

Barclays Global Consumer Staples Conference

September 8, 2015

Emmanuel FABER, CEO



DANONE



DISCLAIMER



DANONE

This document contains certain forward-looking statements concerning Danone. Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the section “Risk Factors” in Danone’s Registration Document (which is available on www.danone.com). Danone undertakes no obligation to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy DANONE shares.

This document refers to financial indicators that are not defined by IFRS. For a detailed description of these indicators, please refer to the section “Financial indicators not defined in IFRS” of the press releases on its results published by Danone (which are available on www.danone.com).

Due to rounding, the sum of values presented in this document may differ from totals as reported. Such differences are not material.

H1 2015 HIGHLIGHTS - SOLID FINANCIAL RESULTS



TOPLINE

+8.8%

+4.6%
Like-for-like

MARGIN^[1]

12.12%
+85 bps

+53 bps
Like-for-like

EPS^[2]

€1.37
+18.5%

+6.8%
Like-for-like

^[1] Trading operating margin

^[2] Underlying fully diluted earnings per share

H1 2015 KEY ACHIEVEMENTS



OPTIMIZE

- Dairy Europe continued portfolio optimization
- CIS optimization

INVEST

- Dairy additional reinvestment
- Innovations to develop categories



BUILD

- New organization design
- Stronger model in ELN China

NURTURE

DANONE
2020^{*}

2015 - A STEP TOWARDS 2020



2014

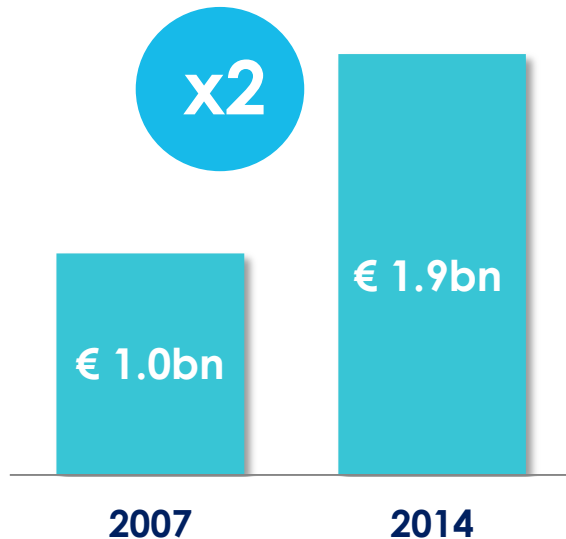
2015



GROW THE DANONE PLATFORM IN THE US



US total sales evolution



Lead yogurt category development



Expand Evian



Develop medical business



> +5% growth in 2014

Share expertise to win together



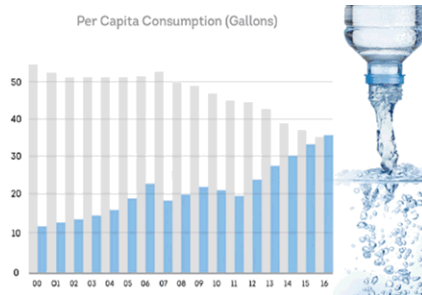
US WATERS: A TRANSFORMATION JOURNEY TO EXPAND EVIAN ON THE IMPORTED PREMIUM WATER MARKET



In a fast growing market driven by a shift towards healthier hydration...

... evian has set the conditions for regaining competitiveness,

2016:
Bottled Water* PCC >
Carbonated Soft Drinks PCC



*including bulk/jug water but not HOD

Premium water market: +17%



a new distribution system leveraging our scale and city focused activation...

