



Emmanuel Faber Chief Executive Officer

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DANONE

DISCLAIMER



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.

2014: SOLID PERFORMANCE IN A VOLATILE ENVIRONMENT



	2014 targets announced FY 2013	FY 2014
Sales growth ⁽¹⁾	At least 4.5%	4.7%
Trading operating margin ⁽¹⁾	Stable \pm 20bps	12.59% -12bps
Free cash-flow excluding exceptional items ⁽²⁾	Around €1.5 bn	€1,401 mln

(1) Like-for-like: excludes the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation

(2) Free cash-flow excluding exceptional items: represents free cash-flow before cash-flows related to initiatives that may be taken by the Group to deploy the plan to generate savings and adapt organization in Europe

2014 GEOGRAPHICAL DYNAMICS



DANONE

Weight based on 2014 sales

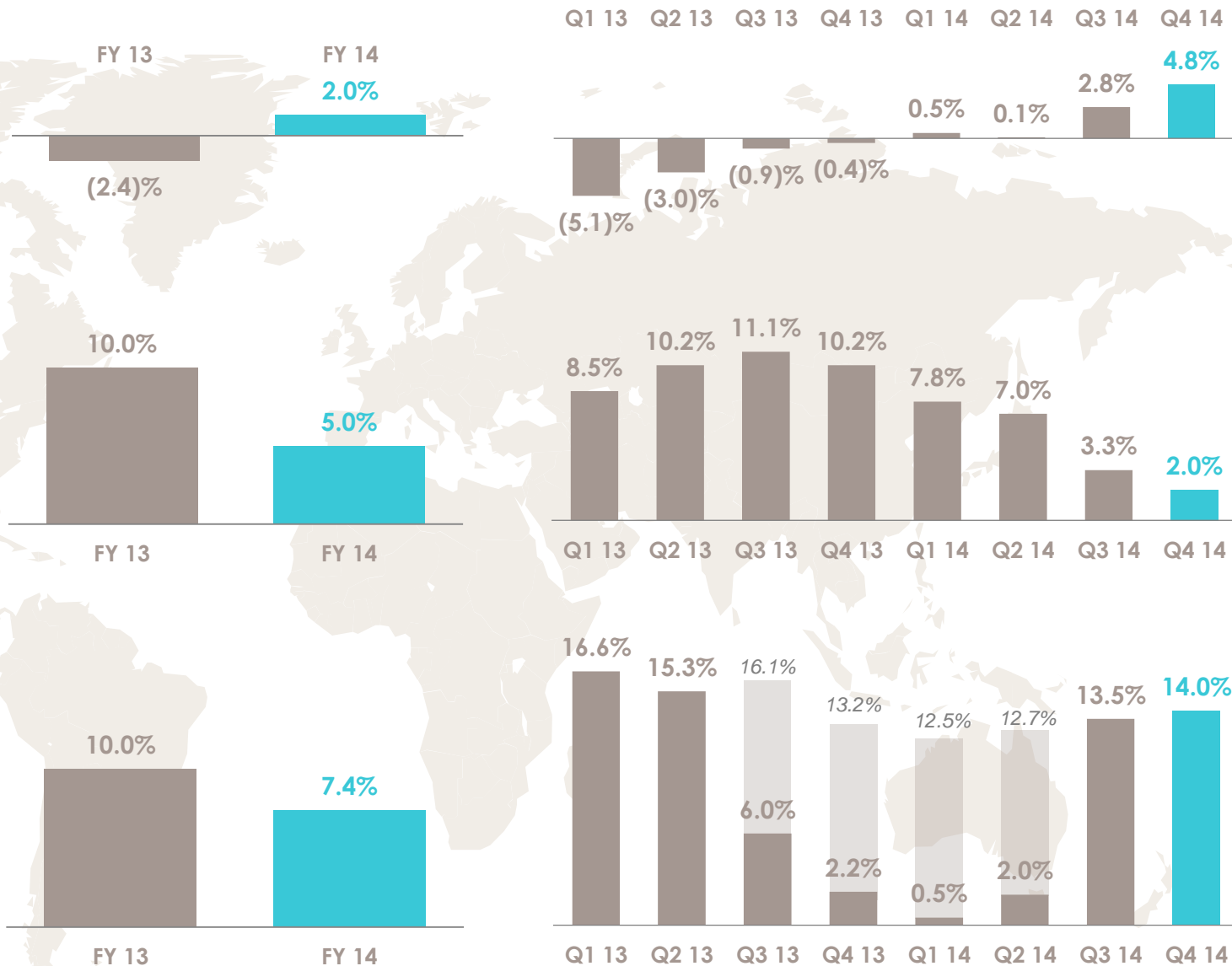
EUROPE
Weight: 40%

NORAM CIS
Weight: 22%

USA+Canada+CIS

ALMA
Weight: 38%

AsiapacLatamMiddleEastAfrica



Actual Excluding 8 recall markets

2015: A FIRST STEP TOWARDS 2020



2014



2015



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2015: ENHANCE OUR STRENGTHS AND KEEP BUILDING A SUSTAINABLE MODEL



OPTIMIZE



Margin

INVEST



BUILD

categories



NURTURE

LIVELIHOODS

danone)communities

2020

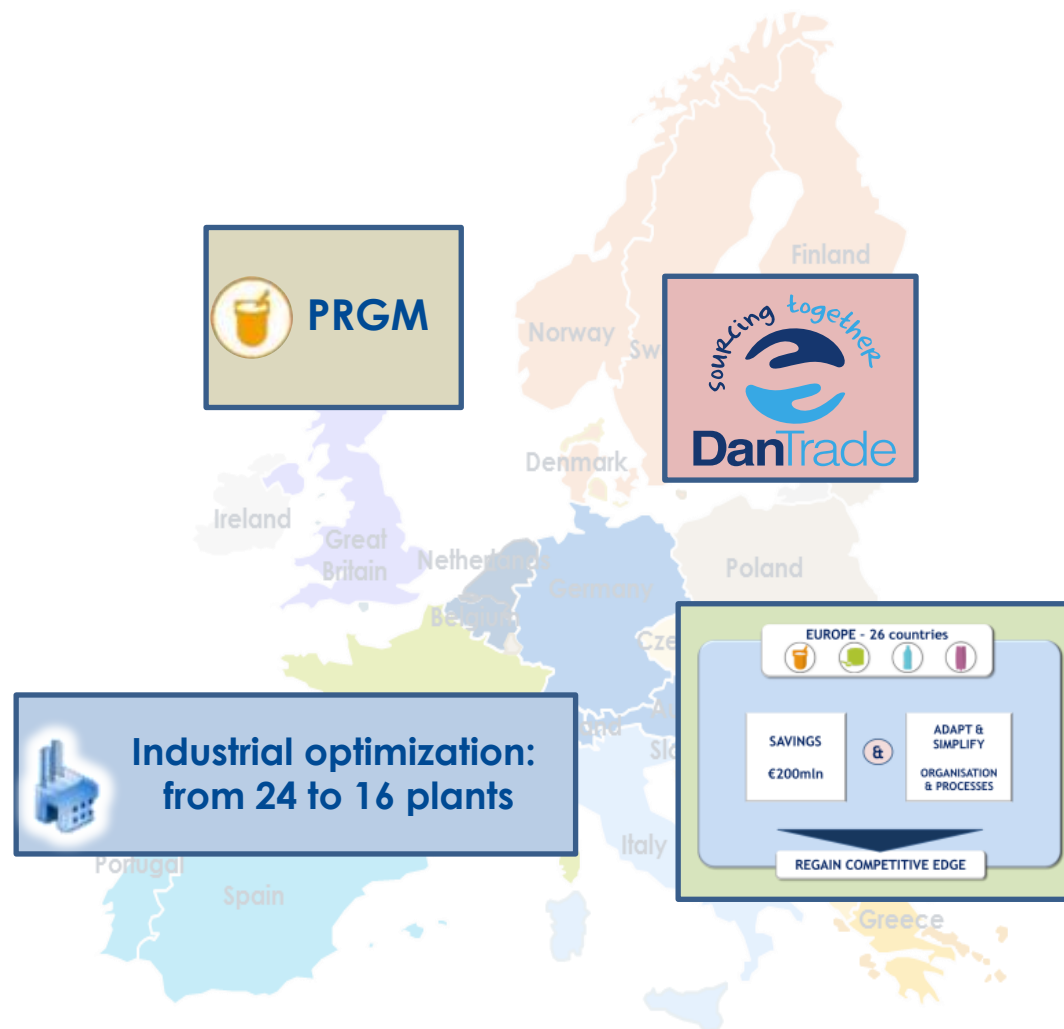
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EUROPE: OUR COMBINED ACTIONS HAVE STARTED TO PAY OFF





