



Jan. 24, 2011

Noemi Flores
Senior Counsel
McDonald's Corporation
One McDonald's Plaza
Oak Brook, IL 60523-1928

Dear Ms. Flores:

As You Sow is pleased that the company has verbally indicated its intent to take several positive, substantive steps in response to our concerns about use of polystyrene foam-based beverage cups and lack of a comprehensive recycling policy for on-site beverage and food containers. We would prefer to have written assurance of these steps, but given a history of trust and mutual respect that has characterized our past interactions, we are willing to take the company's word at this time and withdraw the proposal.

As You Sow agrees to withdraw the shareholder proposal filed for 2012 asking for a report on these issues if the company agrees to scheduled good faith dialogue on the issues presented in the proposal. We ask the company to agree to a schedule of update calls every other month during the first half of 2012 (January, March, May); then quarterly calls during the second half of 2012. We may alter this schedule as appropriate if both parties agree.

The issues include development of beverage container and packaging recycling goals, use of recycled content in cups and the relative environmental impact of different types of beverage containers. The dialogue also includes commitments discussed by the company such as testing use of paper cups instead of foam cups at 1500 U.S. West Coast restaurants, and development of a comprehensive company Waste program including new executive positions to deal with post-consumer packaging issues. Our discussions have also included extended producer responsibility mandates and working with industry peers on these issues.

Sincerely,

Conrad MacKerron
Senior Director
Corporate Social Responsibility Program