...to win in selected key playgrounds and channels



Walgreens

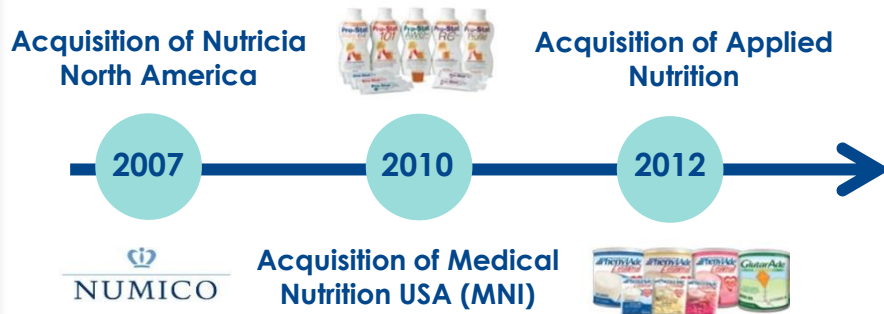


US MEDICAL NUTRITION: LEADING NICHE PLAYER IN MEDICAL FOOD



Expand our business step by step

Focus on disease-specific categories



Specialized Pediatric Nutrition (GI/Allergy)



Metabolic Nutrition



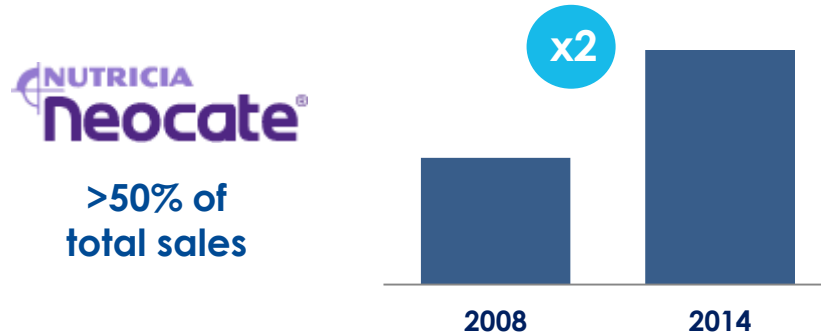
Specialized Adult Nutrition



Ped Epilepsy



Strong sales evolution driven by innovations and new therapeutic areas



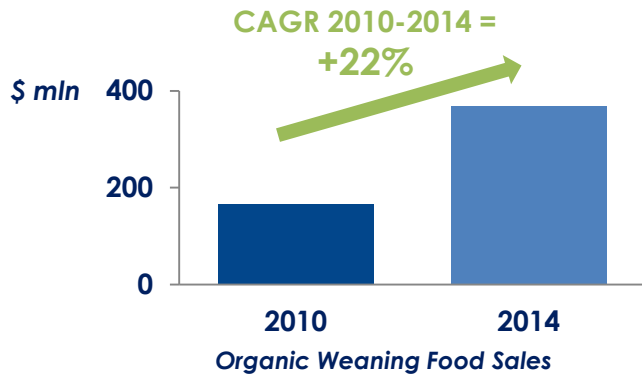
US EARLY LIFE NUTRITION: DEVELOP THE ORGANIC PLATFORM WITH HAPPY FAMILY



Organic over-performing in the Weaning Baby Food category

Strengthen our uniqueness within the organic baby food market

Organic = 20% of total Weaning Food category



>+20%

Fastest growing baby food brand in Q2



#1

Brand in Natural Channel

>20%

Market share of Organic Weaning Food category

Develop a differentiated portfolio

