

**Council of Better Business Bureaus
Children's Food and Beverage Advertising Initiative
McDonald's USA Support**

Entity Covered by Pledge: McDonald's USA, LLC ("McDonald's")
1 McDonald's Plaza
Oak Brook, IL 60523

Name of Person(s) Responsible for Overall Implementation of the Pledge:
Neil Golden, Vice President of Marketing, McDonald's USA

Brand/Product Line Covered by Pledge: McDonald's Food and Beverages

McDonald's believes that it can play a role in helping our customers achieve a balanced, active lifestyle. McDonald's is pleased to offer a variety of menu options for our customers. To that end, we continually evaluate our menu, looking for ways to serve the products that fit into our customers' lives. For example, our expanded menu choice means that we offer hamburgers, chicken, apple slices, fruit and yogurt parfaits, and salads, as well as water, apple juice, milk, orange juice and iced tea.

We also provide information to help our customers achieve their well-being goals. Our website, tray liners, brochures, toll-free hotline, and much of our food packaging, including Happy Meal® packaging, contain nutrition information about our products. Our Happy Meal packaging also includes well-being messages and activities.

McDonald's is proud of our long heritage of responsible communication with our customers, especially children, and continues to play a leadership role in the development of standards that govern advertising for children and adults. McDonald's is an active member of the Children's Advertising Review Unit ("CARU") Supporter's Council and participates in the CARU self-regulatory program.

In November 2006, McDonald's announced its support of the Council of Better Business Bureaus ("CBBB") Children's Food and Beverage Advertising Initiative ("CFBAI") that was developed by an industry task force whose members included McDonald's and other food companies.

McDonald's is pleased to present our support of this initiative. Because McDonald's updates its business practices as appropriate, from time to time, we may amend our support, in consultation with the CBBB, upon 30 days written notice to the CBBB.

McDonald's Pledge:

Advertising Messaging.

100% of McDonald's National Advertising¹ primarily directed to children under 12 years old² will further the goal of healthy dietary choices by advertising products that represent healthy dietary choices. McDonald's will achieve this objective by only featuring in National Advertising³ primarily directed to children under 12 years old meals that meet the following nutritional criteria: the advertised meal must provide no more than 600 calories; and no more than 35% of calories from fat, 10% of calories from saturated fat, and 35% total sugar by weight ("Advertised Meal"). The Advertised Meal will either be a 4 piece Chicken McNuggets® Happy Meal with low fat white milk and apple dippers with low-fat caramel dip or a Hamburger Happy Meal with low fat white milk and apple dippers with low-fat caramel dip. Currently, the Advertised Meal is the 4 piece Chicken McNuggets® meal. Nutritional information for these meals is detailed in Appendix A.

In addition, McDonald's will distribute advertising that prominently includes "healthy lifestyle messages" designed to appeal to children. Exhibit B sets forth examples of such advertising.

By type of media, McDonald's support of the CFBAI will be as follows:

- Television. All McDonald's National Advertising on television primarily directed to children under 12 years old will feature the Advertised Meal. In addition, some of McDonald's National Advertising will promote "healthy lifestyle messages".
- Radio. All McDonald's National Advertising on radio primarily directed to children under 12 years old will feature the Advertised Meal.
- Print. McDonald's generally does not utilize print media in its National Advertising primarily directed to children under 12 years old.

¹ "National Advertising" shall include any commercial message paid for and approved by McDonald's USA and its affiliates, in television, radio, print or internet that is disseminated to all or a substantial portion of the United States. National advertising does not include point of sale materials (i.e., menus, tray liners, kiosks, signs, food wraps, boxes, bags, packages).

² Advertising primarily directed to children under 12 years old means: 1) media purchased according to Nielsen standard demographics for audiences under 12 for television and internet and media purchased according to Arbitron standard demographics for audiences under 12 for radio; or 2) media purchased for any program or website where the audience generally consists of 30% or more of children under the age of 12 years.

³ Measured in gross rating points at the time the advertising is purchased, for successive one-year calendar periods beginning January 1, 2008.

- Third-Party Internet. All food in McDonald's National Advertising on third party internet sites primarily directed to children under 12 years old will be the Advertised Meal.
- McDonald's - Owned Websites. All food on pages of McDonald's owned websites that are primarily directed to children under 12 years old will be the Advertised Meal. In addition, McDonald's will distribute materials on its websites that prominently include "healthy lifestyle messages".

IMPLEMENTATION SCHEDULE: McDonald's commitment is effective starting January 1, 2008.