KEY TRANSFORMATION INITIATIVES IN EUROPE



2015: ENHANCE OUR STRENGTHS AND KEEP BUILDING A SUSTAINABLE MODEL



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INVEST IN PRODUCT SUPERIORITY



PRODUCT UNIQUENESS

- Recipe reengineering



- Capex for superior packaging



New iconic cup since 2011



La Goutte d'evian :
launched in France in
May 2014

CATEGORY EXPANSION

- Innovations



- Services (examples in Early Life Nutrition)



A&P: STRENGTHEN BRAND EQUITIES



A NEW BRAND AMBASSADOR IN GERMANY

A NEW GLOBAL CAMPAIGN « VOLVIC GIANT »



OIKOS TRIPLE ZERO LAUNCH WITH NFL AMBASSADOR

NUTRILON PRONUTRA LAUNCH IN CHINA WITH GOS/FOS PATENT



INVEST FOR BETTER PRODUCT ACTIVATION



SALES FORCE: INVEST IN EXECUTION

DIGITAL: CLOSER CONSUMER INTERACTIONS



Merging sales forces between Danone Dairy and Mellin to cover all retail channels



Online gaming and e-commerce activation



Mizone blueberry national launch on a dedicated app



Continuous improvement in In-Store execution in a winning « Puma » spirit



Evian Spiderman "The Amazing Baby & Me 2" > 20 mln views on Youtube





Innovating e-commerce activation



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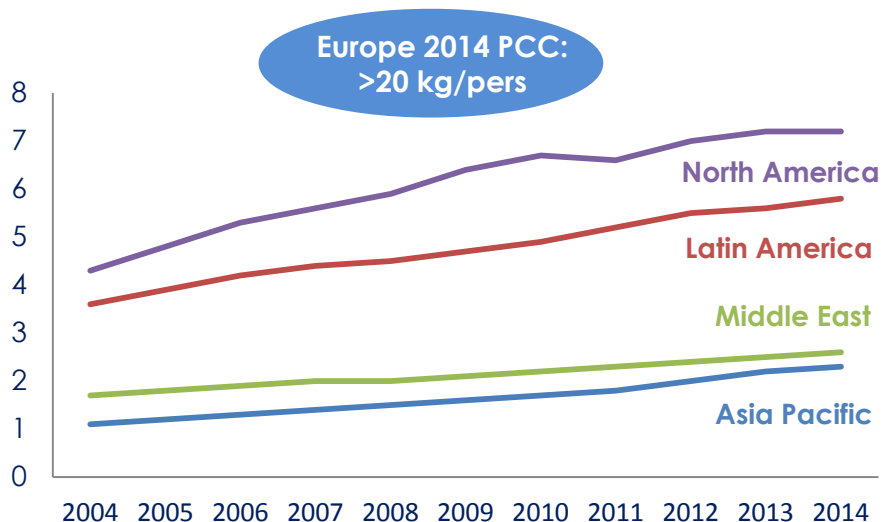


CONTINUE TO BUILD OUR CATEGORIES – FRESH DAIRY PRODUCTS



STILL OPPORTUNITIES TO GROW THE CATEGORY

Yogurt PCC estimates (kg/pers)



Source: Euromonitor

CONTINUING TO DEMONSTRATE YOGURT NUTRITIONAL SUPERIORITY



« Yogurt consumption is associated to a better diet quality and a decreased risk of diet-related diseases such as Diabetes & Overweight »

