

MCDONALDS CORP
Form 11-K
June 21, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND
SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2010

Or

Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number 001-5231

A. Full title of the plan and the address of the plan, if different from that of the issuer named below.

**MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS
PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office.
McDonald s Corporation

McDonald s Plaza

Oak Brook, Illinois 60523

Table of Contents

McDONALD S CORPORATION
PROFIT SHARING AND SAVINGS PLAN
FINANCIAL STATEMENTS
December 31, 2010 and 2009
CONTENTS

| | |
|---|----|
| <u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | 1 |
| FINANCIAL STATEMENTS | |
| <u>STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2010</u> | 2 |
| <u>STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2009</u> | 3 |
| <u>STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2010</u> | 4 |
| <u>NOTES TO FINANCIAL STATEMENTS</u> | 5 |
| SUPPLEMENTAL SCHEDULE | |
| <u>SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)</u> | 17 |
| <u>SIGNATURE</u> | |
| <u>EXHIBIT</u> | |
| <u>EXHIBIT 23.1 CONSENT OF CROWE HORWATH LLP</u> | |

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

McDonald's Corporation

Profit Sharing Administrative Committee

Oak Brook, Illinois

We have audited the accompanying statements of net assets available for benefits of McDonald's Corporation Profit Sharing and Savings Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010 in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of expressing an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2010 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2010 financial statements taken as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 20, 2011

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2010

(Amounts in thousands)

| | Participant-Directed Investments | Allocated Account | ESOP Unallocated Account | Total 2010 |
|---|-------------------------------------|----------------------|--------------------------------|------------------|
| ASSETS | | | | |
| Investments, at fair value | | | | |
| Short-term investments | \$ 46,605 | \$ 4,501 | \$ 3,486 | \$ 54,592 |
| Mutual funds | 424,334 | | | 424,334 |
| American depository receipts and common stock other than McDonald s Corporation common stock | 239,032 | | | 239,032 |
| McDonald s Corporation common stock | 842,203 | 300,587 | 224,380 | 1,367,170 |
| Collective funds | 680,954 | | | 680,954 |
| Wrapper contracts | 541 | | | 541 |
| Securities loaned | 19,117 | | | 19,117 |
| Pooled cash collateral | 19,607 | | | 19,607 |
| Total investments, at fair value | 2,272,393 | 305,088 | 227,866 | 2,805,347 |
| Receivables | | | | |
| Company contributions | 28,537 | | | 28,537 |
| Accrued income | 1,124 | 1 | | 1,125 |
| Other | 1 | | | 1 |
| Interfund receivables | 21 | (21) | | |
| Participant loans | 29,428 | | | 29,428 |
| Total receivables | 59,111 | (20) | | 59,091 |
| Total assets | 2,331,504 | 305,068 | 227,866 | 2,864,438 |
| LIABILITIES | | | | |
| Management expenses payable | 578 | | | 578 |
| Obligation for collateral received for loaned securities | 19,607 | | | 19,607 |
| Accrued interest expense | | | 1,557 | 1,557 |
| Notes payable | | | 47,681 | 47,681 |
| Other liabilities | 1,575 | 22 | | 1,597 |
| Total liabilities | 21,760 | 22 | 49,238 | 71,020 |
| Net assets reflecting all investments at fair value | 2,309,744 | 305,046 | 178,628 | 2,793,418 |
| | (8,980) | | | (8,980) |

Edgar Filing: MCDONALDS CORP - Form 11-K

Adjustment from fair value to contract value for fully benefit-responsive investment contracts

| | | | | |
|--|--------------|------------|------------|--------------|
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 2,300,764 | \$ 305,046 | \$ 178,628 | \$ 2,784,438 |
|--|--------------|------------|------------|--------------|

See accompanying notes to financial statements.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009

(Amounts in thousands)

| | Participant-Directed Investments | Allocated Account | ESOP Unallocated Account | Total 2009 |
|---|----------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | | |
| Investments, at fair value | | | | |
| Short-term investments | \$ 34,570 | \$ 4,996 | \$ 3,706 | \$ 43,272 |
| US Treasury bonds | 1,061 | | | 1,061 |
| Mutual funds | 319,428 | | | 319,428 |
| American depository receipts, common and preferred stock other than McDonald s Corporation common stock | 170,477 | | | 170,477 |
| McDonald s Corporation common stock | 702,839 | 247,574 | 218,874 | 1,169,287 |
| Collective funds | 680,490 | | | 680,490 |
| Wrapper contracts | 778 | | | 778 |
| Securities loaned | 66,664 | | | 66,664 |
| Pooled cash collateral | 68,747 | | | 68,747 |
| Total investments, at fair value | 2,045,054 | 252,570 | 222,580 | 2,520,204 |
| Receivables | | | | |
| Company contributions | 22,296 | | | 22,296 |
| Accrued income | 821 | 1 | | 822 |
| Other | 9 | | | 9 |
| Interfund receivables | 237 | (237) | | |
| Participant loans | 26,731 | | | 26,731 |
| Total receivables | 50,094 | (236) | | 49,858 |
| Total assets | 2,095,148 | 252,334 | 222,580 | 2,570,062 |
| LIABILITIES | | | | |
| Management expenses payable | 552 | | | 552 |
| Obligation for collateral received for loaned securities | 68,747 | | | 68,747 |
| Accrued interest expense | | | 1,818 | 1,818 |
| Notes payable | | | 55,678 | 55,678 |
| Other liabilities | 1,407 | 18 | | 1,425 |
| Total liabilities | 70,706 | 18 | 57,496 | 128,220 |
| Net assets reflecting all investments at fair value | 2,024,442 | 252,316 | 165,084 | 2,441,842 |

Edgar Filing: MCDONALDS CORP - Form 11-K

| | | | | |
|--|-------|--|--|-------|
| Adjustment from fair value to contract value for for fully benefit-responsive investment contracts | 9,265 | | | 9,265 |
|--|-------|--|--|-------|

| | | | | |
|--|--------------|------------|------------|--------------|
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 2,033,707 | \$ 252,316 | \$ 165,084 | \$ 2,451,107 |
|--|--------------|------------|------------|--------------|

See accompanying notes to financial statements.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2010

(Amounts in thousands)

| | Participant- Directed Investments | Allocated Account | ESOP Unallocated Account | Total 2010 |
|---|---|----------------------|--------------------------------|----------------|
| Additions to net assets attributed to: | | | | |
| Net appreciation/(depreciation) in fair value of investments | | | | |
| Mutual funds | \$ 38,653 | \$ | \$ | \$ 38,653 |
| American depository receipts and common stock other than McDonald s Corporation common stock | 35,586 | | | 35,586 |
| McDonald s Corporation common stock | 160,534 | 56,701 | 45,667 | 262,902 |
| Collective funds | 24,047 | | | 24,047 |
| Securities lending income | 133 | | | 133 |
| Interest income | 23,259 | 6 | 2 | 23,267 |
| Dividends | 35,159 | 8,901 | 7,112 | 51,172 |
| Commission recapture | 39 | | | 39 |
| Total net investment income | 317,410 | 65,608 | 52,781 | 435,799 |
| Contributions | | | | |
| Company | 53,873 | 16,299 | 4,480 | 74,652 |
| Participant | 49,761 | | | 49,761 |
| Rollovers | 1,345 | | | 1,345 |
| Total contributions | 104,979 | 16,299 | 4,480 | 125,758 |
| Interfund transfers-in | 11,836 | | | 11,836 |
| Participant loan interest income | 1,338 | | | 1,338 |
| Other | 42 | | | 42 |
| Total additions | 435,605 | 81,907 | 57,261 | 574,773 |
| Deductions from net assets attributed to: | | | | |
| Benefits paid to terminated participants and withdrawals | 165,937 | 17,288 | | 183,225 |
| Management and administrative expenses | 2,490 | 39 | | 2,529 |
| Interfund transfers-out | | 11,836 | | 11,836 |
| Interest expense | | | 3,556 | 3,556 |
| Company matching with profit sharing forfeitures | 121 | | | 121 |
| Company matching with ESOP shares | | | 40,161 | 40,161 |
| Other | | 14 | | 14 |
| Total deductions | 168,548 | 29,177 | 43,717 | 241,442 |

Edgar Filing: MCDONALDS CORP - Form 11-K

| | | | | |
|--|--------------|------------|------------|--------------|
| Net increase (decrease) | 267,057 | 52,730 | 13,544 | 333,331 |
| Net assets available for benefits | | | | |
| Beginning of year | 2,033,707 | 252,316 | 165,084 | 2,451,107 |
| End of year | \$ 2,300,764 | \$ 305,046 | \$ 178,628 | \$ 2,784,438 |

See accompanying notes to financial statements

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 1 - DESCRIPTION OF PLAN

General: The McDonald s Corporation Profit Sharing and Savings Plan (the Plan) was last amended and restated in its entirety as of July 1, 2008. The Plan has been amended four times subsequent to this date with the most recent amendment on November 19, 2010.

The Plan is administered by a committee of officers (Administrative Committee) appointed by the Chief Executive Officer of McDonald s Corporation (the Company). Participants should refer to the Summary Plan Description and Prospectus for a more complete description and up-to-date information.

Eligibility: In order to participate in the 401(k) feature of the Plan, all eligible employees must be at least 21 years of age, have a valid Social Security number, and be on the U.S. payroll of McDonald s Corporation or a participating employer. The term Company includes McDonald s Corporation and all participating employers in describing eligibility and contributions below.

Salaried restaurant management employees and staff employees (including part-time staff employees) are eligible to make nonmatched 401(k) contributions, up to 50% of eligible compensation, beginning the first day of the month after completing one full calendar month of employment. All other employees are eligible to make 401(k) contributions on a matched basis after one year of eligible service as defined by the Plan document.

Highly compensated employees under Internal Revenue Service rules will not be able to make 401(k) contributions in their second calendar year of employment until the first of the month on or after they complete one anniversary year with at least 1,000 hours of service under the Plan.

Salaried restaurant management employees, who are not contributing to the Plan, will be enrolled automatically at a 1% contribution level as soon as they have completed one year of service and attained age 21.

