McDonald's Corporation
2915 Jorie Boulevard
Oak Brook, IL 60523-1900

1630-100

LETTER OF COMMENT NO. 120

April 14, 2009

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Request for Comments on a Discussion Paper, Preliminary Views on Financial Statement Presentation (File Reference No. 1630-100)

Dear Mr. Golden:

McDonald's Corporation appreciates the opportunity to comment on the Discussion Paper entitled "Preliminary Views on Financial Statement Presentation" (the "Proposal"). While we understand the FASB and IASB's objectives underlying the Proposal, we have significant concerns with various elements of the Proposal. We believe the current financial statements, related notes to the financial statements and other required and voluntary disclosures of public companies provide users of financial statements with meaningful information to make decisions. While there is always a desire to provide more information to users of financial statements, we do not believe that the benefits of the Proposal are compelling enough to justify the significant costs that would be incurred. The investors and analysts that follow our company know and understand our business. Their challenge is in predicting and forecasting near and long-term results, and we believe that this Proposal will not eliminate that challenge.

Our key concerns regarding the Proposal are described below.

Cost/Benefit Proposition of a Direct Method Cash Flow Statement

We do not believe that the Proposal makes a compelling case for eliminating the option to prepare an indirect method cash flow statement. While we support the Boards' objective of aiding users in assessing a company's liquidity and future cash flows, the costs to implement a direct method cash flow statement far outweigh the benefits that would be derived from the statement.

The indirect method cash flow statement does an adequate job of detailing a company's main sources and uses of cash, such as cash from operations, capital expenditures, treasury stock repurchases, dividends and net debt issuances/repayments. As such, users can determine a company's free cash flow and assess its liquidity and financial flexibility. In addition, there is information disclosed in the *Management's Discussion and Analysis* section and the *Notes to the Financial Statements* of a U.S. public company's quarterly 10Q and annual 10K documents to aid in this analysis. These required disclosures provide users with information about the company's financial health, liquidity and financial data with which key financial ratios can be calculated. Also, forward looking information in a company's quarterly and annual SEC filings may provide users with the company's future plans relating to share repurchases, capital expenditures and dividends, as well as business related trends including exchange rate impacts and tax rate outlooks.

Most companies' information systems are not designed to capture cash flows in the level of detail necessary to prepare a direct method cash flow statement. For multi-national companies, the implementation of a global reporting infrastructure capable of capturing this type of data would be very costly and take multiple years to implement depending upon current systems and the structure of the

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organization. Any system changes will result in training costs and will add complexity to certain data entry processes. While system changes and training are one-time costs, there will likely be significant on-going costs related to the addition of the data entry processes.

Reconciliation Schedule of the Direct Method Cash Flow to Comprehensive Income

The proposition of a reconciliation schedule of the direct method cash flow statement to the statement of comprehensive income is an extensive and complicated disclosure, and in our view, much of the information disclosed may be of little informational value. The schedule is so complex that it loses value to even the most experienced financial statement user. In addition, much of the data required in the schedule will likely be extremely difficult and costly to obtain. If estimates were used to provide the information, the validity of the data would be questionable.

Timing and Additional Challenges with Regards to IFRS and XBRL

We don't believe that the timing of a project of this magnitude is appropriate given the future resource demands that companies will face related to IFRS and XBRL. Companies are already putting a great deal of time, effort and money into research and testing relating to IFRS and its impact on their company. Many of the current accounting and financial reporting standards that companies and users of financial statements are accustomed to could be different as a result of IFRS. Given all the changes taking place and the efforts put forth surrounding IFRS, we believe it would be detrimental to pursue another project of a similar magnitude, unless the benefits were clear and certain.

In addition, the timing of this Proposal is such that by the time it is to become final, public companies will have already begun filing their quarterly and annual SEC filings in XBRL format. As such, all financial statements and notes to the financial statements will have been appropriately tagged. With this Proposal, the financial statements and the notes to the financial statements will be significantly different and/or will be expanded upon, and as a result, many of the existing tags will need to be replaced and new tags created for the XBRL taxonomy.

If the FASB and the IASB decide to proceed with this Proposal, we believe there needs to be a more strategic sequencing in place for companies to follow regarding these projects (IFRS, Financial Statement Presentation and XBRL, along with other major convergence projects, such as leasing). Each of these projects individually will be very demanding and will cause stress on company resources. The strategy should lay out a timeframe or sequence for which these projects are to be implemented.

The following are some additional comments on various elements of the Proposal:

- We would support the management approach in the Proposal, as this approach would be similar to the approach for segment disclosures today. However, it will not address financial statement users' desire to reduce the number of alternative types of presentation or improve the comparability of information between companies.

- We don't support the change in the Proposal to classify cash equivalents in a manner similar to short-term investments, as these are highly liquid assets with availability similar to cash in a bank.

- We believe the current options in terms of presenting other comprehensive income in the statement of shareholders' equity are still appropriate, as we rarely have questions from the investor community. The most significant elements of other comprehensive income are transparent to and understood by users of the financial statements based on our experience. We believe the recommended proposal to present comprehensive income and its components on a single statement of comprehensive income is not a significant improvement in reporting.

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In summary, we believe that the current financial statement presentation and required disclosures enable companies to provide meaningful information to users of financial statements that can adequately communicate an integrated financial picture of a company. We look forward to the results of the field testing currently taking place to help provide a better understanding of the balance between the benefits and costs of this Proposal.

We appreciate the opportunity to express our opinion on this matter and would be pleased to discuss our comments in greater detail if requested.

Sincerely,

/s/ Kevin M. Ozan
Kevin M. Ozan
Corporate Senior Vice President - Controller