



McDonald's Announces Growth Plan for China
Following Completion of Strategic Partnership with CITIC and Carlyle
"Vision 2022" to add 2,000 new restaurants and accelerate innovation

(OAK BROOK, III./SHANGHAI/HONG KONG, August 8, 2017) — McDonald's Corporation (NYSE: MCD, "McDonald's") today announced the successful completion of a strategic partnership with CITIC Limited (SEHK: 00267, "CITIC"), CITIC Capital Partners ("CITIC Capital"), and The Carlyle Group (NASDAQ: CG, "Carlyle"). Ramping up a new era of growth and innovation, the partnership will operate and manage McDonald's businesses in mainland China and Hong Kong, leveraging combined expertise and strength to drive an expansion strategy.

The transaction has obtained China's regulatory approval and was completed on July 31, 2017, creating the largest McDonald's franchisee outside of the United States. The sale to the new McDonald's China franchisee includes McDonald's existing businesses in Mainland China (approximately 2,500 restaurants) and Hong Kong (approximately 240 restaurants).

The new partnership today announced a series of development initiatives for mainland China. Termed "Vision 2022," this strategy aims to drive double-digit sales growth in each of the next five years by increasing the number of restaurants from 2,500 to 4,500, including delivery hub coverage of over 75% of restaurants, by the end of 2022, bringing unparalleled convenience to Chinese customers. Opening pace of new McDonald's restaurants in mainland China is expected to progressively ramp up from approximately 250 per year in 2017 to 500 per year in 2022 under the new partnership. In addition, Vision 2022 includes plans to increase significantly McDonald's restaurant portfolio mix in tier 3-4 cities to approximately 45% of all McDonald's restaurants in China. Vision 2022 also includes an increase of "Experience of the Future" restaurants to over 90%, which will enable the brand to offer digitalized and personalized dining experience to more customers.

With innovation hubs located in Hong Kong and Shanghai, McDonald's will strengthen its brand leadership by enhancing the customer experience using menu innovation and advanced digital retail experience.



“China will soon become our largest market outside of the United States. We are excited to join forces with CITIC and Carlyle for better localized decision-making to meet changing customer demands in this dynamic market,” said Steve Easterbrook, McDonald’s President and CEO. “Mainland China and Hong Kong are leading the global system in capturing new consumer trends such as delivery and digitalization and its driving strong performance and growth momentum. I have great confidence in our new partnership to unlock the full growth potential of China. McDonald’s Corporation will continue to play an active part in the China growth journey through our remaining interest and participation on the China Board.”

Zhang Yichen, Chairman of the Board of Directors for the new McDonald’s China, commented: “The partnership will strengthen McDonald’s China’s entrepreneurial spirit, driven by ownership at the local level. It will also help us ensure first-class customer service and food safety while accelerating our growth in mainland China and Hong Kong. We believe this is a winning formula that fuses McDonald’s global quality standards and branding with CITIC and Carlyle’s extensive resources and market expertise in real estate, finance, supply chains, consumer & retail, and technology.”

About McDonald’s

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