound annual growth rates

for the 10-year period ended December 31, 1996

Systemwide sales	9.9%
U.S.	5.6
Outside the U.S.	18.2
Total revenues	9.9
Operating income	10.4
U.S.	3.5
Outside the U.S.	23.3
Net income	12.6
Net income per common share	13.6
Cash provided by operations	11.2
Total assets	11.3
Total shareholders' equity	13.3
Total return to investors on common stock	17.2

Compound annual total percent return to investors

for the 10-year period ended December 31, 1996

McDonald's Common Stock	17.2
Dow Jones Industrial Average	16.5
Standard & Poor's 500	15.3
Wilshire 5000	14.7
Lehman Brothers Government/Corporate Bond Index	8.4
Lipper Money Market Fund Index	5.6





Systemwide restaurants

at year end	1996	1991
U.S.	12,094	8,764
Outside the U.S.	8,928	3,654
Systemwide	21,022	12,418
Countries	101	59

	1996	1991
United States	12,094	8,764



	1996	1991
Europe/Africa/Middle East/India	3,469	1,342



	1996	1991
Canada	992	642



	1996	1991
Asia/Pacific	3,630	1,458



Andorra	2	1	Australia	608	304
Austria	85	30	Brunei	1	0
Bahrain	3	0	China	117	1
Belarus	3	0	Fiji	1	0
Belgium	58	12	Guam	6	4
Bulgaria	5	0	Hong Kong	125	58
Croatia	4	0	Indonesia	59	1
Czech Republic	33	0	Japan	2,004	865
Denmark	70	16	Macau	7	2
Egypt	17	0	Malaysia	80	25
England	650	400	New Caledonia	1	0
Estonia	4	0	New Zealand	120	53
Finland	69	9	Philippines	113	38
France	540	193	Saipan	2	0
Germany	743	391	Singapore	92	37
Greece	30	1	South Korea	77	8
Hungary	51	9	Tahiti	1	0
Iceland	2	0	Taiwan	163	54
India	3	0	Thailand	52	8
Ireland	28	14	Western Samoa	1	0
Israel	36	0			
Italy	147	14	Latin America	837	212
Jersey	1	0			
Jordan	2	0	Argentina	100	10
Kuwait	9	0	Aruba	2	1
Latvia	5	0	Bahamas	4	4
Liechtenstein	1	0	Bermuda*	0	1
Lithuania	4	0	Brazil	337	84
Luxembourg	4	2	Chile	25	1
Malta	5	0	Colombia	15	0
Monaco	1	0	Costa Rica	16	7
Morocco	4	0	Cuba*	1	1
Netherlands	151	69	Curacao	4	3
Northern Ireland	10	1	Dominican Republic	1	0
Norway	33	8	El Salvador	5	3
Oman	2	0	Guadeloupe	3	0
Poland	65	0	Guatemala	19	5
Portugal	33	2	Honduras	4	0
Qatar	1	0	Jamaica	4	0
Romania	13	0	Martinique	4	1
Russia	12	1	Mexico	112	35
Saudi Arabia	24	0	Panama	18	10
Scotland	46	21	Paraguay	1	0
Slovakia	4	0	Peru	2	0
Slovenia	8	0	Puerto Rico	95	36
South Africa	17	0	St. Maarten	1	0
Spain	121	42	Trinidad	3	0
Sweden	129	56	Uruguay	16	1
Switzerland	75	25	Venezuela	39	6
Turkey	61	11	Virgin Islands	6	3
United Arab Emirates	7	0			
Wales	31	9			
Yugoslavia	7	5			

*U.S. Navy Base