Contributions: Each year, participants may contribute up to 50% of their eligible pre-tax annual compensation, as defined by the Plan subject to Internal Revenue Service (the IRS) annual limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions subject to IRS limits and may contribute more than 50% if payroll tax and other withholding requirements are met. In accordance with Plan procedures, participants may roll over money into the Plan if it is from a(n): Qualified Plan, Section 403(b) tax-sheltered annuity plan, Section 457 deferred compensation plan of a state or local government entity, SIMPLE 401(k) plan, Section 403(a) annuity plan, Traditional IRA, SIMPLE IRA with at least two years participation, IRA set up to receive a distribution from an eligible employer plan and Federal thrift plan under section 7701(j).

Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. The investment funds under the Plan are Stable Value Fund, Intermediate Bond Fund, Global Bond Fund, Blended Stock/Bond Fund, Diversified Stock Fund, S&P 500 Index Fund, International Stock Fund, Global Themes Fund, Real Estate Securities Fund, Small Cap Index Fund, Aggressive Stock Fund, McDonald s Common Stock Fund, and the McDonald s ESOP Stock Fund. No more than 20% of a participant s future 401(k) contributions may be invested in the McDonald s Common Stock Fund. The future contribution company stock limitation also applies to the Company s discretionary matching contribution, if any.

The trustees, individuals appointed by the Compensation Committee of the Board of Directors of McDonald s Corporation (the Board), are authorized to invest certain assets of the Plan in shares of Company stock. The allocated ESOP shares are held by The Northern Trust Company (Northern Trust), the custodian of the Plan. The unallocated ESOP shares are also held at Northern Trust as collateral for loans from the Company to the Plan. The Company is required to make sufficient cash contributions to the Plan to pay the principal and interest on the loans. Unallocated ESOP common stock dividends are invested in an interest-bearing account until the note payment is due.

Table of Contents

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 1 - DESCRIPTION OF PLAN (Continued)

The Company matches (after one year of eligibility service and attainment of age 21) 300% of the first 1% of eligible compensation (as defined by the Plan) and 100% of the next 4% of eligible compensation that a participant contributes to the Plan. A discretionary profit-sharing match may be contributed at the option of the Board. For the year ended December 31, 2010, the Company made a 4% discretionary profit sharing match to the Plan. The discretionary match is allocated after the end of the year to participants eligible to share in matching contributions based on participant 401(k) contributions up to 1% of eligible compensation.

Participant Accounts: Participants can elect, on a daily basis, to have their account balances, as well as future deferrals and Company contributions, invested in 1% increments in one or any combination of the Plan's investment funds, including Company stock. For participants who are automatically enrolled, the participant's 401(k) contributions are invested in the Blended Stock/Bond Fund and after 30 days are managed by Guided Choice, a managed account provider, unless the participant makes an investment election. Company matching contributions are invested in the McDonald's ESOP Stock Fund for employees who are automatically enrolled in the Plan until the participant elects to direct such amounts to other funds offered. A participant may change how his/her existing account balance is invested at any time, but a participant may not transfer any amount into and out of the same fund more than two times within any rolling 90 day period. Participants will always be able to transfer out of any fund into the Stable Value Fund even if they exceed this limit.

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's matching contribution (based on the safe harbor match) and discretionary profit sharing match (if any) and (b) Plan earnings, and charged with an allocated portion of investment expenses. Allocations are based on participant earnings or account balances as defined in the Plan.

Leveraged Employee Stock Ownership Plan (Leveraged ESOP): In September 1989, the Leveraged ESOP borrowed \$200 million and used the proceeds of the loan to purchase 27,826,084 shares of McDonald's Series B Convertible Preferred Stock at an issue price of \$7.188 per share. These preferred shares were held exclusively by the Leveraged ESOP and were not traded on the open market.

In 1992 and 1995, the Company redeemed the Series B preferred shares. Prior to each redemption, the Plan's Trustees converted each share of Preferred Stock into 0.7692 shares of McDonald's Common Stock. The unallocated shares will be released for allocation to participants as Company contributions are made to the Plan. Released shares are used to make matching allocations.

In April 1991, the Leveraged ESOP borrowed \$100 million and used the proceeds of the loan to purchase 12,075,468 shares of McDonald's Series C Convertible Preferred Stock at an issue price of \$8.281 per share. These preferred shares were held exclusively by the Leveraged ESOP and were not traded on the open market. In 1995, the Company redeemed the Series C preferred shares. Prior to the redemption, the Plan's Trustees converted each share of Series C Preferred Stock into 0.8 shares of McDonald's Common Stock. The unallocated shares will be released for allocation to participants as Company contributions are made to the Plan. Released shares are used to make matching allocations. Due to the Leveraged ESOP refinancing discussed in Note 6, the last allocation will occur in 2018 when the refinanced loan is completely repaid.

During 2010, 582,220 shares were released from the unallocated ESOP shares with a fair value of approximately \$40,161,000.

Vesting: All participants' accounts under the Plan are 100% vested.

Diversification: Participants can elect to fully diversify all accounts in the Plan, regardless of age.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Loans: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested balance reduced by the participants' highest outstanding loan balance during the preceding 12-month period. All loans are currently subject to a \$75 processing fee. Loan terms range from 12 months up to 4.5 years. Participants may not have more than one loan from the Plan outstanding at any time. The loans are secured by the balance in the participant's account and bear interest based on the prime rate in effect on the first day of the month in which the loan is requested, plus 1%. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits: Participants who terminate their employment with the Company and all other companies or entities that are owned or controlled 80% or more by McDonald's Corporation are entitled to receive the interest in their Plan accounts within a reasonable time following their termination. A terminated participant with benefits in excess of \$1,000 will not receive a distribution from the Plan until age 70 1/2 unless an earlier distribution is elected.

Such accounts will continue to share in the allocation of investment income, and accounts will continue to be invested in accordance with the participant's investment elections (See Note 1, Contributions). Distributions may be in the form of a lump sum or installment payments or a combination of lump sum and installment payments.

Participants who terminate employment after satisfying the requirements to make deferrals and are subsequently rehired can resume making deferrals as soon as administratively feasible.

Forfeitures: Amounts unclaimed for two years are considered forfeitures. These forfeitures, resulting from unclaimed amounts, will be used to make a portion of the Company match.

In-Service Withdrawals: Participants 59 1/2 or older and terminated participants may withdraw all or any part of their account balances under the Plan at any time. Participants who have been in the Plan for at least 60 months are eligible to withdraw up to 75% of their ESOP and Profit Sharing Accounts while still employed with McDonald's Corporation.

Effective July 1, 2010, the third amendment to the Plan permits participants to withdraw up to 100% of their ESOP and Profit Sharing Accounts at any time. In addition, participants can elect to receive all or any part of their Investment Savings and Stock Sharing account balances at any time.

Pass Through Dividend Election: Participants are offered the choice of having dividends earned on shares of McDonald's common stock paid directly to them in cash or reinvested in their accounts in McDonald's stock.

Voting: Participants are entitled to direct the Trustees in voting shares of McDonald's stock credited to their accounts as well as those shares not voted by other participants and unallocated shares held in the ESOP feature of the Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual method of accounting.

Edgar Filing: MCDONALDS CORP - Form 11-K

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Administrative Committee to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards: In September 2010, the FASB amended existing guidance with respect to the reporting of participants loans for defined contribution pension plans. The guidance requires that loans issued to participants be reported as notes receivable, segregated from plan investments, and be measured at their unpaid principal balances plus accrued but unpaid interest. This guidance is effective for reporting periods ending after December 15, 2010, and is to be applied retrospectively to all periods presented comparatively. Early application is permitted. The adoption of this guidance by the Plan resulted in a reclassification of participant loans from investments to receivables of \$26,731,000 on the statement of net assets available for benefits as of December 31, 2009. Adoption had no effect on the Plan's net assets available for benefits.

Investment Valuation: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The following are descriptions of the valuation methods and assumptions used for investments of the Plan, including securities loaned and pooled cash collateral.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Mutual funds, common stocks and American Depository Receipts: The fair values of mutual fund investments and publicly traded common stocks and American Depository Receipts (ADR) are determined by obtaining quoted prices on nationally recognized securities exchanges (level

1 inputs).

U.S. Treasury securities: Fair values of U.S. Treasury bonds reflect the closing price reported in the active market in which the security is traded (level 1 inputs).

Collective trusts: The fair values of investments in collective trusts are valued as determined by the custodian based on their net asset values and recent transaction prices. The investment objectives and underlying investments of the collective trusts vary, with some holding diversified portfolios of domestic or international stocks, some holding securities of companies in a particular industry sectors, some holding short-term and/or medium-term corporate,

Table of Contents

McDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

government and government agency bonds, some holding a blend of asset back securities and corporate bonds, and others holding a blend of various domestic and international stocks. Each collective trust provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement except for the MFO Acadian Global W Opportunistic Shorting Fund. Units of the MFO Acadian Global W Opportunistic Shorting Fund are redeemable on a daily basis, with a written redemption notification requirement of 10 business days. Short-term investments consist of a collective trust with principal preservation as its primary objective. The collective trusts invest primarily in securities traded on nationally recognized securities exchanges and active dealer markets and are classified within level 2 of the fair value hierarchy.

Stable value fund: The plan investments include a Stable Value Fund which is a unitized fund managed by JPMorgan solely for the Plan. The Stable Value Fund includes synthetic guaranteed investment contracts which are comprised of collective trusts, U.S. Treasury bonds, and benefit responsive wrapper contracts (see Note 4).

Wrapper contracts: Benefit responsive wrapper contracts with various insurance carriers are utilized to provide market and cash flow risk protection to the Plan for the Stable Value Fund. The fair values of the wrapper contracts associated with the synthetic investment contracts within the Stable Value Fund have been based upon the estimated replacement costs of the wrap contracts projected for the duration of the associated portfolio and discounted back to the financial statement dates (level 3 inputs).

Contract value of the synthetic guaranteed investment contracts represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses.