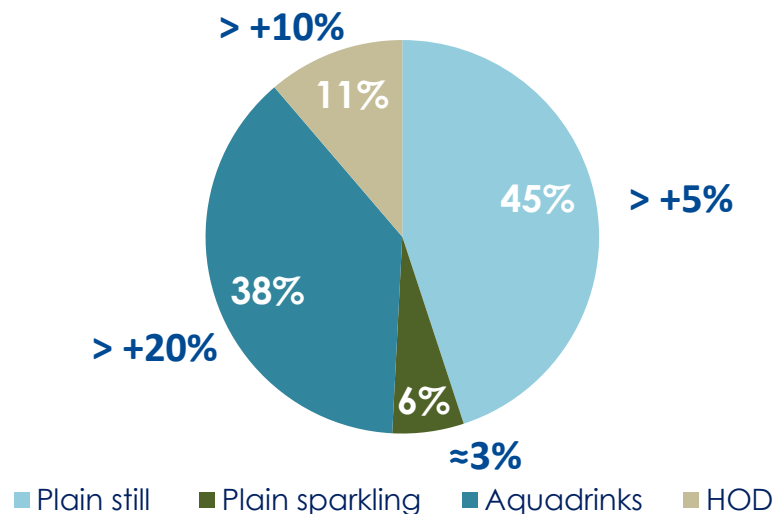
THE RIGHT PRODUCTS ADAPTED LOCALLY



CONTINUING TO BUILD OUR CATEGORIES – WATERS

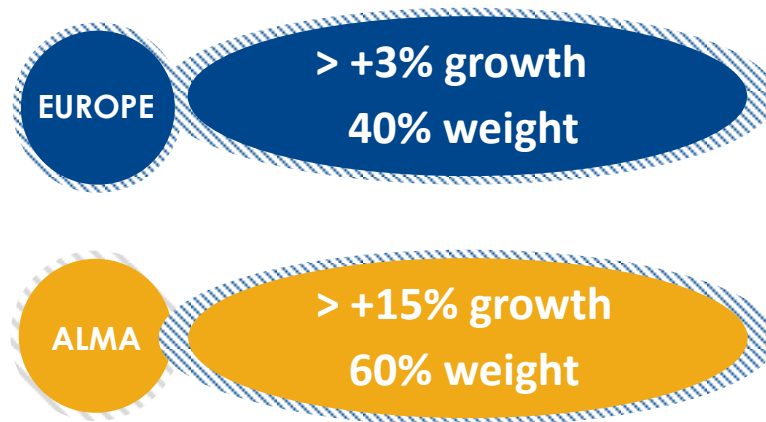
A WELL BALANCED PORTFOLIO

- 2014 total Waters sales split & growth



STRONG GEOGRAPHICAL DYNAMICS

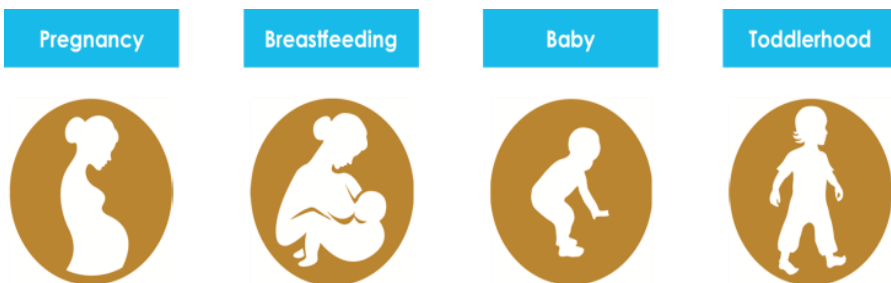
- 2014 sales growth and weight within division



CONTINUING TO BUILD OUR CATEGORIES – EARLY LIFE NUTRITION



ESSENTIAL ROLE OF EARLY LIFE NUTRITION



A KEY FOCUS ON R&D AND SCIENTIFIC EXPERTISE

- Opening a new global research centre in Utrecht



A UNIQUE AND RELEVANT APPROACH TO BABIES

DANONE NUTRIPLANET SURVEYS



- Science-driven innovations adapting to allergy & special needs

x2

Hospital admissions for severe allergic reactions over the last decade in developed countries



