

Supplemental Information

McDonald's U.S. Organizational Changes

McDonald's Corporation has made changes to its organizational structure in the U.S to improve the way Home Office and Field employees work with Owner-Operators to run great restaurants. The new structure will enhance the operating model, better support franchisees, and create a more dynamic and nimble organization as it is designed to provide:

- More consulting and support for franchisees
- Better communication between the Field and Home Office
- Aligned incentives with Owner-Operators
- Improved speed-to-market by managing complexity and improving decision-making, and
- Deliberate capability-building & faster career progression for McDonald's employees.

In order to accomplish the above objectives, McDonald's U.S. will eliminate its region structure in favor of field offices and remove layers from the field organization while increasing resources in key strategic areas like technology and field consulting. Collectively, these changes will create a more efficient U.S. organization and help Owner-Operators to succeed, while continuing to provide McDonald's customers with hot, delicious food at a compelling value; fast, friendly service; and a convenient, enjoyable experience. McDonald's U.S. will be fully transitioned to the new field structure in the third quarter of 2018.

The organizational changes will contribute to the expected achievement in 2019 of our previously announced target of realizing net G&A savings of about \$500 million from the base at the beginning of 2015. McDonald's will record a pre-tax charge of approximately \$80-90 million in the second quarter of 2018 in connection with these changes, primarily consisting of severance and other employee related costs and costs associated with the closing of certain field offices.

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About McDonald's

McDonald's is the world's leading global foodservice retailer with approximately 37,000 locations in over 100 countries. Over 90% of McDonald's restaurants worldwide are owned and operated by independent local business men and women.

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