DANONE

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CONSUMER ANALYST GROUP EUROPE

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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 Annual Report (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.

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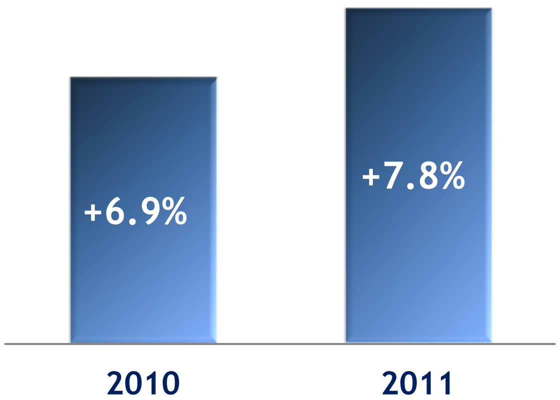
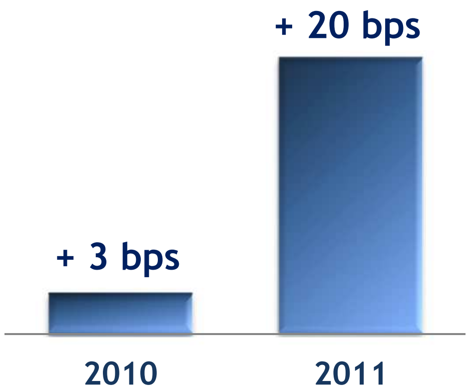
2011 another year of strong performance

2011, another year of strong consistent performance

Like-for-like sales growth



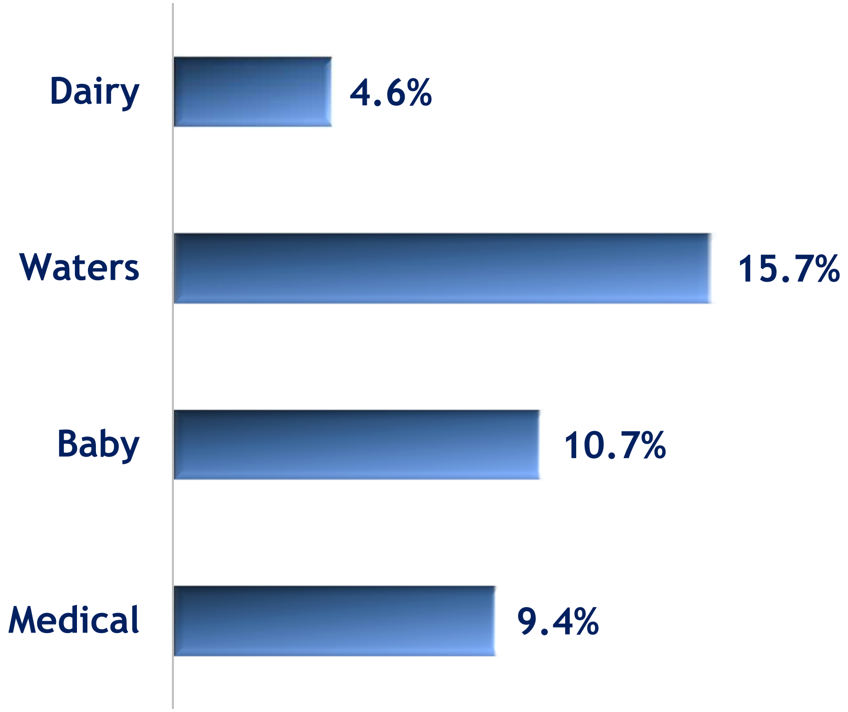
Like-for-like Trading Operating Margin growth