Brand refresh

Focus on innovations



GROW THE DANONE PLATFORM IN THE US



Lead yogurt category development



Expand Evian



Develop medical business

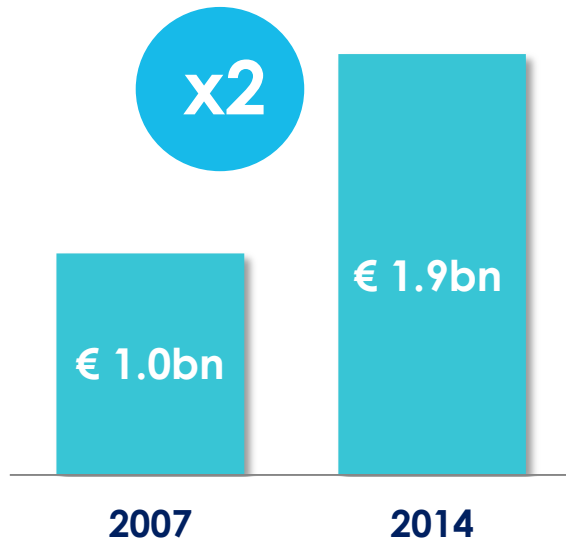


> +5% growth in 2014

Share expertise to win together



US Total sales evolution



FRESH DAIRY PRODUCTS: PILLARS FOR DANNON'S FUTURE GROWTH



Continue building the right portfolio



Leverage channel dynamics

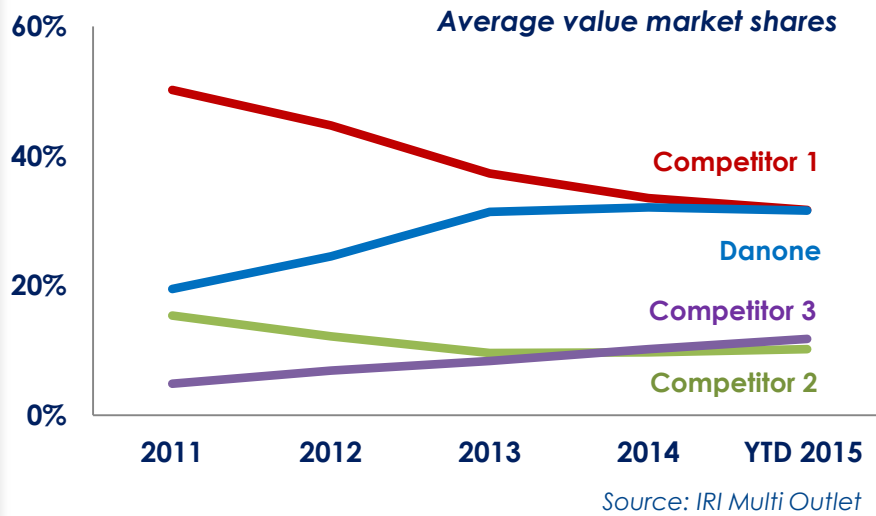


Lead growth of the category

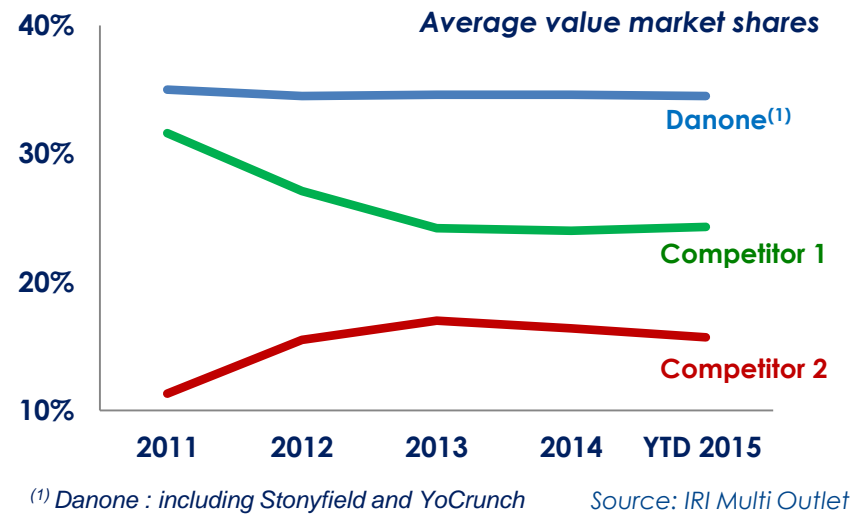
DANONE AS A STRONG LEADER



Co-leadership of the Greek segment



Consolidated leadership of the yogurt category



INNOVATIONS : MEET NEW MOMENTS OF CONSUMPTION AND DEVELOP NEW SEGMENTS



Light&Fit Protein Shake: Address untapped needs



Danimals Squeezables: Support kids segment



YoCrunch: Enjoy yogurt differently

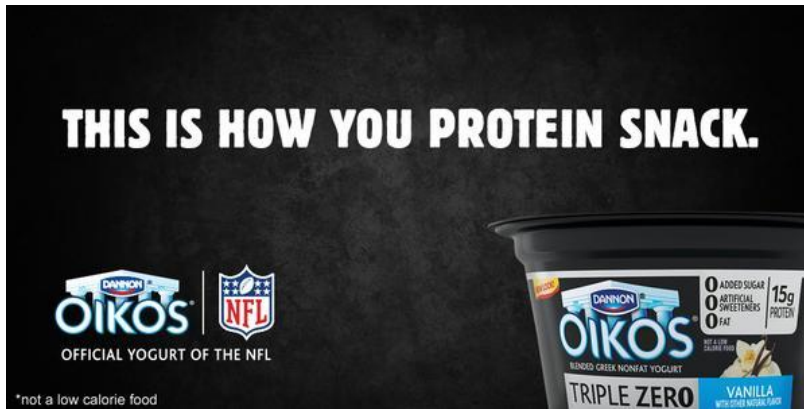