Commingled funds securities lending collateral pools: Fair value has been determined to approximate the reported redemption values of \$1.00 per unit, based upon recent transaction prices (level 2 inputs). While the collateral pools are managed to seek a constant \$1.00 per share net asset value, net asset values per unit can fluctuate over time, and guarantees of principal are not provided. The collateral pools invest primarily in short-term and medium-term debt instruments of high credit quality, with the average maturities being somewhat longer than that of an SEC-registered money market fund.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments measured at fair value on a recurring basis as of December 31, 2010 and 2009 are summarized below (amounts in thousands):

| | Fair Value Measurements at December 31, 2010 Using | | |
|---|---|---|--|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments: | | | |
| Pending trades, net | \$ (229) | \$ | \$ |
| Synthetic GIC wrapper contracts | | | 541 |
| Collective trusts | | | |
| Short-term investments | | 56,861 | |
| Bond/fixed income funds | | 359,705 | |
| Common stock funds | | 180,240 | |
| Blended funds | | 138,740 | |
| Mutual funds | | | |
| Corporate bond funds | 121,243 | | |
| US common stock | 188,970 | | |
| International common stock | 114,121 | | |
| ADR & common stock, other than McDonald s Corp. common stock | | | |
| ADR International large cap | 14,840 | | |
| ADR International mid cap | 769 | | |
| ADR International small cap | 319 | | |
| Common stocks US large cap | 138,528 | | |
| Common stocks US mid cap | 42,797 | | |
| Common stocks US small cap | 38,683 | | |
| Common stocks International large cap | 15,485 | | |
| Common stocks International mid cap | 4,942 | | |
| Common stocks International small cap | 2,015 | | |
| McDonald s Corp. common stock | 1,367,170 | | |
| Commingled funds securities lending collateral pools | | 19,607 | |
| | \$ 2,049,653 | \$ 755,153 | \$ 541 |

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

| | Fair Value Measurements at December 31, 2009 Using | | |
|---|---|---|--|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments: | | | |
| Pending trades, net | \$ (311) | \$ | \$ |
| Synthetic GIC wrapper contracts | | | 778 |
| Collective trusts | | | |
| Short-term investments | | 46,074 | |
| Bond/fixed income funds | | 413,647 | |
| Common stock funds | | 136,603 | |
| Blended funds | | 127,438 | |
| US Treasury securities | 1,061 | | |
| Mutual funds | | | |
| Corporate bond funds | 62,309 | | |
| US common stock | 151,109 | | |
| International common stock | 106,010 | | |
| ADR & common stock, other than McDonald s Corp. common stock | | | |
| ADR International large cap | 16,210 | | |
| ADR International mid cap | 2,342 | | |
| ADR International small cap | 230 | | |
| Common stocks US large cap | 133,345 | | |
| Common stocks US mid cap | 41,046 | | |
| Common stocks US small cap | 32,166 | | |
| Common stocks International large cap | 8,587 | | |
| Common stocks International mid cap | 2,049 | | |
| Common stocks International small cap | 1,477 | | |
| McDonald s Corp. common stock | 1,169,287 | | |
| Commingled funds securities lending collateral pools | | 68,747 | |
| | \$ 1,726,917 | \$ 792,509 | \$ 778 |

The table below presents a reconciliation of Plan investments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31, 2010 (amounts in thousands):

| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) (Wrapper Contracts) | |
|--|--|-------|
| Beginning balance, January 1, 2010 | \$ | 778 |
| Change in fair value of fully benefit-responsive investment contract* | | (237) |
| Ending balance, December 31, 2010 | \$ | 541 |

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

* Unrealized appreciation (depreciation) of the fully benefit-responsive investment contract is reported as an increase (decrease) in Plan investments and as an offsetting decrease (increase) in the adjustment from fair value to contract value reported in the 2010 statement of net assets available for benefits, with no effect on the 2010 change in net assets available for benefits.

Participant loans: Participant loans are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants account balances.

Fair Value of Long-Term Debt: The fair value of the Plan s long-term debt is estimated based on the current rates available to the Plan for debt of the same remaining maturities. As of December 31, 2010, the estimated fair value and carrying value of the Plan s long-term debt was \$56,484,000 and \$47,681,000, respectively. As of December 31, 2009, the estimated fair value and carrying value of the Plan s long-term debt was \$62,749,000 and \$55,678,000, respectively.

Securities Lending: The Plan may lend its securities to qualified brokers through participation in a securities lending program administered by Northern Trust. The loans are collateralized at all times primarily by an allocation of a collateral pool administered by Northern Trust with a market value at least equal to the market value plus any accrued interest or dividends of the securities on loan. The securities on loan and the collateral received from the borrowers are reflected on the statements of net assets available for benefits at fair value as of the financial statement dates. The obligation to return the collateral is also reflected on the statement of net assets as a liability (see Note 12).

Unallocated Net Assets Available for Benefits: Unallocated net assets available for benefits represents the fair value of shares of McDonald s common stock purchased through the ESOP which have not been released for allocation to participants accounts offset by the balance of the debt issued by the ESOP. Unallocated net assets available for benefits are reduced by the fair value of the shares as they are allocated to participants as Company matching contributions.

Payment of Benefits: Benefits are recorded at the time of payment.

NOTE 3 - INVESTMENTS

The following presents the fair values of investments that represent 5 percent or more of the Plan s net assets at December 31, 2010 and 2009 (amounts in thousands).

Investments at fair value:

| | 2010 | 2009 |
|---|--------------|--------------|
| McDonald s Corporation common stock | \$ 1,367,170 | \$ 1,169,287 |
| JP Morgan Chase Bank Intermediate Bond Fund | 169,193 | 227,351 |
| JP Morgan Chase Bank Subadvised Fixed Income PIMCO Fund | 138,740* | 127,438 |

Edgar Filing: MCDONALDS CORP - Form 11-K

Vanguard Institutional Index Fund

149,716

126,533

* Not above 5% threshold, presented for comparative purposes

NOTE 4 - INVESTMENT CONTRACTS

The Plan investments include a Stable Value Fund, managed by JPMorgan, which is a unitized fund established solely for the investment of assets of the Plan. The account is credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by JPMorgan. The Stable Value Fund holds

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 4 - INVESTMENT CONTRACTS (Continued)

synthetic guaranteed investment contracts, with collective funds, short-term investments, and U.S. Treasury bonds as underlying investments. The underlying investments and wrapper contracts of these synthetic investment contracts are included in the financial statements at fair value.

The wrapper contracts within the Stable Value Fund specify certain conditions under which distributions from the contracts would be payable at amounts below contract value. Such circumstances include the termination of the Plan, a material adverse change to the provisions of the Plan, if the employer elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. The contracts limit the circumstances under which the issuer may terminate the contracts. Examples of circumstances which would allow the issuer to terminate the contracts include the Plan's loss of its qualified status, un-cured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events were to occur, the issuer could terminate the contracts at the market value of the underlying investments. Currently, the Plan's administrator believes that the occurrence of an event that would cause the Plan to transact contract distributions at less than contract value is not probable.

The crediting interest rates of the contracts are based on agreed-upon formulas with the issuers, as defined in the contract agreements, but cannot be less than zero. The interest rates are reviewed on a quarterly basis for resetting. The key factors that influence future interest crediting rates could include the following: the level of market interest rates; the amount and timing of participant contributions; transfers and withdrawals into/out of the contracts; and the duration of the underlying investments backing the contracts.

The Plan's allocable share of the resulting gains and losses in the fair value of the investment contracts relative to the contract value is reflected as an adjustment from fair value to contract value on the statement of net assets as of December 31, 2010 and 2009.

| | 2010 | 2009 |
|--|-------|-------|
| Average contract yield, in the aggregate for all contracts: | | |
| Based on annualized earnings ⁽¹⁾ | 3.89% | 2.92% |
| Based on interest rate credited to participants ⁽²⁾ | 3.26% | 2.47% |

⁽¹⁾ Computed by dividing the annualized one-day actual earnings of the contracts on the last day of the Plan year by the fair value of the contracts' investments on the same date.

⁽²⁾ Computed by dividing the annualized one-day earnings credited to participants on the last day of the Plan year by the fair value of the contracts' investments on the same date.

NOTE 5 - NONPARTICIPANT-DIRECTED INVESTMENTS

The nonparticipant directed net assets of the Plan and changes therein consist of those reflected in the financial statements as ESOP Unallocated Account.

NOTE 6 - NOTES PAYABLE

In September 1989, the Leveraged ESOP issued \$200 million of 7.67% Guaranteed ESOP Notes, Series A, for 15 years with a final maturity of September 15, 2004. In April 1991, the Leveraged ESOP issued \$100 million of 7.30% Guaranteed ESOP Notes, Series B, for 15 years with a final maturity of June 1, 2006. In November 1999, the Leveraged ESOP paid down \$84,740,000 of these notes and refinanced both the Series A and Series B notes. At that time, the Leveraged ESOP issued a \$104,672,800, 7.11% ESOP Note, for 19 years with a final maturity of July 15, 2018, and a \$28,305,658, 7.11% ESOP Note, for three years with a final maturity of July 15, 2002.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 6 - NOTES PAYABLE (Continued)

Principal and interest payments are made according to the applicable loan schedules. Dividends on the converted common stock and Company contributions are used to repay the loans.

The Series A/B Notes are collateralized by unallocated shares of McDonald s common stock, valued at \$224,379,919 at December 31, 2010. All Notes are guaranteed by McDonald s Corporation. Holders of the Notes have no recourse against the assets of the ESOP, except for such collateralized shares, cash contributions to the ESOP, and earnings attributable to such collateralized shares or contributions. The unallocated shares of McDonald s common stock may be released from collateral under certain circumstances without the consent of the holders of the Notes.

Following are maturities of the Notes for each of the next five years and beyond (amounts in thousands):

| | Series A Notes | Series B Notes | Total |
|------------------------------------|-------------------|-------------------|-----------|
| 2011 | \$ 5,363 | \$ 2,702 | \$ 8,065 |
| 2012 | 5,425 | 2,733 | 8,158 |
| 2013 | 5,506 | 2,773 | 8,279 |
| 2014 | 4,793 | 2,415 | 7,208 |
| 2015 | 4,481 | 2,257 | 6,738 |
| Beyond 2015 | 6,140 | 3,093 | 9,233 |
| Total over remaining life of notes | \$ 31,708 | \$ 15,973 | \$ 47,681 |

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, the McDonald s Corporation has the right under the Plan to allow an employer to discontinue its contributions at any time and the Company may terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

NOTE 8 - ADMINISTRATIVE FEES

The investment managers fees applicable to each investment fund are netted against the related investment income before investment income is allocated to participants accounts. Fees for managed account services provided by an independent third-party are charged directly to participant accounts only for individuals that use this service. All administrative expenses associated with the Plan are paid by the Company.