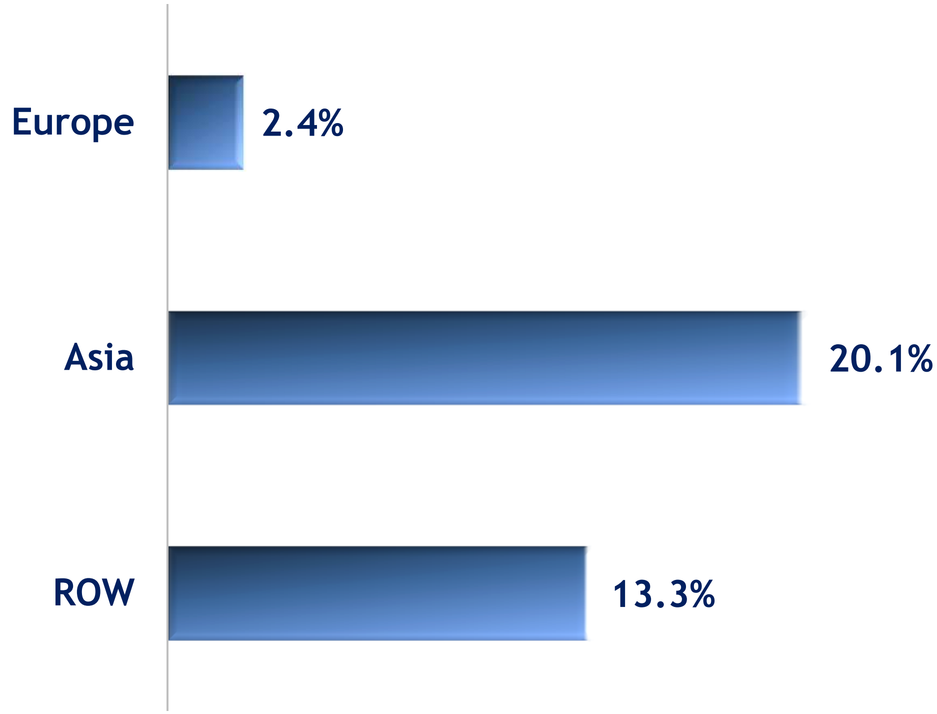


Free cash flow (€ mln)