OIKOS TRIPLE ZERO: KEEP GROWING THE GREEK CATEGORY



New formula within the Greek segment

Greater differentiation transitioning Triple Zero to black packaging



0 **0** **0**
ADDED SUGAR* ARTIFICIAL SWEETENERS FAT

> +15% increase
on velocities since last May

*not a low calorie food

STONYFIELD: DRIVE NATURALITY THROUGH ORGANIC



Push Baby & Kids segment through innovations & partnerships

Benefit from the rise of the « whole milk » trend on Adults segment

Innovations



Large format development



Partnerships



New multi-layer product



Certified Organic



FRESH DAIRY PRODUCTS: PILLARS FOR DANNON'S FUTURE GROWTH



Continue building the right portfolio



Leverage channel dynamics



Lead growth of the category

ENGAGE RETAILERS IN OUR GROWTH AGENDA

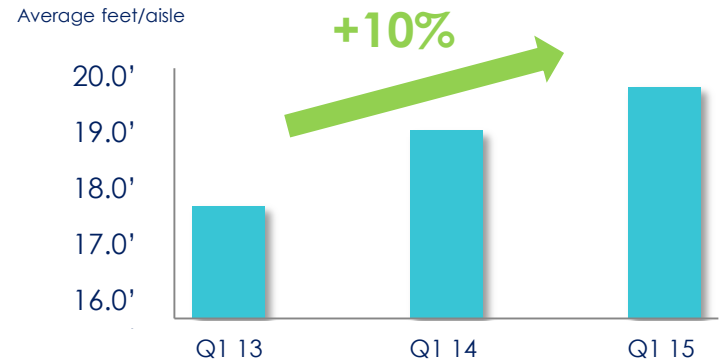


Reinvent our retail approach

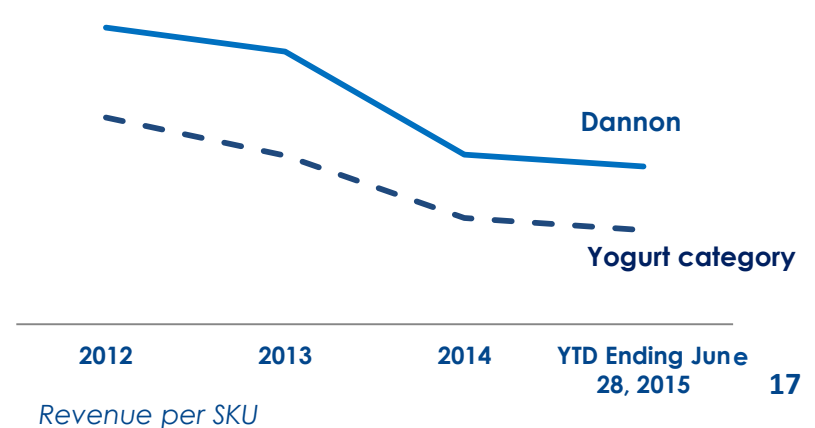
Build a proximity model of the organization