NOTE 9 - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated March 4, 2010, that the Plan and related trust are designed, including amendments adopted through February 13, 2009, in accordance with applicable sections of the Internal Revenue Code (IRC). On March 22, 2010 the Plan was amended to adopt the proposed amendment submitted to the Internal Revenue as part of the determination letter process. Although the Plan has been amended since receiving the determination letter, Plan management believes that the Plan is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they continue to believe that the Plan is qualified and the related trust was tax-exempt as of the financial statement date.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 10 - TRANSACTIONS WITH PARTIES IN INTEREST

During 2010, the Plan received \$41,466,968 in common stock dividends from the Company. In connection with the Leveraged ESOP refinancing discussed in Note 6, \$132,978,458 of debt, at an interest rate of 7.11%, was issued directly by the Company to the Plan in 1999. This loan is intended to be an exempt loan under Section 408(b)(3) of ERISA and Section 4975(d)(3) of the IRC.

During 2010, fees totaling \$2,529,000 were paid by the Plan to the managers of the investments held in the Plan. These transactions qualify as party-in-interest transactions.

Certain Plan assets are held in participant loans or investments managed by Northern Trust, therefore these transactions qualify as party-in-interest. A portion of the Plan s assets are also invested in Company stock (see Note 3).

NOTE 11 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 12 - SECURITIES LENDING

The Plan lends securities, through the asset custodian, to independent third parties to increase its investment income. When the Plan lends securities, it is subject to a risk of failure by the borrower to return the loaned securities, a delay in delivery of the securities, or potential loss from declines in the value of investment collateral, in which case the Plan may incur a loss. To limit this risk, such loans are contractually required to be continuously secured by the collateral consisting of cash, cash equivalents, or U.S. Treasury bonds in an amount at least equal to the market value of the securities loaned. As of December 31, 2010, \$19,116,672 of the Plan s securities on loan were secured by cash collateral with a fair value of \$19,606,665 and non-cash collateral with a fair value of \$66,446. As of December 31, 2009, \$66,663,833 of the Plan s securities on loan were secured by cash collateral with a fair value of \$68,747,384 and non-cash collateral with a fair value of \$75,832.

Effective September 19, 2008, Northern Trust declared a collateral deficiency under its Securities Lending Authorization Agreement (Lending Agreements) with respect to five of its commingled cash collateral investment pools. As a consequence of the collateral deficiency, Northern Trust has allocated a portion of the collateral deficiency to each participating client, including the Plan, with the Plan s allocation being \$847,300.

On October 29, 2008, Northern Trust made cash payment of \$100,240 to reduce the Plan s allocated portion of the collateral deficiency. Effective January 1, 2009 through December 31, 2009 security lending income earned during the Plan year was held to offset the collateral deficiency. On December 3, 2009, Northern Trust made a reversal adjustment of \$553,789 to reduce the collateral deficiency. On December 15, 2009 the Plan made a payment of \$128,094 to reduce the liability of the collateral deficiency. The \$128,094 was made up of the \$100,240 cash payment from Northern Trust and \$27,854 from securities lending income. On March 5, 2010, Northern Trust reversed the remaining collateral deficiency of \$165,418, bringing the collateral deficiency in the Plan to zero.

Table of Contents

MCDONALD S CORPORATION PROFIT SHARING AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 12 - SECURITIES LENDING (Continued)

As of May 30, 2010, all remaining securities lending income earned in 2009 was allocated to participants. As of December 31, 2010, the Plan has not exited the Lending Agreements (See Note 14).

NOTE 13 - FORM 5500 RECONCILIATION

Following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to net assets per the Form 5500 (amounts in thousands):

| | 2010 | 2009 |
|--|---------------------|---------------------|
| Net assets available for benefits per the financial statements | \$ 2,784,438 | \$ 2,451,107 |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | 8,980 | (9,265) |
| Net assets per the Form 5500 | \$ 2,793,418 | \$ 2,441,842 |

Following is a reconciliation of the increase in net assets available for benefits per the financial statements for the year ended December 31, 2010, to the net income per the Form 5500 (amounts in thousands):

| | |
|---|-------------------|
| Increase in net assets available for benefits per the financial statements | \$ 333,331 |
| Change in the adjustment from fair value to contract value for fully benefit responsive investment contracts at December 31, 2010 | 18,245 |
| Net income per the Form 5500 | \$ 351,576 |

NOTE 14 - SUBSEQUENT EVENTS

Effective January 13, 2011 a full recall of all outstanding securities loans described in Note 12 was approved.

Effective February 1, 2011, the Plan is no longer participating in the Securities Lending program.

Edgar Filing: MCDONALDS CORP - Form 11-K

Effective April 1, 2011 Acadian Asset Management LLC, the fund manager for the Global Themes Fund was replaced by Dimensional Fund Advisors and Wellington Management Company LLP, the fund manager for the Blended Stock/Bond Fund was replaced by BlackRock.

Table of Contents

MCDONALD S CORPORATION, EIN 36-2361282

MCDONALD S CORPORATION PROFIT SHARING and SAVINGS PLAN, PLAN NUMBER 001

PLAN YEAR END DECEMBER 31, 2010

FORM 5500, SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

| (a) | (b) (c) | (d) COST** | (e) MARKET VALUE |
|-----|--|---------------|---------------------|
| | IDENTITY OF ISSUER/DESCRIPTION | | |
| | PENDING TRADES | | |
| | United States dollar - Pending Trade Purchases | | (52,213.93) |
| | United States dollar - Pending Trade Purchases | | (491,780.05) |
| | United States dollar - Pending Trade Purchases | | (928,104.41) |
| | United States dollar - Pending Trade Sales | | 9,752.47 |
| | United States dollar - Pending Trade Sales | | 557,705.45 |
| | United States dollar - Pending Trade Sales | | 675,786.53 |
| | TOTAL PENDING TRADES | | (228,853.94) |
| | CORPORATE COMMON STOCKS & AMERICAN DEPOSITORY RECEIPTS | | |
| | #REORG/CLARUS NAME CHNG WITH CU CHNG BLACK DIAMOND INC COM 2065750 1-20-2011 | | 203,603.40 |
| | #REORG/PENN WEST STOCK MERGER PENN WEST PETROLEUM LTD 2065331 EFF DT 01/01/2011 | | 112,424.00 |
| | #REORG/SANDSTRM SPIN OFF SANDSTORM MTLs & ENRGY LTD CM 2A22M3U EFF 5/10/10 | | 107,498.62 |
| | 1ST HORIZON NATL CORP COM | | 596,209.36 |
| | 1ST NIAGARA FINL GROUP INC NEW COM | | 84,579.00 |
| | 1ST UTD BANCORP INC FLA COM STK | | 128,871.50 |
| | 99 CENTS ONLY STORES COM | | 299,273.50 |
| | ABBOTT LAB COM | | 392,334.99 |
| | ABERCROMBIE & FITCH CO CL A | | 146,380.20 |
| | ABM INDS INC COM | | 191,043.20 |
| | ACACIA RESH CORP AR ACACIA TECHNOLOGIES COM AR ACACIA TECHNOLOGIES COM | | 86,458.02 |

Table of Contents

| | |
|--|--------------|
| ACCELRY'S INC COM | 164,638.80 |
| ACCENTURE PLC SHS CL A NEW | 1,059,506.50 |
| ACCO BRANDS CORP COM | 199,521.36 |
| ACE LTD COM STK | 687,862.50 |
| ACME PACKET INC COM STK | 82,398.00 |
| ACTUANT CORP CL A NEW | 160,518.60 |
| ADR AMARIN CORP PLC SPONSORED ADR NEW | 86,016.17 |
| ADR ANHEUSER BUSCH INBEV SA/NV SPONSOREDADR | 1,070,152.05 |
| ADR ASML HOLDING NV NY REGISTERED SHS | 148,759.20 |
| ADR AXA SA SPONSORED ADR | 38,711.25 |
| ADR BAIDU INC SPONSORED ADR | 1,133,841.38 |
| ADR BASF AKTIENGESELLSCHAFT - LEVEL I | 203,898.00 |
| ADR BAYERISCHE MOTOREN WERKE AG ADR | 338,935.19 |
| ADR BHP BILLITON LTD SPONSORED ADR | 466,458.40 |
| ADR BRIT AMERN TOB PLC SPONSORED COM STK | 168,997.50 |
| ADR CHINA GREENTECH CORP LTD | 150,442.62 |
| ADR ELONG INC SPONSORED ADR ADR | 37,105.20 |
| ADR FIBRIA CELULOSE S A SPONSORED ADR REPSTG COM SHS | 1,744.00 |
| ADR FOCUS MEDIA HLDG LTD SPONSORED ADR | 395,419.83 |
| ADR LVMH MOET HENNESSY LOUIS VUITTON ADR | 154,246.95 |
| ADR NESTLE S A SPONSORED ADR REPSTG REG SH | 277,924.50 |
| ADR NOVARTIS AG | 150,322.50 |
| ADR RANDGOLD RES LTD ADR | 1,360,091.60 |
| ADR RIO TINTO PLC SPONSORED ADR | 406,742.16 |
| ADR SANOFI-AVENTIS SPONSORED ADR | 2,222,258.50 |
| ADR TENARIS S A SPONSORED ADR | 173,879.00 |
| ADR TENCENT HLDGS LTD ADR | 552,833.37 |

Table of Contents

| | |
|---|--------------|
| ADR TEVA PHARMACEUTICAL INDS | 1,136,538.26 |
| ADR UNILEVER N V NEW YORK SHS NEW | 164,065.00 |
| ADR UNILEVER PLC SPONSORED ADR NEW | 790,219.20 |
| ADR VALE S A ADR | 349,157.00 |
| ADR VODAFONE GROUP PLC NEW SPONSORED ADR | 2,411,737.50 |
| ADR YARA INTL ASA SPONSORED ADR | 21,750.00 |
| AEROFLEX HOLDING CORPORATION COMMON STOCK | 64,319.50 |
| AFLAC INC COM | 1,675,971.00 |
| AGILENT TECHNOLOGIES INC COM | 1,660,017.24 |
| AGNICO-EAGLE MINES LTD COM | 362,407.50 |
| AGRIUM INC COM | 172,031.25 |
| AIR TRANS SVCS GROUP INC COM STK | 43,410.50 |
| AKAMAI TECHNOLOGIES INC COM STK | 66,811.00 |
| AKORN INC COM | 87,869.32 |
| ALEXION PHARMACEUTICALS INC COM | 152,239.50 |
| ALLERGAN INC COM | 874,787.13 |
| ALLIED HEALTHCARE PRODS INC COM | 208,860.30 |
| ALPHA NAT RES INC COM STK | 115,857.90 |
| AMAZON COM INC COM | 3,568,140.00 |
| AMER GREETINGS CORP CL A COM | 780,032.00 |
| AMERESCO INC | 38,786.36 |
| AMERICAN TOWER CORP CL A | 882,011.20 |
| AMERIGON INC COM | 595,168.64 |
| AMERIGROUP CORP COM | 72,468.00 |
| AMERISOURCEBERGEN CORP COM | 126,926.40 |
| AMERN RIV BANKSHARES | 127,634.92 |
| AMTECH SYS INC COM PAR \$0.01 NEW STK | 744,490.30 |