CONTINUING TO BUILD OUR CATEGORIES – MEDICAL NUTRITION



STRONG SUPERIOR SEGMENTS

- Paediatric care is driving growth
2014 growth: > +15%



- Metabolic control 2014 growth: > +5%



NEW GEOS TO SUPPORT VOLUME DYNAMICS



Europe ≈ 5% growth



China > 10% growth

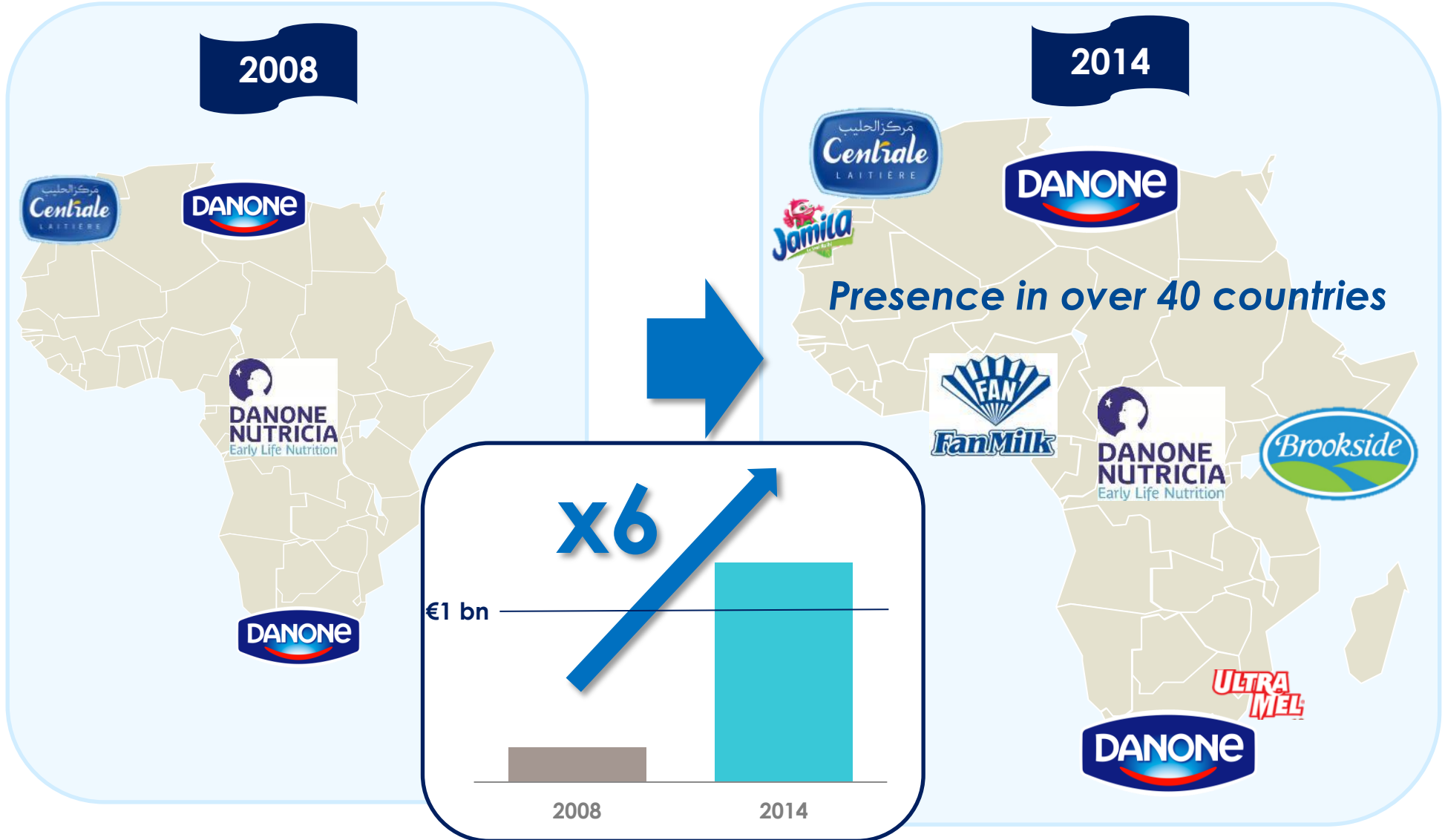


Brazil > 15% growth



Turkey > 30% growth

AFRICA, BUILDING THE PLATFORM



DANONE 2020 AS A GUIDING VISION



BUILD A BACKBONE OF CORE FUNCTIONS



FINAL COMPLETION OF DANONE'S NEW EXECUTIVE COMMITTEE, EFFECTIVE NEXT JUNE



Lorna Davis
Chief Manifesto Catalyst



Pascal De Petrini
Executive Vice-President
Strategic Resource Cycles



- lead the innovative, broad co-creation and company-wide deployment process of Danone 2020
- coordinating the establishment of the Danone Manifesto by Danone teams and people, and local communities the world over,
- maximize the potential of this crowd-sourcing process to foster bottom-up innovation