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Use of Licensed Characters. McDonald's will limit its use of third-party licensed characters in paid advertising primarily directed to children under 12 to the promotion of "healthy dietary choices." ⁴ McDonald's will limit its use of third-party licensed characters on McDonald's owned websites primarily directed to children under 12 to the promotion of "healthy dietary choices" or "healthy lifestyle messages." McDonald's intends to accomplish this objective by utilizing licensed characters primarily in conjunction with the Advertised Meal or the components of that meal.

IMPLEMENTATION SCHEDULE: McDonald's commitment is effective starting January 1, 2008.

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Product Placement. McDonald's will not pay for or actively seek to place its food or beverage products in the program/editorial content of any medium primarily directed to children under 12 years old for the purpose of promoting the sale of those products.

IMPLEMENTATION SCHEDULE: McDonald's commitment is effective starting January 1, 2008.

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Use of Products in Interactive Games. In any interactive game primarily directed to children under 12 years old where McDonald's food or beverage products are incorporated into the game, the interactive game will incorporate or be accompanied by products representing "healthy dietary choices" or "healthy lifestyle messaging" as defined by the CFBAI.

⁴ As stated in the CFBAI principles document, this does not apply to the use of licensed characters on packaging, provided the packaging does not appear in advertising directed to children under 12.

IMPLEMENTATION SCHEDULE: McDonald's commitment is effective starting January 1, 2008.

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Advertising in Schools. McDonald's will not advertise food or beverage products in elementary schools. However, McDonald's provides educators with curriculum materials and activities that address children's well-being.⁵

IMPLEMENTATION SCHEDULE: McDonald's commitment is effective starting January 1, 2008.

⁵ As stated in the CFBAI principles document, this limitation will not apply to displays of food and beverage products, charitable fundraising activities, public service messaging, or items provided to school administrators.

Appendix A

Supporting Data For Healthy Dietary Choices

A. THE ADVERTISED MEAL

4-piece Chicken McNuggets Happy Meal, including Apple Dippers, Low Fat Caramel Dip and a Jug of 1% low fat white milk or Hamburger Happy Meal, including Apple Dippers, Low Fat Caramel Dip and a Jug of 1% low fat white milk.

B. INGREDIENT LISTS

Chicken McNuggets®:

White boneless chicken, water, food starch-modified, salt, chicken flavor (autolyzed yeast extract, salt, wheat starch, natural flavoring (botanical source), safflower oil, dextrose, citric acid, rosemary), sodium phosphates, seasoning (canola oil, mono- and diglycerides, natural extractives of rosemary). Battered and breaded with: water, enriched flour (bleached wheat flour, niacin, reduced iron, thiamin mononitrate, riboflavin, folic acid), yellow corn flour, food starch-modified, salt, leavening (baking soda, sodium acid pyrophosphate, sodium aluminum phosphate, monocalcium phosphate, calcium lactate), spices, wheat starch, whey, corn starch. Prepared in vegetable oil ((may contain one of the following: Canola oil, corn oil, soybean oil, hydrogenated soybean oil, partially hydrogenated soybean oil, partially hydrogenated corn oil with TBHQ and citric acid added to preserve freshness), dimethylpolysiloxane added as an antifoaming agent). CONTAINS: WHEAT AND MILK

Apple Dippers:

Apples, calcium ascorbate (a blend of calcium and vitamin C) to maintain freshness and color.

Low Fat Caramel Dip:

Corn syrup, sweetened condensed whole milk, high fructose corn syrup, water, butter (cream, salt), sugar, salt, disodium phosphate, artificial flavors (vanillin, ethyl vanillin), caramel color, pectin, potassium sorbate (preservative). CONTAINS: MILK

1% Low Fat Milk Jug:

Low fat milk, vitamin A palmitate, vitamin D3. Contains 25% of the Daily Value of vitamin D.

Hamburger:

Beef Patty: 100% pure USDA inspected beef; no additives, no fillers, no extenders. Prepared with grill seasoning (salt, black pepper).

Regular Bun: Enriched flour (bleached wheat flour, malted barley flour, niacin, reduced iron, thiamin mononitrate, riboflavin, folic acid), water, high fructose corn syrup, yeast, partially hydrogenated soybean oil, soybean oil, canola oil, contains 2% or less of each of the following: salt, wheat gluten, calcium sulfate, soy flour, ammonium sulfate, calcium carbonate, calcium phosphate, monocalcium phosphate, ammonium chloride, baking soda, sorbic acid, deactivated dry yeast, dough conditioners (may contain one or more

the following: distilled monoglycerides, DATEM, sodium stearoyl lactylate, calcium peroxide, ascorbic acid, azodicarbonamide, mono- and diglycerides, enzymes, guar gum), calcium propionate & sodium propionate (preservatives), soy lecithin. CONTAINS: WHEAT AND SOY.

