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MESSAGE FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

In 2011 we celebrated 40 years of McDonald's in Australia. This milestone has given us the opportunity to reflect on our achievements over that time and marvel at the changes in our business and in our customers' expectations and attitudes.

With lattes, wraps, salads and muffins now popular menu items, the food range Australians enjoy at McDonald's has changed significantly in the last forty years. Traditional favourites such as the Big Mac and Cheeseburger remain as popular as ever but Australians' appetite for variety continues to grow. This year we introduced lamb to the menu to offer even more options for our customers.

In recent years the community has increasingly come to expect transparency and open, two-way communication from businesses. We've learned that without it myths and rumours have the potential to abound.

Today we are focused on being transparent and asking for feedback. This Corporate Responsibility and Sustainability Report is one of the ways in which we regularly do this. This year we were also excited to take a new approach to opening up our business to public scrutiny. We commissioned an independent production company to produce a 'behind the scenes' television documentary about our operations. 'McDonald's Get's Grilled' screened to over a million viewers in April and I think it quashed some of the popular myths about our food supply and cooking procedures. We are proud of our business, and confident that giving our customers and other stakeholders a greater insight into our operations can only improve our relationship with them.

Our commitment to giving back to the community has not changed over the past 40 years. 'Giving back' by business

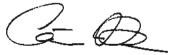
to the community was rare in the seventies and community groups were often surprised by our desire to help. Now, quite rightly, customers expect their favourite brands to be contributing to our society and giving something back to the communities in which they operate. Between our franchisees and the corporate business, hundreds of millions of dollars have been donated to sporting groups, charities and community organisations over the past 40 years.

McDonald's was a founding partner of lan Kiernan's Clean up Australia Day in the eighties, but even with this interest in looking after our environment I don't think the business back then would have ever expected our current focus on operating sustainably. So much has changed - our packaging, our use of electricity and water, our building materials and our waste disposal - and we keep on improving.

Our current focus is on recycling waste and building our restaurants from sustainable materials. They are exciting new developments and I know that there are more to come. This continues to be an area of opportunity and focus for us.

McDonald's success over the past 40 years is entirely due to our people – our crew, restaurant managers, franchisees and corporate employees. Some of these people have been part of the McDonald's team for a good portion of these 40 y ears – myself included – and for many others McDonald's has been a platform from which to launch their careers in all types of industries. Our 40th anniversary provided the impetus to look up people who began their careers with us and see how their McDonald's training helped launch their careers. We've been proud to see the range of people who can attribute some of their career success to the start they received in a McDonald's restaurant.

Thank you for your interest in McDonald's - and we look forward to the next 40 years.



Catriona Noble
Managing Director and Chief Executive Officer