2011, another year of superior broad-based growth

Like-for-like sales growth by division & by region

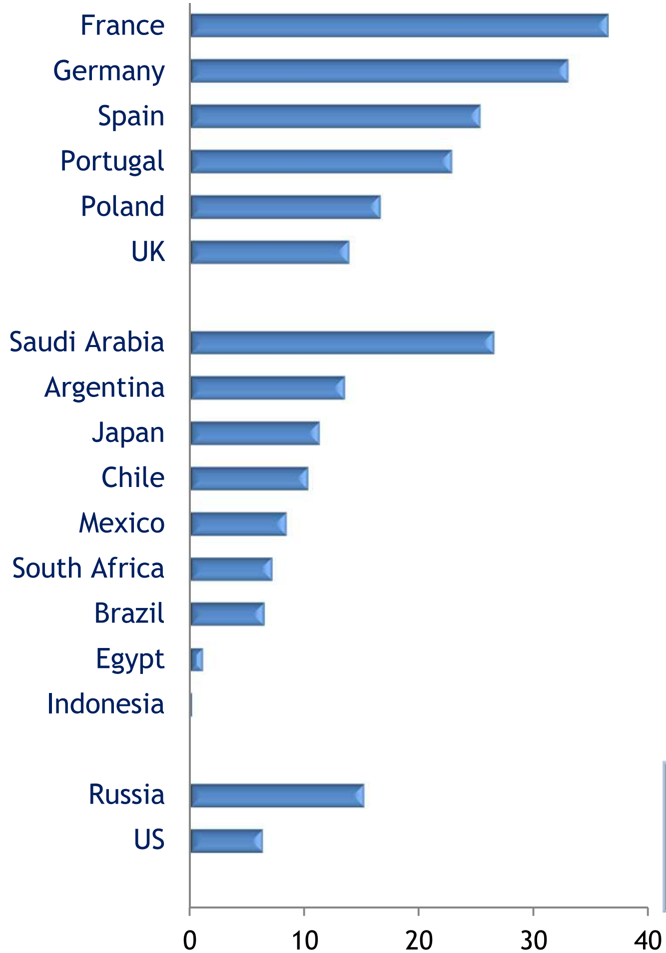




Driving the Fresh Dairy Product category worldwide

Building per capita consumption

2010 category per capita consumption *2011 dynamics*



Stability in Europe

Double digit growth in Latam, AME and Asia

US & CIS, transitioning & building

Continuously differentiating our brands

Better packaging

Better ingredients

Better taste

Russia: Successful roadmap for Unimilk

✓ Integration

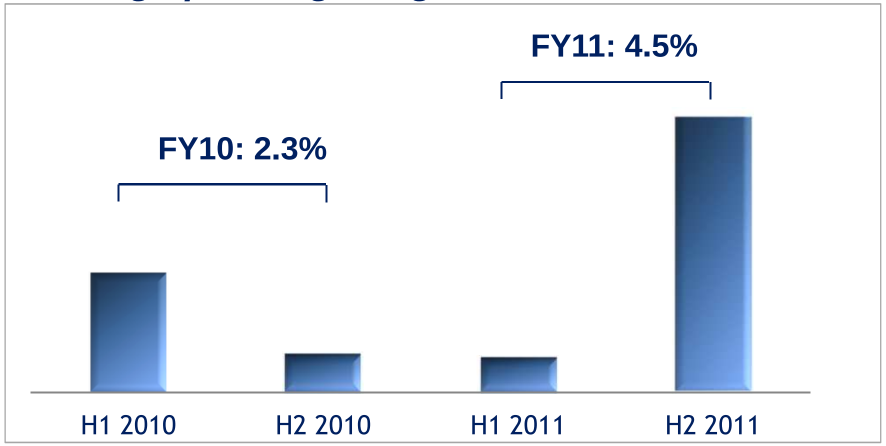
✓Drive efficiency to invest behind brands

✓Segment the portfolio

« One Company »

STRONGER TOGETHER

Trading operating margin



FY like-for-like sales growth

ПРОСТОКВАШИНО

+10%

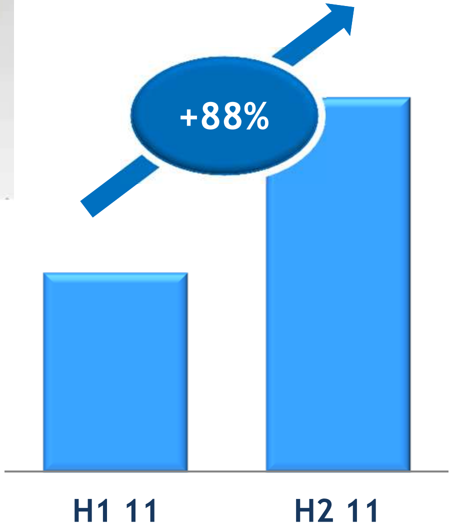
ТЁМА

СМЕШАРИКИ

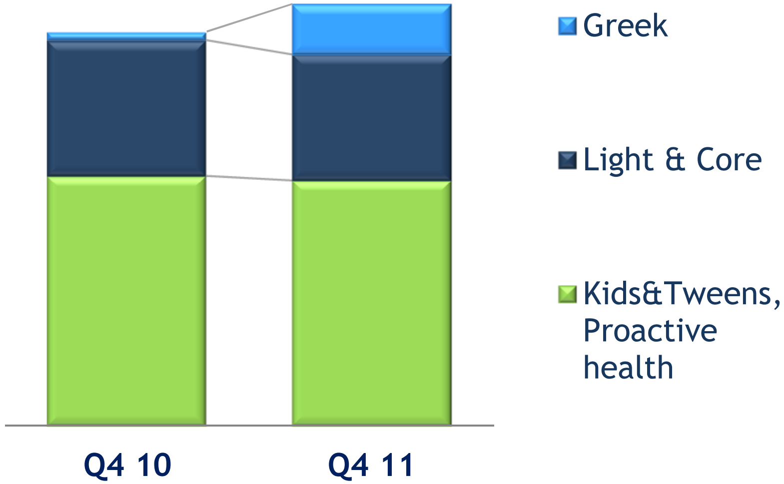
+19%

US: Progressing in the Greek segment

Dannon Greek yogurt $ sales



Evolution of Dannon US brand portfolio ($ sales)

