

# McDonald's earnings edge down; says turnaround on track

NEW YORK - McDonald's reported slightly lower fourth-quarter earnings Monday as strong sales in Britain, Japan, China offset a drop in the United States.



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The fast-food giant, which modified its menu in its home market after a lengthy slump, and restructured its international business, said its turnaround remained on track.

The weaker performance in the US was due partly to more difficult year-over-year comparisons in late 2016 after the iconic chain unveiled the popular "all-day breakfast" plan a year earlier. Comparable sales fell 1.3 percent in the latest quarter.

"For McDonald's, 2016 was a year of purposeful change as we focused on the key elements of our turnaround plan -- strengthening our business to drive long-term sustainable growth by sharpening our focus on our customers, right-sizing our structure and putting the right talent in place to lead the company into the future," said Steve Easterbrook, who was appointed chief executive in 2015 after the chain's lengthy slump.

Net income for the fourth quarter was \$1.2 billion, down a hair from the year-ago period, while revenues were \$6.0 billion, down five percent. The chain's international strategy has included shifting from a structure that organizes countries by region to one centered around market opportunity, such as "high growth" and "foundational markets."

High-growth comparable sales rose 4.7 percent from the year-ago period, thanks to China. Comparable sales in foundational markets surged 11.1 percent, with strength in Japan and some Latin American countries.

Global comparable sales rose 2.7 percent.

For the full year, McDonald's earnings were \$4.7 billion, up three percent. Shares of McDonald's dipped 0.7 percent to \$121.45 in pre-market trading.

**Source:** AFP

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