- *born in South Africa*
- *a life-long experience in the food industry*
- *living and working in 7 countries on all 5 continents*
- *based in Paris*

- support and deliver a transformational agenda to 2020 on the management of the cycles of strategic resources: milk, water and plastics
- design and manage Danone global Sourcing and Supply organizations by 2016
- ExCom sponsor for global Operations (manufacturing and supply)

- *born in Algeria*
- *30 years of experience in the food industry*
- *10 years of cumulated Chinese, Indonesian and Asian experience and an exposure to Middle-East and Africa, in Waters, Early Life Nutrition and Dairy.*
- *based in Singapore*

2015: ENHANCE OUR STRENGTHS AND KEEP BUILDING A SUSTAINABLE MODEL



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danone)communities



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2014 CSR ACHIEVEMENTS: CONTINUING TO BUILD SUSTAINABLE PERFORMANCE



**BRINGING HEALTH
THROUGH FOOD TO
AS MANY PEOPLE AS
POSSIBLE**



-42 %

**Carbon intensity
2008-2014**

On track to meet objective of
>50% reduction 2008-2020



-4 %

**Water intensity
in 2014**

On track to meet objective of
>60% reduction 2000-2020



-17 %

**Lost time accident
frequency rate in 2014**

From 2.3% in 2013
to 1.9% in 2014

Estimated figures – Final figures will be included in 2014 Sustainability report

DANONE & MARS INC. TO BE FOUNDING INVESTORS BEHIND “LIVELIHOODS FUND FOR FAMILY FARMING”



LIVELIHOODS

Act today for a better future

7 PROJECTS

designed to return "high societal intensity" carbon credits

- 30,000 hectares of lands already planted or restored
- 130 million trees planted
- 900,000 people impacted by our projects in Africa, Asia and Latin America.

3 TYPES OF PROJECTS

Agroforestry

2 PROJECTS: IN GUATEMALA AND IN INDIA

Example: In Guatemala, in partnership with Fundaeco

- ▶ Planting million trees and generating new business opportunities for farmers (growing rubber, coffee, patchouli, etc.)
- ▶ The final project objective:
 - 5 million trees planted
 - 4,000 hectares restored
 - 2 million tonnes of carbon to be offset

Rural energy

2 PROJECTS: IN BURKINA FASO AND KENYA

Example: In Kenya, in partnership with Climate Pal

- ▶ Distributing improved, energy-efficient stoves in three districts in Embu County, to cut stove wood consumption by 60%
- ▶ The final project objective:
 - 60,000 households supplied
 - 300,000 people impacted
 - 1 million tonnes of carbon to be offset

Mangrove restoration

3 PROJECTS: IN INDIA, INDONESIA AND SENEGAL

Example: In Indonesia, in partnership with Yagasu

- ▶ Restoring mangrove forests to improve security and living conditions for local populations.
- ▶ The final project objective:
 - 18 million mangrove trees planted
 - 5,000 hectares restored
 - 1 million tonnes of carbon to be offset

10 CORPORATE INVESTORS

4 INSTITUTIONS

FEM, IUCN, Ramsar, and World Agroforestry Centre.

7 NGO

News, Climate Pal, Fundaeco, Tipaaga, Naandi, Oceanium and Yagasu.

JANUARY 2015

FOR MORE INFORMATION: WWW.LIVELIHOODS.EU

PRESS RELEASE

LIVELIHOODS

Act today for a better future

MARS

incorporated

Danone & Mars, Incorporated, to be founding investors behind Livelihoods Fund for Family Farming, an innovative platform open to all companies

New fund to invest 120 million euros in the next 10 years to implement projects in Africa, Asia and Latin America, helping more than 200,000 smallholder farmers and 2 million people and boosting the sustainability of their crops.

PARIS- Feb. 4, 2015 — Danone and Mars, Incorporated, two of the world's leading food manufacturers, announced today the creation of an innovative investment fund aimed at helping companies to learn how to sustainably source the materials they need from smallholder farmers while at the same time delivering large-scale social and economic impact to those farmers and their communities.



2015: A FIRST STEP TOWARDS 2020



2014



2015



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2015 objectives

Sales growth⁽¹⁾

4% to 5%

Trading operating margin⁽¹⁾

Slightly up

(1) Like-for-like: excludes the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation