



EUROPEAN COMMISSION
DG Competition

***Case M.8384 - CARLYLE
/ CITIC / McDONALD's /
McDONALD's CHINA***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 10/05/2017

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EUROPEAN COMMISSION

Brussels, 10.5.2017
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PUBLIC VERSION

To the notifying parties:

Subject: Case M.8384 - CARLYLE / CITIC / McDONALD's / McDONALD's CHINA Commission decision pursuant to Article 6(1)(b) of Council Regulation (EC) No 139/2004¹ and Article 57 of the Agreement on the European Economic Area²

Dear Sir or Madam,

1. On 07 April 2017, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which The Carlyle Group (“Carlyle”, USA), CITIC Capital and CITIC Limited (“CITIC”, People's Republic of China) together with McDonald’s Corporation (“McDonald’s”, USA) acquire within the meaning of Article 3(1)(b) of the Merger Regulation joint control of the whole of McDonald’s China Management Limited (“Target”), which comprises the Mainland China and Hong Kong businesses of McDonald’s, by way of purchase of shares.³
2. The business activities of the undertakings concerned are:
 - for Carlyle: manages funds that invest globally across four investment disciplines, namely Corporate Private Equity (buyout and growth capital), Real Assets (real estate, infrastructure and energy), Global Market Strategies (structured credit, mezzanine, distressed, hedge funds, and middle market debt) and Solutions (private equity fund of funds program and related co-investment and secondary activities).
 - for CITIC: is engaged in both financial and non-financial businesses. The group's financial businesses cover a full range of services including commercial banking, investment banking, trust, insurance, fund management and asset management. The

¹ OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

² OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

³ Publication in the Official Journal of the European Union No C 120, 13.04.2017, p. 28.

group's non-financial businesses include real estate, engineering contracting, energy and resources, infrastructure construction, machinery manufacturing and IT industry.

- for McDonald's: is active worldwide in the quick service restaurant industry, operating and franchising McDonald's restaurants, which serve a locally-relevant menu of food and drinks in over 36,000 locations in more than 100 countries. McDonald's global system is comprised of both McDonald's-owned and franchised restaurants with more than 80% of McDonald's restaurants owned and operated by independent franchisees.
 - for the Target: the Target business includes over 2,000 McDonald's restaurants in Mainland China and Hong Kong.
3. After examination of the notification, the European Commission has concluded that the notified operation falls within the scope of the Merger Regulation and of paragraph 5(a) of the Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No 139/2004.⁴
4. For the reasons set out in the Notice on a simplified procedure, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission
(signed)
Johannes LAITENBERGER
Director-General

⁴ OJ C 366, 14.12.2013, p. 5.