

TREASURY &
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RISK

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ALEXANDER HAMILTON BEST PRACTICES SUMMIT & AWARDS

● ● ● **OCTOBER 25-26, 2011** | NEW YORK MARRIOTT DOWNTOWN



Marc Monyek
McDonald's Corporation
First Issuance of a RMB Bond by a Multi-National



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Presented by:



Step 1: It's About the Business

**BIGGER
BETTER
FASTER**



天天超值午餐
¥18⁵⁰

培根芝士
双层牛堡
100%纯牛肉



天天超值午餐
¥19 法式蘑菇鸡扒餐



China: McDonald's Fastest Growing Market

5 Year CAGR

Restaurants	1,349	13%
Sales	US\$ 1.88 billion	19%
Operating Income	US\$ 188 million	36%

Restaurant numbers as of 6/30/2011, Sales and Operating Income Numbers
Annualized as of 6/30/2011



Step 2: Identify the Financing Opportunity

- McDonald's needs additional funding for capital expenditures to grow and remodel additional restaurants
- Primary Financing relies on an important network of Chinese and Global Relationship Banks
- Bond issuance creates long-term, committed funding at attractive interest rates



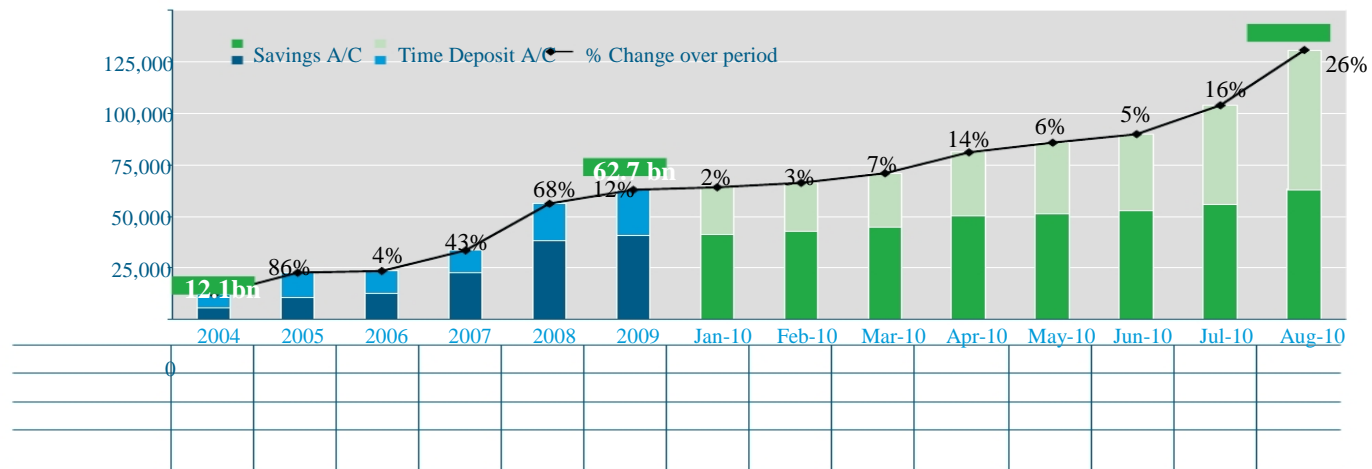
Step 3: The Plan

- McDonald's Corporation issues RMB bond in the Hong Kong Market
- An intercompany loan is used to transfer funds to McDonald's Guangzhou entity
- Plan was jointly created by McDonald's and Standard Chartered Bank



What made a Hong Kong RMB Bond Issuance Possible?

RMB Deposit Base in Hong Kong 2004 - Aug 2010



Current RMB Deposit Levels Exceed RMB 600 billion



Step 4: The Details

Approvals required by SAFE, the PBOC
and the HKMA

Anticipate investor demand

Documentation

– Used MTN style documentation



Step 5: The Results

- McDonald's went to market August, 2010
- Funds were remitted into China
September, 2010
- 5.5 times oversubscribed
- 500 million media hits
- 800 news stories in China and the Western Press



What others said about us

“This inaugural deal opened a brand new market to other subsequent renminbi issues. The deal has broader resonance too. In opening a new renminbi market for international companies, the deal is a signal of the growth of China as the engine of the global economy.”

The Banker



Special Thanks To....

The  Team:

Pete Bensen, Corporate CFO, **Mike Richard**, Corporate Treasurer, **Phil Cabrera**, International Treasurer, **Dan March**, China CFO, **Dave Yang**, China Controller, **Bob Li**, China Treasurer, **Darin Aprati**, Director Capital Markets, **Scott Meader**, Manager Capital Markets, **Jeff Pochowicz**, Managing Counsel



Standard Chartered Bank

Our Investors