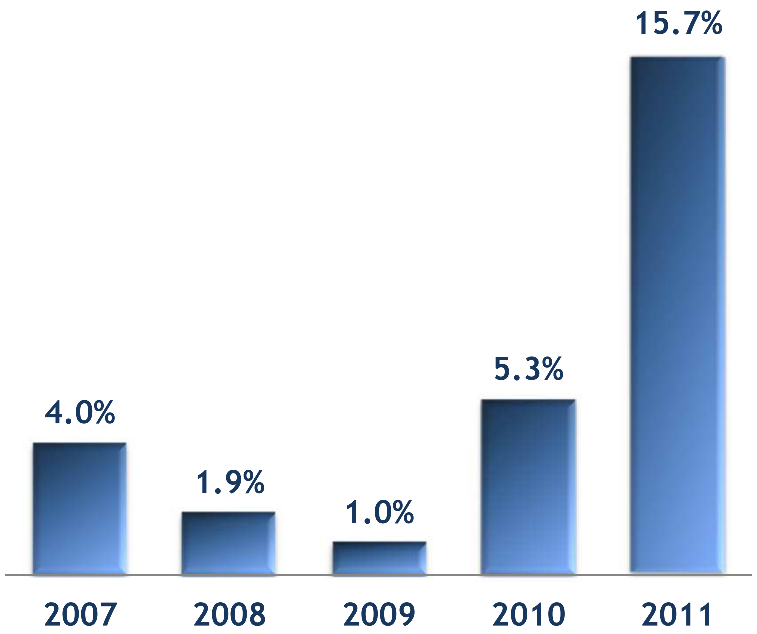


Building the Oikos brand

Superbowl

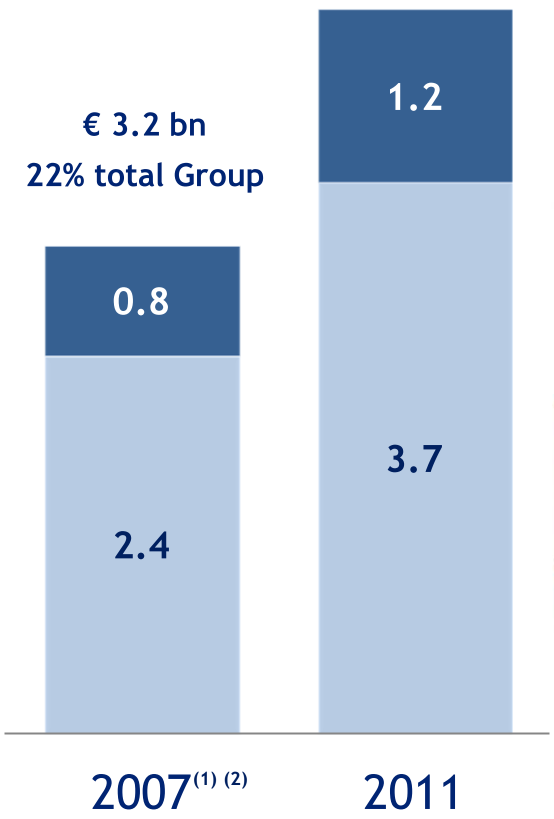
Waters restored to growth

Water like-for-like sales growth



Contribution to 2011 growth of Waters division

Nutrition activities outperforming consistently



Medical Nutrition

Baby Nutrition

	2007-2011 (reported)	2011
Sales growth	+51%	+10.3% Like-for-like
Trading Operating Margin	+210 bps	19.2%
FCF	+122%	+16.1% reported