Grow category aisle space...



...and optimize shelf



ENHANCE LOCAL US PARTNERSHIPS TO SUPPORT CATEGORY GROWTH



From Starbucks stores to grocery stores

A breakthrough multi-brands platform for NFL sponsorship

Extend partnership to thousands of grocery stores nationwide



Dedicated digital advertising campaign



FRESH DAIRY PRODUCTS: PILLARS FOR DANNON'S FUTURE GROWTH



Continue building the right portfolio



Leverage channel dynamics



Lead growth of the category

YOGURT: A STILL PROMISING CATEGORY



The food trend of the decade



Money

Yogurt cultivating unprecedented popularity

By Bruce Baskin, USA TODAY

Got yogurt? If not, odds are you will. Seems like just about every new product has at least a spoonful of yogurt in it these days—from cereal to toothpaste to pet food.

A new Life cereal capitalizes on the popularity of yogurt.

Dannon says its Activia yogurt can improve digestive health.

"It's the food of the day," says Harry Balzer, food guru at researcher NPD Group. "In the 20 years we've done research, only pizza has such broad appeal" among men, women and children.

Yogurt's Popularity Expands from Home to Foodservice Outlets, Reports NPD SupplyTrack®

Sales Shipped Reaching Double-Digit Growth

December 9, 2013 — Yogurt is a food celebrity and not only has the dairy delicacy compared increasing real estate at retail, in schools and lunch bags, it's now a double-digit growth category for many foodservice operators, including colleges/universities, healthbars, recreation, and eating and drinking establishments, reports the NPD Group, a leading global information company.

The volume of yogurt shipped through broadline foodservice distributors to foodservice outlets grew 10 percent and units by 7 percent in the year ending September 2013 compared to a year ago, according to NPD's SupplyTrack, which is the first tracking service that codes, aggregates, and tracks every product shipped from a critical mass of leading broadline distributors to their foodservice operation.

Use of yogurt shipped to colleges/universities increased by more than 11 percent. In addition to its growth at schools and so, total dollars of yogurt shipped to hospitals/healthbars, eating and drinking establishments, government recreation, and education also increased by double-digits in the year ending September compared to year ago, according to SupplyTrack, which also tracks information on categories, brands, items, product attributes, and operator segment.

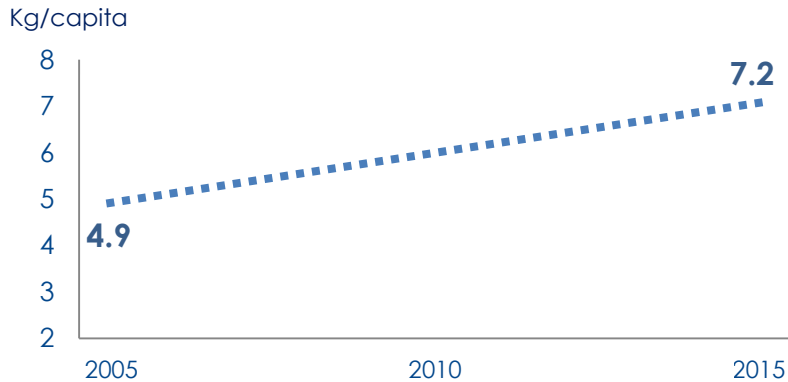
Yogurt is the fastest rate of the category with a double-digit gain in dollar sales and units shipped from broadline distributors to bar outlets. Yogurt types geared to kids realized an almost double-digit increase over a year ago in dollars shipped.