Ketchup: Tomato concentrate from red ripe tomatoes, distilled vinegar, high fructose corn syrup, water, corn syrup, salt, natural flavors (vegetable source).

Mustard: Distilled vinegar, water, mustard seed, salt, turmeric, paprika, spice extractive.

Pickle Slices: Cucumbers, water, distilled vinegar, salt, calcium chloride, alum, potassium sorbate (preservative), natural flavors (plant source), polysorbate 80, extractives of turmeric (color).

Onions: Chopped onions.

C. PRINCIPLES GOVERNING McDONALD'S PRODUCTS ADVERTISED TO CHILDREN UNDER 12 YEARS OF AGE

As part of its commitment to the Council of Better Business Bureaus Children's Food and Beverage Advertising Initiative, McDonald's pledges that it will limit its National Advertising to children under 12 for McDonald's food to responsibly portioned meals limiting fat, saturated fat, and total sugars. That is, the Advertised Meal will provide:

- No more than 600 calories per meal;
- No more than 35 percent of calories from fat;
- No more than 10 percent of calories from saturated fat; and,
- No more than 35 percent total sugars by weight.

1. McDonald's Principles Are Consistent With Dietary Guidelines.

The Dietary Guidelines for Americans 2005 ("Dietary Guidelines") provide science-based advice to promote health and reduce risk of major chronic diseases through diet and physical activity.⁶ The Dietary Guidelines provide guidance on total calorie intake levels for various population groups. The Dietary Guidelines also recommend overall limits on fat, saturated fat, and sugar. We have looked at the Dietary Guidelines as a primary source of our internal nutrition standards.

For example, the Dietary Guidelines recommend a calorie range for "sedentary," "moderately active" and "active" boys and girls ages 4 through 13 years of 1,200 – 2,600 calories per day. McDonald's restaurants and meals appeal to a range of families and their children. Consequently, for purposes of this pledge, we have established as our internal benchmark an average total daily caloric intake for children 4 – 8 and 9 - 13 years old of 1800 calories (reflecting an average of recommended calorie limits for all

⁶ For a complete copy of the Dietary Guidelines for Americans 2005, go to www.healthierus.gov/dietaryguidelines.

age groups across all activity levels of boys and girls 4 – 13 based on the Dietary Guidelines).

The Dietary Guidelines recommend that children between the ages of 4 and 18 years should limit their calories from fat to no more than 35 percent of their daily diet. In addition, the Guidelines recommend a ceiling of 10 percent of calories from saturated fat for all Americans. With respect to sugars, the Dietary Guidelines recommend that added sugars be “kept to a minimum.”

McDonald’s principles for the Advertised Meal are consistent with the Dietary Guidelines. The McDonald’s limits on fat and saturated fat (35 percent and 10 percent of calories, respectively) track the specific recommendations set forth in the Guidelines. McDonald’s 35 percent by weight limitation on total sugars ensures a relatively minimal level of added sugars. Significantly, the McDonald’s meals meeting the fat and calorie limitations of the principles invariably derive most of their sugars from foods in which sugar is naturally present, *i.e.*, milk and fruit. The 600 calorie limitation imposed by the McDonald’s limitations ensures that the Advertised Meal does not contribute more than 1/3 of the average total calories children should consume.

2. McDonald’s Principles Are Consistent With the Government Standards.

Responding to the growing concern about obesity in school children in the United States, the United States Department of Agriculture has called on schools to take a leadership role in helping students make healthy eating and active lifestyle choices. The agency has established the HealthierUS School Challenge, which, among other things, provides specific Criteria for Sales/Service of À La Carte and/or Vended Items sold at schools during the school day.⁷ Those criteria expressly incorporate the “35-10-35” criteria as a “catch-all” standard for a la carte and vended items sold at elementary schools. In the absence of general standards for meal-type products, we are applying the “35-10-35” standard to the combination of items McDonald’s sells as a meal. We note that the HealthierUS School Challenge program also sets a general calorie limit of 200 calories for à la carte and vended items. We have considered this limit in adopting as our internal standard a 600 calorie limit for a children’s meal, based on an average 1800 calorie daily diet.

The Advertised Meal consists of an “entrée” or “main dish,” a “side dish” or “dessert,” and a “beverage.” The Advertised Meal will, in its entirety, meet the “35-10-35” criteria for fat, saturated fat, and total sugars. And, at 600 calories or less, the Advertised Meal is consistent with the 200 calorie limit per item provided in the HealthierUS School Challenge program.