Table of Contents

| | |
|---|--------------|
| ANADIGICS INC COM | 690,137.91 |
| ANNALY CAP MGMT INC COM | 288,565.76 |
| ANWORTH MTG AST CORP COM | 207,165.00 |
| AON CORP COM | 1,480,141.70 |
| APACHE CORP COM | 2,043,363.74 |
| APPLE INC COM STK | 3,702,988.80 |
| APPROACH RES INC COM STK | 57,311.10 |
| ARCH COAL INC COM | 52,590.00 |
| ARCTIC CAT INC COM | 34,960.32 |
| ARDEA BIOSCIENCES INC COM STK | 15,808.00 |
| ARGO GROUP INTERNATIONAL HOLDINGS COM STK | 512,316.00 |
| ARQULE INC COM | 26,356.30 |
| ARTIO GLOBAL INVS INC COM CL A COM CL A | 146,541.25 |
| ARUBA NETWORKS INC COM | 112,125.60 |
| ASHFORD HOSPITALITY TR INC COM SHS | 56,442.85 |
| ASIA ENTERTAINMENT & RESOURCES LTD STOCK | 75,384.96 |
| ATHEROS COMMUNICATIONS INC COM | 151,941.60 |
| ATLAS PIPELN PARTNERS L P | 259,528.40 |
| AUTODESK INC COM | 192,910.00 |
| AUTOZONE INC COM | 129,480.25 |
| AVERY DENNISON CORP COM | 223,555.20 |
| AVON PRODUCTS INC COM USD0.25 | 213,591.00 |
| AXCELIS TECHNOLOGIES INC COM STK ISIN# US0545401095 | 423,254.88 |
| AXT INC COM | 160,274.88 |
| BAKERS FOOTWEAR GROUP INC COM | 58,438.80 |
| BANCORP INC DEL COM STK | 82,600.74 |
| BB&T CORP COM | 1,476,183.50 |

Table of Contents

| | |
|---|--------------|
| BCE INC COM NEW | 1,866,969.00 |
| BE AEROSPACE INC COM | 572,780.04 |
| BIGBAND NETWORKS INC COM CDT-COM | 146,235.60 |
| BK HAW CORP COM | 605,232.20 |
| BLACKROCK INC COM STK | 1,324,531.00 |
| BLUE COAT SYS INC COM NEW | 140,389.00 |
| BOEING CO COM | 793,887.90 |
| BORG WARNER INC COM | 141,825.60 |
| BRIGGS & STRATTON CORP CAP | 401,085.30 |
| BRIGHAM EXPL CO COM | 83,109.24 |
| BROADCOM CORP CL A | 1,197,799.20 |
| BROADSOFT INC COM | 121,143.24 |
| BROCADE COMMUNICATIONS SYS INC COM NEW STK | 179,621.95 |
| BROOKFIELD ASSET MGMT INC VOTING SHS CL A VOTING SHS CL A | 77,399.25 |
| BROWN & BROWN INC COM | 392,017.50 |
| C H ROBINSON WORLDWIDE INC COM NEW COM NEW | 397,902.78 |
| CAI INTL INC COM | 49,058.80 |
| CALAVO GROWERS INC COM | 48,105.35 |
| CALLIDUS SOFTWARE INC COM STK | 617,924.16 |
| CAMERON INTL CORP COM STK | 114,649.80 |
| CANADIAN NATL RY CO COM | 191,101.25 |
| CAPSTEAD MTG CORP COM NO PAR COM NO PAR | 317,897.50 |
| CARIBOU COFFEE INC COM | 10,120.32 |
| CARMAX INC COM | 264,604.00 |
| CARRIZO OIL & GAS INC COM | 691,248.58 |
| CASELLA WASTE SYS INC CL A COM STK | 500,731.25 |
| CATERPILLAR INC COM | 384,006.00 |

Table of Contents

| | |
|--|--------------|
| CAVCO INDS INC DEL COM STK | 395,604.37 |
| CB RICHARD ELLIS GROUP INC CL A CL A | 149,504.00 |
| CDN NAT RES LTD COM CDN NAT RES COM STK | 580,524.98 |
| CDN PAC RY LTD COM CDN PAC RY LTD | 307,847.50 |
| CELGENE CORP COM | 1,237,918.48 |
| CENT EUROPEAN DISTR CORP COM STK | 363,537.50 |
| CENTURY CASINOS INC COM | 204,957.06 |
| CEPHEID INC COM | 716,215.50 |
| CEVA INC COM | 62,996.50 |
| CF INDS HLDGS INC COM | 189,210.00 |
| CHARLES RIV LABORATORIES INTL INC COM | 44,425.00 |
| CHART INDS INC COM PAR \$0.01 COM PAR \$0.01 | 534,737.40 |
| CHEVRON CORP COM | 2,336,000.00 |
| CHIMERA INVT CORP COM STK | 1,252,982.82 |
| CIMAREX ENERGY CO COM | 123,056.70 |
| CIN BELL INC NEW COM STK | 212,156.00 |
| CISCO SYSTEMS INC | 1,066,323.30 |
| CITRIX SYS INC COM | 111,166.25 |
| CLIFFS NAT RES INC COM STK | 379,518.65 |
| COACH INC COM | 1,343,369.28 |
| COCA COLA CO COM | 2,130,948.00 |
| COGENT COMMUNICATIONS GROUP INC COM NEW | 178,616.48 |
| COGNIZANT TECHNOLOGY SOLUTIONS CORP CL ACL A | 368,721.99 |
| COINSTAR INC COM | 664,016.60 |
| COLUMBIA BKG SYS INC COM | 345,910.50 |
| COMMERCIAL VEH GROUP INC COM | 112,986.25 |
| COMPLETE PRODTN SVCS INC COM | 314,884.80 |

Table of Contents

| | |
|---|--------------|
| COMPUTER PROGRAMS & SYS INC COM | 156,164.56 |
| COMSCORE INC COM | 531,446.51 |
| COMSTOCK RES INC COM NEW COM NEW | 616,456.00 |
| CONCHO RES INC COM STK | 144,655.50 |
| CONOCOPHILLIPS COM | 2,921,490.00 |
| CON-WAY INC COM STK | 631,198.20 |
| COOPER INDUSTRIES PLC NEW IRELAND COM STK | 214,215.75 |
| COOPER TIRE & RUBBER CO COM, NO PAR | 449,199.00 |
| CORE LABORATORIES NV NLG0.03 | 133,575.00 |
| CORRECTIONS CORP AMER | 83,700.40 |
| COST PLUS INC CALIF COM | 85,544.30 |
| COSTCO WHOLESALE CORP NEW COM | 1,165,252.77 |
| COVIDIEN PLC USD0.20 | 1,550,157.00 |
| CRANE CO COM | 266,955.00 |
| CRAWFORD & CO CL A CL A | 159,079.95 |
| CRAY INC COM NEW STK | 232,117.60 |
| CREE INC COM | 303,094.00 |
| CROCS INC COM | 714,075.20 |
| CROSS CTRY HEALTHCARE INC COM | 118,198.85 |
| CROWN CASTLE INTL CORP COM STK | 161,294.40 |
| CROWN HLDGS INC COM | 76,774.00 |
| CTR FINL CORP CAL COM STK | 103,527.64 |
| CUMMINS INC | 269,524.50 |
| CVS CAREMARK CORP COM STK | 643,245.00 |
| CYBERONICS INC COM | 738,555.18 |
| CYPRESS SEMICONDUCTOR CORP COM | 417,492.60 |
| DAKTRONICS INC COM | 55,497.12 |

Table of Contents

| | |
|--------------------------------------|--------------|
| DARDEN RESTAURANTS INC COM | 279,568.80 |
| DEERE & CO COM | 1,112,620.85 |
| DEVRY INC DEL COM | 98,359.00 |
| DIAGEO PLC SPONSORED ADR NEW | 143,085.25 |
| DIAMONDROCK HOSPITALITY CO COM STK | 256,200.00 |
| DICE HLDGS INC COM STK | 343,280.70 |
| DICKS SPORTING GOODS INC OC-COM | 101,250.00 |
| DIGITAL RLTY TR INC COM | 170,082.00 |
| DISCOVER FINL SVCS COM STK | 79,308.40 |
| DOLAN CO COM STK | 307,840.80 |
| DOLLAR GEN CORP NEW COM | 960,768.42 |
| DR PEPPER SNAPPLE GROUP INC COM STK | 93,174.00 |
| DRYSHIPS INC COM USD0.01 | 676,005.00 |
| DSW INC CL A CL A | 713,301.30 |
| DYCOM INDS INC COM | 370,151.25 |
| DYNAMIC MATLS CORP COM | 413,617.82 |
| DYNAVAX TECHNOLOGIES CORP COM | 38,614.40 |
| EAST WEST BANCORP INC COM | 303,807.00 |
| EASTMAN CHEM CO COM | 218,608.00 |
| ECOLAB INC COM | 98,319.00 |
| EL PASO CORP COM | 119,643.20 |
| ELECTRO RENT CORP COM | 188,360.96 |
| ELLIS PERRY INTL INC COM | 40,545.72 |
| EMERGENCY MED SVCS CORP CL A COM STK | 171,862.60 |
| EMERGENT BIOSOLUTIONS INC COM | 865,720.92 |
| EMPIRE RESORTS INC COM STOCK | 64,673.70 |
| ENDEAVOUR MINING CORPORATION | 193,333.32 |

Table of Contents

| | |
|--|--------------|
| ENDO PHARMACEUTICALS HLDGS INC COM | 162,480.50 |
| ENDOLOGIX INC COM | 256,735.05 |
| ENERGY XXI (BERMUDA) COM STK USD \$0.005 | 247,950.87 |
| ENSIGN GROUP INC COM STK | 141,385.95 |
| ENTEROMEDICS INC COM NEW COM STK | 104,242.60 |
| ENTRAVISION COMMUNICATIONS CORP CL A | 220,899.21 |
| ENTROPIC COMMUNICATIONS INC COM STK | 117,381.36 |
| EQUINIX INC COM NEW COM NEW | 188,929.50 |
| ESTEE LAUDER COMPANIES INC CL A USD0.01 | 546,419.70 |
| ESTERLINE TECHNOLOGIES CORP COM STK | 349,809.00 |
| EVANS & SUTHERLAND COMPUTER CORP COM | 57,007.00 |
| EXPEDITORS INTL WASH INC COM | 389,516.40 |
| EXPRESS SCRIPTS INC COM | 1,359,033.20 |
| EZCORP INC CL A NON VTG | 342,516.25 |
| F5 NETWORKS INC COM STK | 346,225.60 |
| FASTENAL CO COM | 145,581.30 |
| FINISAR CORPORATION COMMON STOCK | 836,664.20 |
| FIRST ACCEP CORP COM STK | 149,626.80 |
| FIRST MIDWEST BANCORP INC DEL COM | 302,457.60 |
| FIRST SOLAR INC COM | 54,658.80 |
| FLOWSERVE CORP COM | 160,947.00 |
| FMC TECHNOLOGIES INC COM | 113,360.25 |
| FORMFACTOR INC COM STK | 208,591.20 |
| FORTINET INC COM | 67,935.00 |
| FORTUNE BRANDS INC COM USD3.125 | 141,587.50 |
| FOSTER L B CO CL A | 29,558.68 |
| FRESH DEL MONTE PRODUCE INC COM STK | 619,758.00 |

Table of Contents

| | |
|--|--------------|
| FSI INTL INC COM | 357,989.06 |
| GENOPTIX INC COM | 570,695.10 |
| GENTEX CORP COM | 242,805.84 |
| GEO GROUP INC COM STK | 504,198.36 |
| GILEAD SCIENCES INC | 378,091.92 |
| GLOBAL INDS LTD COM | 301,316.40 |
| GOLDCORP INC NEW COM | 270,914.16 |
| GOLDMAN SACHS GROUP INC COM | 3,473,512.96 |
| GOODRICH CORPORATION | 139,150.60 |
| GOOGLE INC CL A CL A | 2,183,433.72 |
| GREAT BASIN GOLD LTD COM STK | 651,401.28 |
| GREEN MTN COFFEE ROASTERS | 97,594.20 |
| GREENBRIER COS INC COM STK | 678,375.81 |
| GUESS INC COM | 164,673.60 |
| H J HEINZ | 122,413.50 |
| HAEMONETICS CORP MASS COM | 72,025.20 |
| HANSEN NAT CORP COM | 55,939.60 |
| HARMAN INTL INDS INC NEW COM STK USD0.01 | 671,164.80 |
| HARSCO CORP COM | 320,724.00 |
| HATTERAS FINL CORP COM REIT | 243,976.20 |
| HCC INS HLDGS INC COM | 424,694.50 |
| HEALTHCARE SVCS GROUP INC COM | 148,675.26 |
| HELIX ENERGY SOLUTIONS GROUP INC COM STK | 214,331.70 |
| HELMERICH & PAYNE INC COM | 247,005.60 |
| HENRY JACK & ASSOC INC COM | 106,543.25 |
| HEWLETT PACKARD CO COM | 211,678.80 |
| HILL INTL INC COM | 580,423.70 |

Table of Contents

| | |
|--|--------------|
| HILLTOP HLDGS INC COM STK | 140,864.00 |
| HISOFT TECHNOLOGY INT-ADR | 45,300.00 |
| HONEYWELL INTL INC COM STK | 2,227,404.00 |
| HOSPIRA INC COM | 322,723.55 |
| HUGHES COMMUNICATIONS INC COM STK | 480,548.52 |
| IBERIABANK CORP COM | 892,863.00 |
| IHS INC COM CL A COM CL A | 229,111.50 |
| ILLUMINA INC COM | 932,428.14 |
| INGERSOLL-RAND PLC COM STK | 1,165,430.41 |
| INTEGRATED ELECTRICAL SVCS INC COM NEW STK | 74,340.49 |
| INTER PARFUMS INC COM | 52,911.95 |
| INTERACTIVE INTELLIGENCE INC COM STOCK | 75,314.64 |
| INTERCONTINENTALEXCHANGE INC COM | 139,405.50 |
| INTERDIGITAL INC PA COM | 67,040.40 |
| INTERMEC INC COM | 363,949.68 |
| INTERNATIONAL BUSINESS MACHS CORP COM | 2,496,240.84 |
| INTERNATIONAL COAL GROUP INC NEW COM | 716,058.36 |
| INTERNET CAP GROUP INC COM NEW | 24,529.50 |
| INTEROIL CORP COM | 1,709,860.75 |
| INTERPUBLIC GROUP COMPANIES INC COM | 283,660.20 |
| INTERTAPE POLYMER GROUP INC COM | 94,266.65 |
| INTL FLAVORS & FRAGRANCES INC COM | 49,197.15 |
| INTL PAPER CO COM | 61,290.00 |
| INTREPID POTASH INC COM | 322,856.82 |
| INTUIT COM | 204,595.00 |
| INTUITIVE SURGICAL INC COM NEW STK | 87,635.00 |
| INVESCO LTD COM STK USD0.10 | 324,569.40 |

Table of Contents

| | |
|--|--------------|
| IPG PHOTONICS CORP COM | 666,454.74 |
| IROBOT CORP COM | 27,666.56 |
| ITC HLDGS CORP COM STK | 86,772.00 |
| IXIA COM | 602,234.20 |
| JAKKS PAC INC COM | 50,378.30 |
| JAMES RIV COAL CO COM NEW STK | 972,342.71 |
| JETBLUE AWYS CORP COM | 148,791.10 |
| JOHNSON CTL INC COM | 1,537,550.00 |
| JOY GLOBAL INC COM | 187,380.00 |
| JUNIPER NETWORKS INC COM | 1,704,707.16 |
| KAYDON CORP COM | 181,407.60 |
| KENNAMETAL INC CAP | 664,703.70 |
| KENNEDY-WILSON HLDGS INC COM | 158,291.55 |
| KEY ENERGY SVCS INC | 208,393.90 |
| KIRBY CORP COM | 259,895.00 |
| KNIGHT CAP GROUP INC COM | 359,505.30 |
| KODIAK OIL & GAS CORP COM | 645,268.80 |
| KOHL'S CORP COM | 176,605.00 |
| KORN / FERRY INTL COM NEW | 182,776.99 |
| KRAFT FOODS INC CL A | 1,000,316.46 |
| KRISPY KREME DOUGHNUTS INC COM STK | 60,062.90 |
| K-SWISS INC CL A | 36,898.73 |
| LABORATORY CORP AMER HLDGS COM NEW COM NEW | 66,819.20 |
| LAM RESH CORP COM | 181,230.00 |
| LEXICON PHARMACEUTICALS INC COM STK | 19,873.44 |
| LINCOLN NATL CORP COM | 161,993.25 |
| LINDSAY CORPORATION COM | 558,939.15 |

Table of Contents

| | |
|---|--------------|
| LITHIA MTRS INC CL A | 31,380.84 |
| LIVEPERSON INC COM STK ISIN# US5381461012 | 73,427.40 |
| LO JACK CORP COM | 301,843.50 |
| LOGMEIN INC COM | 172,039.20 |
| LOWES COS INC COM | 1,978,812.00 |
| LUCARA DIAMOND CORP | 126,493.34 |
| LYONDELLBASELL INDU-CL A-W/I | 114,552.00 |
| M & T BK CORP COM | 104,460.00 |
| MAGNUM HUNTER RES CORP DEL COM | 110,232.00 |
| MANPOWER INC WIS COM | 411,705.60 |
| MANULIFE FINL CORP COM | 33,501.00 |
| MARATHON OIL CORP COM | 2,032,576.70 |
| MARRIOTT INTL INC NEW COM STK CL A | 1,544,291.04 |
| MARVELL TECH GROUP COM USD0.002 | 278,546.80 |
| MASTERCARD INC CL A | 1,402,928.60 |
| MCMORAN EXPL CO COM | 925,200.06 |
| MEAD JOHNSON NUTRITION COM USD0.01 | 911,402.25 |
| MEDCO HEALTH SOLUTIONS INC COM | 1,010,219.76 |
| MEDICIS PHARMACEUTICAL CORP CL A NEW | 74,342.25 |
| MEDIDATA SOLUTIONS INC COM | 54,064.32 |
| MELCO CROWN ENTERTAINMENT LTD | 373,898.04 |
| MEMC ELECTR MATLS INC COM | 240,232.10 |
| MERCADOLIBRE INC COM STK | 51,987.00 |
| MERCK & CO INC NEW COM | 2,385,415.52 |
| MERCURY GEN CORP NEW COM | 153,932.79 |
| MERGE HEALTHCARE INC COM STK | 127,286.25 |
| METLIFE INC COM | 1,553,178.00 |

Table of Contents

| | |
|---|--------------|
| MFA FINL INC | 112,444.80 |
| MFC MARKET VECTORS ETF TR JR GOLD MINERSETF | 242,571.09 |
| MICRON TECH INC COM | 343,063.52 |
| MICROSOFT CORP COM | 2,099,584.00 |
| MIDSOUTH BANCORP INC COM | 112,051.20 |
| MINERA ANDES INC COM | 785,655.20 |
| MOLSON COORS BREWING CO CL B CL B | 1,161,898.50 |
| MONSANTO CO NEW COM | 2,174,160.80 |
| MORGAN STANLEY COM STK USD0.01 | 385,348.02 |
| MORGANS HOTEL GROUP CO COM STK | 40,334.29 |
| MOVADO GROUP INC COM | 293,618.88 |
| MRV COMMUNICATIONS INC COM | 486,584.65 |
| MSCI INC CL A CL A | 86,880.80 |
| NABORS INDUSTRIES COM USD0.10 | 299,701.50 |
| NEKTAR THERAPEUTICS COM | 175,351.10 |
| NEO MATL TECHNOLOGIES INC COM STK | 99,058.10 |
| NETAPP INC COM STK | 2,050,722.48 |
| NETLOGIC MICROSYSTEMS INC COM | 126,268.20 |
| NETSCOUT SYS INC COM | 200,302.05 |
| NEUROCRINE BIOSCIENCES INC COM | 58,973.16 |
| NEWFIELD EXPLORATION | 120,423.70 |
| NEWMONT MINING CORP NEW COM | 2,244,713.63 |
| NEWPARK RES INC COM PAR \$0.01 NEW COM PAR \$0.01 NEW | 397,129.04 |
| NII HLDGS INC COM NEW CL B NEW | 95,572.40 |
| NIKE INC CL B | 1,839,263.44 |
| NN INC COM | 66,472.08 |
| NOBLE CORPORATION (SWITZERLAND) COM USD0.10 | 292,062.05 |

Table of Contents

| | |
|---|--------------|
| NORDSTROM INC COM | 161,467.80 |
| NORTHERN OIL & GAS INC NEV COM STK | 146,498.64 |
| NORTHWEST BANCSHARES INC MD COM | 50,156.40 |
| NPS PHARMACEUTICALS INC COM | 63,745.10 |
| NUANCE COMMUNICATIONS INC COM | 235,431.00 |
| OCCIDENTAL PETROLEUM CORP | 4,518,289.80 |
| OIL STS INTL INC COM ISIN US6780261052 | 102,544.00 |
| OMNICELL INC COM | 128,027.00 |
| OMNIVISION TECHNOLOGIES INC COM | 713,541.78 |
| ON ASSIGNMENT INC COM | 231,623.00 |
| ON SEMICONDUCTOR CORP COM | 825,345.56 |
| ONCOGENEX PHARMACEUTICALS INC COM STK | 34,033.33 |
| ONYX PHARMACEUTICALS INC DEL COM | 54,198.90 |
| OPENTABLE INC COM | 22,553.60 |
| ORACLE CORP COM | 1,789,358.40 |
| ORASURE TECHNOLOGIES INC COM | 294,584.00 |
| ORBITAL SCI CORP COM | 315,363.30 |
| ORIGEN FINL INC COM | 166,851.50 |
| OSI SYS INC COM | 245,539.08 |
| OUTDOOR CHANNEL HLDGS INC COM NEW COM NEW | 141,055.41 |
| OWENS ILL INC COM NEW | 1,089,850.00 |
| P F CHANGS CHINA BISTRO INC COM STK | 30,045.20 |
| PAC PREMIER BANCORP COM | 191,171.97 |
| PANTRY INC COM ISIN #US6986571031 | 159,177.90 |
| PARAMETRIC TECHNOLOGY CORP COM NEW STK | 209,529.00 |
| PARKER-HANNIFIN CORP COM | 91,478.00 |
| PARTNERRE HLDG LTD COM STK | 84,367.50 |

Table of Contents

| | |
|---|--------------|
| PATRICK INDS INC COM | 64,235.43 |
| PEPSICO INC COM | 2,900,652.00 |
| PETAQUILLA RES LTD COM | 72,790.37 |
| PETRO DEV CORP COM | 74,542.86 |
| PETROHAWK ENERGY CORP COM | 98,550.00 |
| PFIZER INC COM STK \$.11 1/9 PAR | 3,065,125.50 |
| PHILLIPS VAN HEUSEN CORP COM | 488,957.60 |
| PIER 1 IMPORTS INC COM | 657,079.50 |
| PIONEER NAT RES CO COM STK | 163,221.60 |
| PLAINS EXPL & PRODTN CO COM | 179,501.90 |
| PLANTRONICS INC NEW COM | 191,683.00 |
| PLEXUS CORP COM | 117,262.60 |
| PMC SIERRA INC COM | 100,932.50 |
| POLO RALPH LAUREN CORP CL A | 1,238,089.04 |
| POTASH CORP SASK INC COM | 268,010.73 |
| POWER ONE INC NEW COM USD0.001 | 265,954.80 |
| POWERWAVE TECHNOLOGIES INC COM | 30,830.52 |
| PRECISION CASTPARTS CORP COM | 1,372,053.76 |
| PREMIERE GLOBAL SVCS INC COM | 217,022.00 |
| PRICELINE COM INC COM NEW STK | 325,633.25 |
| PRIDE INTL INC DEL COM | 124,806.00 |
| PRIMORIS SVCS CORP COM | 546,336.72 |
| PROTALIX BIOTHERAPEUTICS INC COM STK | 57,504.76 |
| PUDA COAL INC COM PAR \$.001 COM PAR \$.001 | 41,279.69 |
| QEP RES INC COM STK | 88,959.50 |
| QUALCOMM INC COM | 2,714,229.56 |
| QUESTAR CORP COM | 69,465.90 |

Table of Contents

| | |
|--|--------------|
| QUESTCOR PHARMACEUTICALS INC COM | 79,630.38 |
| RADIANT SYS INC COM | 122,821.32 |
| RANGE RES CORP COM | 596,929.58 |
| RARE ELEMENT RES LTD COM | 40,551.50 |
| RAYMOND JAMES FNCL INC COM STK | 630,292.50 |
| REALD INC COM | 172,238.40 |
| RED HAT INC COM | 737,977.90 |
| REDWOOD TR INC COM | 129,876.07 |
| REGAL ENTMT GROUP CL A CL A | 193,651.30 |
| RENTRAK CORP COM | 71,117.28 |
| REX ENERGY CORP COM STK | 266,994.00 |
| RICHARDSON ELECTRS LTD COM | 60,261.95 |
| RIVERBED TECHNOLOGY INC COM | 40,093.80 |
| ROSS STORES INC COM | 235,606.25 |
| ROYAL CARIBBEAN CRUISES COM STK | 112,330.00 |
| ROYAL GOLD INC COM STK USD0.01 | 325,867.95 |
| RSC HLDGS INC COM | 654,683.84 |
| SALESFORCE COM INC COM STK | 1,629,144.00 |
| SAN GOLD CORP COM STK | 265,267.00 |
| SANDISK CORP COM | 188,969.40 |
| SANDRIDGE ENERGY INC COM | 66,429.00 |
| SANDSTORM METALS & ENERGY LTD COM | 12,601.22 |
| SANDSTORM RES LTD COM | 212,630.20 |
| SANDSTORM RES LTD R1933 | 101,081.87 |
| SANDSTORM RESOURCES LTD WARRANT 800132938 LTD PW EXP19OCT15(R1933) | 997.58 |
| SANDVINE CORP COM | 527,107.20 |
| SATCON TECH CORP COM | 711,369.00 |

Table of Contents

| | |
|---|--------------|
| SCHLUMBERGER LTD COM COM | 2,734,374.50 |
| SCHOLASTIC CORP COM | 411,344.50 |
| SCHWAB CHARLES CORP COM NEW | 1,599,648.12 |
| SCRIPPS NETWORKS INTERACTIVE INC CL A COM STK | 166,997.25 |
| SEMILEDS CORP COM | 32,216.45 |
| SHIRE PLC ADR | 953,823.64 |
| SHORETEL INC COM | 816,605.79 |
| SIERRA BANCORP COM STK | 158,643.05 |
| SILICON IMAGE INC COM STK | 785,656.20 |
| SILVER STD RES INC COM | 173,948.08 |
| SILVER WHEATON CORP COM | 80,812.80 |
| SMITH MICRO SOFTWARE INC COM STK | 446,103.08 |
| SODASTREAM INTERNATIONAL LTD COM STK | 45,633.10 |
| SPARTAN STORES INC COM | 303,828.75 |
| SPDR KBW REGL BKG ETF | 153,859.65 |
| SPECTRUM PHARMACEUTICALS INC COM | 298,013.73 |
| STANDARD MTR PRODS INC COM | 44,894.90 |
| STANDARD PKG CORP COM | 156,654.77 |
| STAR BULK CARRIERS CORP COM STK | 157,997.25 |
| STARWOOD HOTELS & RESORTS WORLDWIDE INC COM STK | 275,333.40 |
| STERLING BANCORP COM | 100,103.67 |
| STONERIDGE INC COM | 31,611.58 |
| STRYKER CORP | 127,537.50 |
| SUCCESSFACTORS INC COM STK | 123,080.00 |
| SUN COMMUNITIES INC COM | 285,633.25 |
| SUNCOR ENERGY INC NEW COM STK | 291,961.25 |
| SUPPORT COM INC COM | 807,492.24 |

Table of Contents

| | |
|--------------------------------------|--------------|
| SYNCHRONOSS TECHNOLOGIES INC COM STK | 638,582.68 |
| SYNNEX CORP COM STK | 419,952.00 |
| SYNOVUS FINL CORP COM | 271,590.00 |
| T ROWE PRICE GROUP INC | 232,989.40 |
| TAL INTL GROUP INC COM STK | 77,391.09 |
| TALISMAN ENERGY INC COM | 34,394.50 |
| TARGACEPT INC COM | 26,261.50 |
| TARGET CORP COM STK | 1,105,249.53 |
| TD AMERITRADE HLDG CORP COM STK | 160,465.50 |
| TEAM INC COM STK | 36,759.80 |
| TECK RESOURCES LIMITED | 27,823.50 |
| TEMPUR-PEDIC INTL INC COM | 82,924.20 |
| TENNECO INC | 686,507.64 |
| TEXAS INSTRUMENTS INC COM | 1,387,750.00 |
| TEXTRON INC COM | 364,056.00 |
| T-HQ INC COM NEW | 296,970.30 |
| TIDEWATER INC COM | 886,744.80 |
| TIER TECHNOLOGIES INC COM DELAWARE | 417,682.70 |
| TIFFANY & CO COM | 858,516.49 |
| TIME WARNER INC USD0.01 | 794,599.00 |
| TITAN INTL INC ILL COM | 1,060,162.24 |
| TITAN MACHY INC COM | 668,166.00 |
| TOREADOR RES CORP COM | 27,020.32 |
| TOWER INTL INC COM STK | 30,992.88 |
| TPC GROUP INC COM | 54,606.32 |
| TRANSCEND SVCS INC COM NEW COM NEW | 143,085.36 |
| TRANSOCEAN LTD | 275,607.15 |

Table of Contents

| | |
|--|--------------|
| TRAVELZOO INC COM STK | 72,464.76 |
| TRIANGLE PETROLEUM CORPORATION COMMON STOCK | 103,623.00 |
| TRIDENT MICROSYSTEMS INC COM | 267,320.40 |
| TRILOGY ENERGY COR COM NPV | 447,610.33 |
| TW TELECOM INC CL A STK | 603,143.75 |
| TWIN DISC INC COM | 22,275.56 |
| TX CAP BANCSHARES INC COM | 215,890.50 |
| U M H PPTYS INC COM STK | 343,740.00 |
| U S HOME SYS INC COM | 107,042.10 |
| UBS AG SHS COM | 121,878.00 |
| ULTRATECH INC EFF 06-10-03 | 60,276.16 |
| UNDER ARMOR INC CL A | 355,472.88 |
| UNION PAC CORP COM | 819,855.68 |
| UNITED CMNTY BK BLAIRSVILLE GA CDT-CAP STK CDT-CAP STK | 11,337.30 |
| UNITED CONTL HLDGS INC COM STK | 149,803.98 |
| UNITED PARCEL SVC INC CL B | 463,278.14 |
| UNITED STS STL CORP NEW COM | 290,347.40 |
| UNITED TECHNOLOGIES CORP COM | 843,091.20 |
| UNIVEST CORP PA COM | 84,271.32 |
| UNUM GROUP | 74,597.60 |
| UNVL HEALTH SERVICES INC CL B COM | 284,618.10 |
| URANIUM ENERGY CORP COM | 37,127.88 |
| URBAN OUTFITTERS INC COM | 119,283.11 |
| US BANCORP | 1,847,445.00 |
| UTD THERAPEUTICS CORP DEL COM STK | 290,812.00 |
| UTSTARCOM INC COM | 439,097.24 |
| VALEANT PHARMACEUTICALS INTERNATIONAL INC COMMON STOCK | 71,007.90 |

Table of Contents

| | |
|---|--------------|
| VANTAGE DRILLING CO COM STK | 622,548.22 |
| VARIAN MEDICAL SYSTEMS INC | 111,540.80 |
| VARIAN SEMICONDUCTOR EQUIPMENT ASSOCS INC COM | 193,057.34 |
| VERIFONE SYSTEMS INC COM | 97,171.20 |
| VERISIGN INC COM | 72,854.10 |
| VERISK ANALYTICS INC CL A CL A | 91,845.60 |
| VERTEX PHARMACEUTICALS INC COM | 645,848.11 |
| VIACOM INC NEW CL B | 2,485,527.50 |
| VIROPHARMA INC COM STK | 308,642.40 |
| VISA INC COM CL A STK | 686,556.90 |
| VITAMIN SHOPPE INC COM | 77,708.40 |
| VMWARE INC CL A COM CL A COM | 1,540,365.75 |
| VOCUS INC COM | 87,903.48 |
| VOYAGER OIL & GAS INC COM | 219,348.00 |
| WA BKG CO OAK HBR WASH COM | 94,434.48 |
| WABASH NATL CORP COM | 776,649.00 |
| WALT DISNEY CO | 2,092,682.90 |
| WALTER ENERGY INC | 232,668.80 |
| WARREN RES INC COM | 57,910.24 |
| WATSON PHARMACEUTICALS INC COM | 253,601.50 |
| WD 40 CO COM STK | 121,847.00 |
| WEATHERFORD INTL LTD | 374,490.00 |
| WELLPOINT INC COM | 756,238.00 |
| WELLS FARGO & CO NEW COM STK | 2,378,482.50 |
| WESCO INTL INC COM | 58,080.00 |
| WESTERN UNION CO | 208,541.10 |
| WESTN LIBERTY BANCORP COM STK | 42,132.80 |

Table of Contents

| | | |
|---|----------------------|-------------------------|
| WESTPORT INNOVATIONS INC COM STK | | 28,891.20 |
| WHITING PETE CORP COM STK | | 87,892.50 |
| WHOLE FOODS MKT INC COM | | 1,365,525.28 |
| WILEY JOHN & SONS INC CL A | | 652,134.60 |
| WILLBROS GROUP INC COM | | 199,120.14 |
| WILLIAMS CO INC COM | | 119,892.00 |
| WILMINGTON TR CORP NEW COM | | 39,971.40 |
| WINTRUST FINL CORP COM | | 437,317.20 |
| WMS INDS INC COM STK | | 137,982.00 |
| WRIGHT MED GROUP INC COM | | 126,491.85 |
| WYNN RESORTS LTD COM | | 130,838.40 |
| YAMANA GOLD INC COM STK | | 165,312.00 |
| YRC WORLDWIDE INC COM NEW COM NEW | | 3,708.84 |
| ZIOPHARM ONCOLOGY COM STK | | 23,313.98 |
| ZIX CORP COM | | 789,954.27 |
| ZOLL MED CORP COM | | 697,541.28 |
| TOTAL CORPORATE COMMON STOCKS (other than employer securities) & AMERICAN DEPOSITORY RECEIPTS*** | | 258,377,476.91 |
| McDONALD S CORPORATION COMMON STOCK | | |
| * MC DONALDS CORP COM | 46,186,439.38 | 224,379,919.36 |
| * MC DONALDS CORP COM | | 300,586,940.32 |
| * MC DONALDS CORP COM | | 842,203,274.28 |
| TOTAL McDONALD S CORPORATION COMMON STOCK | 46,186,439.38 | 1,367,170,133.96 |
| INTEREST IN REGISTERED INVESTMENT CO. | | |
| MFO ARTISAN FDS INC INTL FD INV SHS | | 34,857,476.23 |
| MFO DRIEHAUS MUT FDS INTERNATIONAL DISCOVERY FD | | 24,096,963.59 |
| MFO MANNING & NAPIER FD INC NEW OVERSEASSER | | 55,166,220.74 |

Table of Contents

| | | |
|---|---------------------|-----------------------|
| MFO NUVEEN REAL ESTATE CLASS I | | 39,253,741.87 |
| MFO PIMCO FDS PAC INVT MGMT SER FOR FUTURE I DIVERSIFIED INC FD INSTL CL | | 53,277,804.58 |
| MFO PIMCO FDS PAC INVT MGMT SER MODERATEDURATION FD INSTL CL | | 67,965,312.50 |
| MFO VANGUARD INSTL INDEX FD SH BEN INT | | 149,716,203.12 |
| TOTAL INTEREST IN REGISTERD INVESTMENT CO. | | 424,333,722.63 |
| MCDONALD S LOAN ASSETS | | |
| * PARTICIPANT LOANS (Varying maturity dates and interest rates) | | 29,427,561.95 |
| TOTAL McDONALD S LOAN ASSETS | | 29,427,561.95 |
| INTEREST BEARING CASH | | |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 321,729.54 |
| United States dollar - Cash | | (28,630.23) |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 21,257,157.66 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | 19.62 | 19.62 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | 94,276.50 | 94,276.50 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | 3,391,420.43 | 3,391,420.43 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 4,501,288.98 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 14,174,443.51 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 2,968,414.29 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 6,205,603.03 |
| * The Northern Trust Company COLTV SHORT TERM INVT FD - Short Term Investment Funds | | 1,706,601.20 |
| TOTAL INTEREST BEARING CASH | 3,485,716.55 | 54,592,324.53 |
| WRAPPER CONTRACTS | | |
| GIC BANK OF AMERICA CONTRACT # 07-072 RATE 4.00% MAT 12/31/2064 | | 270,700.00 |
| GIC STATE STREET CONT 107103 RATE 4.00% MT 12/31/2064 | | 270,295.00 |
| TOTAL WRAPPER CONTRACTS | | 540,995.00 |

Table of Contents

| | | |
|---|----------------------|-------------------------|
| COLLECTIVE TRUSTS | | |
| JPMCB Intermediate Bond Fund | | 169,192,749.00 |
| JPMCB Liquidity Fund | | 1,815,373.00 |
| JPMCB Emerging Markets FI Fund | | 2,359,985.00 |
| JPMCB Corporate HY Opportunity Fund | | 7,170,723.00 |
| JPMCB Subadvised Fixed Income PIMCO Fund | | 138,739,869.00 |
| JPMCB Subadvised Fixed Income WAMCO Fund | | 134,110,669.00 |
| US Dollar | | 453,843.00 |
| MFO ACADIAN GLOBAL W OPPORTUNISTIC SHORTING FD | | 5,889,384.65 |
| MFO MELLON EB DAILY LIQUIDITY SMALL CAP FD | | 48,986,220.06 |
| MFO UNCONSTRAINED THEMES SER 1 WTC-CIF II | | 13,009,824.76 |
| MFO WELLINGTON TR CO NATL ASSN COLTV IN TREAS INFLATION SER 1 PORTFOLIO | | 16,473,433.37 |
| MFO WLNGTN TR CO NATL ASSOC MLTPL COLCT INVT FDS TR II SMA CAP OPPTS | | 9,207,213.48 |
| MFO WELLINGTON TR COLTV CORE BD PLUS | | 30,397,903.20 |
| MFO WTC CIF II INTL EQTY SER 1 | | 24,842,259.44 |
| MFO WTC CIF II LARGE CAP RESH EQTY SER 1 | | 52,818,669.60 |
| MFO WTC CIF II UNCONSTRAINED THEMES SER | | 25,486,256.17 |
| TOTAL COMMON COLLECTIVE TRUST | | 680,954,375.73 |
| POOLED CASH COLLATERAL POOL | | |
| USA CORE POLLATERAL POOL | | 19,606,664.65 |
| TOTAL POOLED CASH COLLATERAL | | 19,606,664.65 |
| TOTAL ASSETS | 49,672,155.93 | 2,834,774,401.42 |

* Party in Interest

** Historical cost is disclosed only for nonparticipant-directed investments

*** Includes securities loaned

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

McDonald's Corporation Profit Sharing and Savings Plan

Dated: June 20, 2011

By: /s/ Michael D. Richard
Michael D. Richard
Chair of the Administrative Committee

Table of Contents

EXHIBITS

| Exhibit Number | Description of Exhibit |
|---------------------------|---|
| 23.1 | Consent of Crowe Horwath, LLP Independent Registered Public Accounting Firm |