In a good example of how combining the knowledge of a category's market dynamics and performance metrics with consumer flow behavior can be the edge foodservice distributors, manufacturers, and operators need to gain share," says Anne Roberts, senior, NPD SupplyTrack.

A yogurt consumption has more than doubled over the decade, and now nearly one in three individuals eats yogurt, according

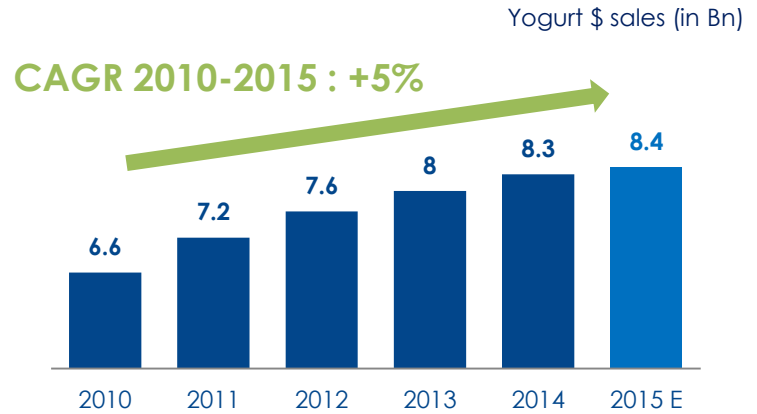


Per Capita Consumption evolution



Source: Euromonitor

A continued growing category



Source: Euromonitor

DEVELOP THE YOGURT CATEGORY TO IMPROVE AMERICANS' NUTRITIONNAL DIET



Encourage Americans to eat yogurt every day



NUTRIENT DENSITY

GOAL: By mid 2016 make the overall Dannon product portfolio even more nutrient dense

nutrient density **+10%**

increase nutrients **↑** VITAMIN D, CALCIUM, POTASSIUM

decrease total **↓** SUGAR, FAT

PROGRESS: We have not advanced on the total nutrient density score due to changes in the mix of products we sell.

REDUCE FAT

GOAL: By mid 2016 reduce the amount of fat in Dannon products, and offer mostly low fat or nonfat options

+75% low fat and nonfat products

PROGRESS: **69%** low fat and nonfat products

REDUCE SUGAR

GOAL: By mid 2016

100% of products for children **≤23g** of total sugar per 6 oz. serving **70%** of products overall

PROGRESS: **90.8%** of products for children **76%** of products overall

RESEARCH & EDUCATION

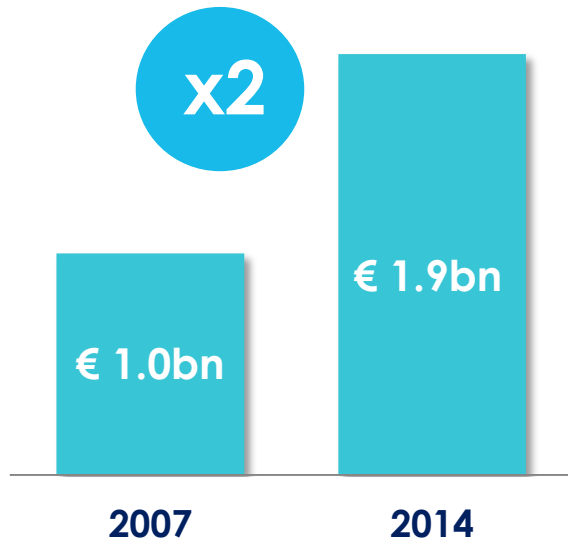
GOAL: **\$3M** worth of investment in nutrition education and research focused on healthy eating habits

PROGRESS: **\$1M** to date through communication, partnerships and research grants

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