

# STATEMENT FROM MCDONALD'S AUSTRALIA

McDonald's price increases on average over the past two years have been less than inflation, despite the very real fact that the price of food, electricity and other operating costs have increased significantly, for all businesses.

Delivering value to our customers has always been core to McDonald's, and we've worked alongside our Aussie suppliers and franchisees to limit the impact of rising costs on our customers wherever possible, while still operating more than 1,020 restaurants, employing more than 115,000 people and supporting the livelihood of the thousands of Aussie farmers and suppliers in our local supply chain.

We know our customers are watching every dollar they spend, and we remain focused on offering great value. Whether that's our \$6.95 McSmart Meal and Macca's Bundles to feed the whole family, everyday value like our Loose Change Menu, offering great deals like \$2 Hamburgers, or personalised value offers through the MyMacca's loyalty program. Over the past 12 months, customers have redeemed nearly 58 billion points and more than 14 million products.

Our franchisees pay a rent and royalty on sales to McDonald's Australia as part of their franchise agreement. McDonald's Australia is a wholly owned subsidiary of McDonald's Corp, and our annual financial statements set out clearly the payments made to our parent company. The Service Fees paid by McDonald's Australia are a function of systemwide sales, and we continue to pay our fair share of tax. Over the past 5 years, we've paid more than \$520 million in income tax.

In Australia, McDonald's operates as a franchise business, with more than 200 individual business owners running great restaurants, employing hundreds of locals, and paying their own fair share of income tax on their profits.

As individual businesses McDonald's franchises set their own general pricing, reflective of the trading environments they're operating in, and work in partnership with McDonald's on fixed price promotions like our great value McSmart Meal and Loose Change Menu.

We're proud to play a significant role in the Australian economy. Together with our franchisees, we employ more than 115,000 people across our restaurants, and spend around \$1 billion sourcing 90% of our produce and products from Aussie farmers and suppliers.

We are currently investing more than half a billion dollars to open 100 new restaurants and reinvesting \$450 million to remodel around half of our existing restaurants. This will see us create more than 40,000 new local jobs across the country, purchase more ingredients from Aussie farmers, provide more Franchisee opportunities, and more support for more local communities.

*August 4, 2024*