3. McDonald’s Principles Are Consistent With Portion Control.

The Advertised Meal constitutes “portion control,” because it provides the three elements of a meal in a constant format subject to an overall calorie limitation. By limiting the total calories of the Advertised Meal to 600 this ensures that the meal does not contribute more than 1/3 of the 1800 total calories children should consume in a day.

⁷ For a complete copy of the HealthierUS School Challenge, go to teammnutrition.usda.gov/HealthierUS/index.html.

D. THE ADVERTISED MEAL MEETS THE PRINCIPLES.

The Advertised Meal is either a 4-piece Chicken McNuggets® Happy Meal, including Apple Dippers, Low Fat Caramel Dip, and a 236 ml “Jug” of 1% low fat milk or the Hamburger Happy Meal, including Apple Dippers, Low Fat Caramel Dip and a 236 ml “Jug” of 1% low fat milk.

The following chart sets forth the nutritional values of the McNuggets Advertised Meal:

FOOD ITEM	WEIGHT	CALORIES	FAT/FAT CALORIES	SAT FAT/SAT FAT CALORIES	SUGARS	SODIUM
4-piece CHICKEN MCNUGGETS®	64g	170	10g/90	2g/18	0g	450mg
APPLE DIPPERS	68g	35	0g/0	0g/0	6g	0mg
LOW FAT CARAMEL DIP	21g	70	.5g/5	0g/0	9g	35mg
1% LOW FAT MILK	249g	100	2.5g/20	1.5g/14	12g	125mg
TOTAL	402g	375	13g/115	3.5g/31.5	27g	610mg

The McNuggets Advertised Meal meets the requirements of the nutritional principles outlined in McDonald’s pledge. Specifically:

- Approximately 31 percent of the total calories are derived from fat;
- Approximately 8 percent of total calories are derived from saturated fat;
- Approximately 7 percent of the total weight of the product is made up of sugars;
- The total calories provided by the meal are 375.

Accordingly, the Advertised Meal meets the “35-10-35” criteria and is well under 600 calories.

The following chart sets forth the nutritional values of the Hamburger Advertised Meal:

FOOD ITEM	WEIGHT	CALORIES	FAT/FAT CALORIES	SAT FAT/ SAT FAT CALORIES	SUGARS	SODIUM
HAMBURGER	100g	250	9g/80	3.5g/31	6g	520mg
APPLE DIPPERS	68g	35	0g/0	0g/0	6g	0mg
LOW FAT CARAMEL DIP	21g	70	.5g/5	0g/0	9g	35mg
1% LOW FAT MILK	249g	100	2.5g/20	1.5g/14	12g	125mg
TOTAL	438g	455	12g/105	5g/45	33g	680mg

The Hamburger Advertised Meal meets the requirements of the nutritional principles outlined in McDonald's pledge. Specifically:

- Approximately 23 percent of the total calories are derived from fat;
- Approximately 10 percent of total calories are derived from saturated fat;
- Approximately 8 percent of the total weight of the product is made up of sugars;
- The total calories provided by the meal are 455.

Accordingly, the Advertised Meal meets the "35-10-35" criteria and is well under 600 calories.

Appendix B

Examples of Healthy Lifestyle Messaging

The following are current examples of McDonald's advertising that prominently includes "healthy lifestyle messages" designed to appeal to children. Since McDonald's advertising changes over time, these messages will also change over time.

A. INNOVATIVE WEBSITE

We recently updated our www.happymeal.com website for children in connection with our Shrek the Third and Surf's Up promotions. Focused on educating kids about the importance of their well-being and empowering them to get active, the website uses innovative technology to encourage children to engage in physical activity by rewarding them with access to fun on-line content. The site allows kids to log their offline physical activities, track their progress with children from around the world and earn energy points redeemable for digital downloads such as unique animations. Visit www.happymeal.com to see the site content.

B. RONALD McDONALD VIGNETTES

McDonald's has created three vignettes featuring Ronald McDonald that encourage kids to engage in physical activity. The vignettes are titled: 1) "Soccer"; 2) "You and I"; and 3) "Birthday Boogie". These vignettes are played during programming targeted to children under 12 years old. We provided the CBBB with copies of the vignettes.

C. WILLIE MUNCHRIGHT

McDonald's created a unique vignette based on the "Willie Munchright" characters that encourages kids to choose a balanced diet. This fun and colorful vignette is played during programming targeted to children under 12 years old. We provided the CBBB with a copy of the Willie Munchright vignette.