(1) Pro-forma

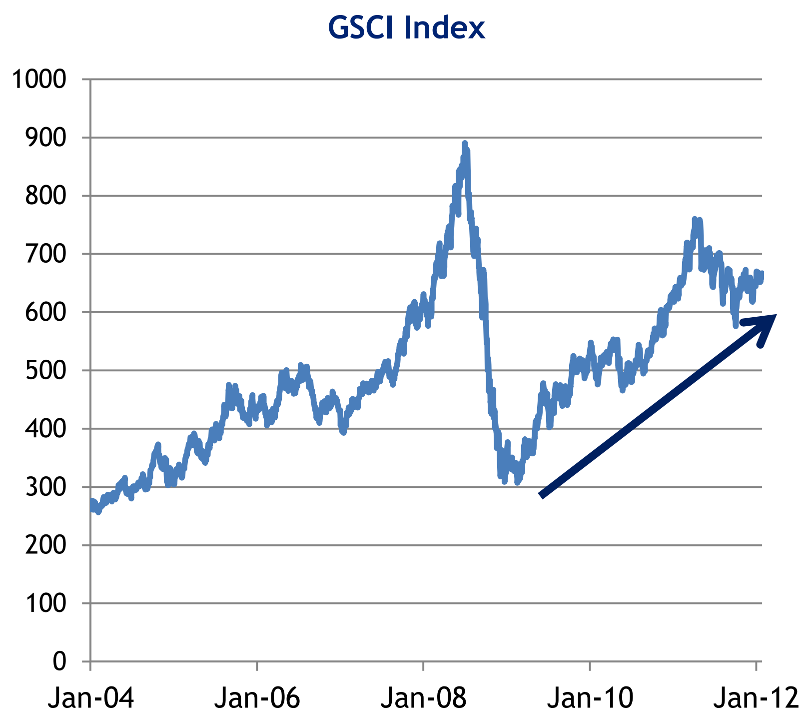
(2) Including Bledina

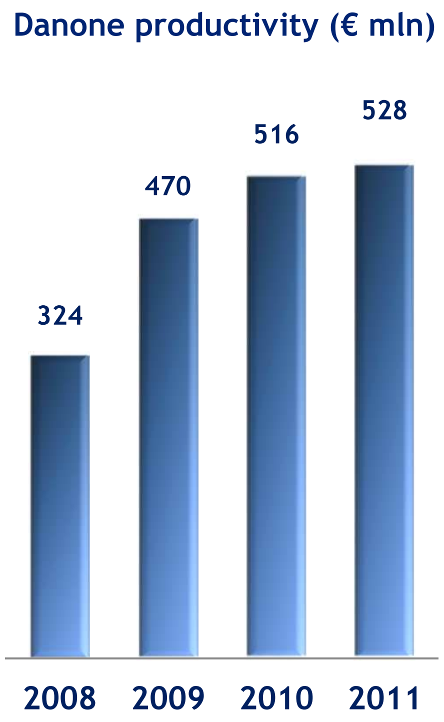
2011: managing complex margin equation with continued high inflation and limited price increase

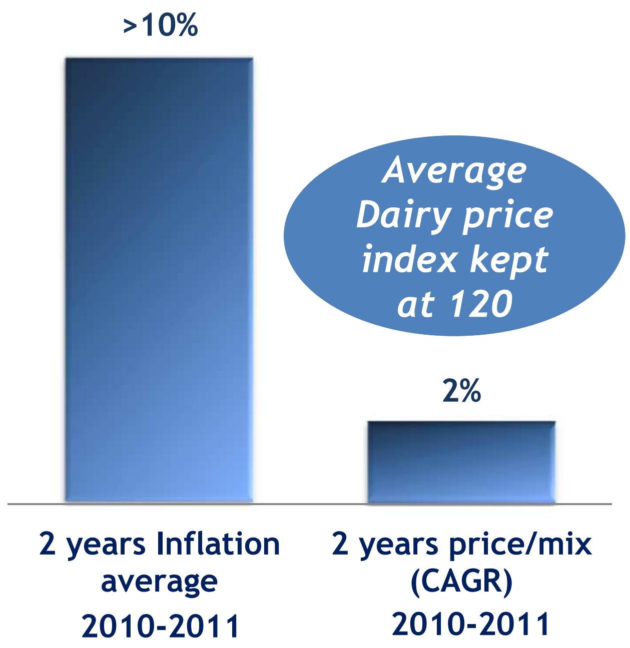
Inflationary raw material environment

Boosted Productivity (€ mln)

Limited inflation transfer to the consumer







Source : Bloomberg

2012 and beyond, a model for sustainable performance

2012 and beyond, a model for sustainable performance

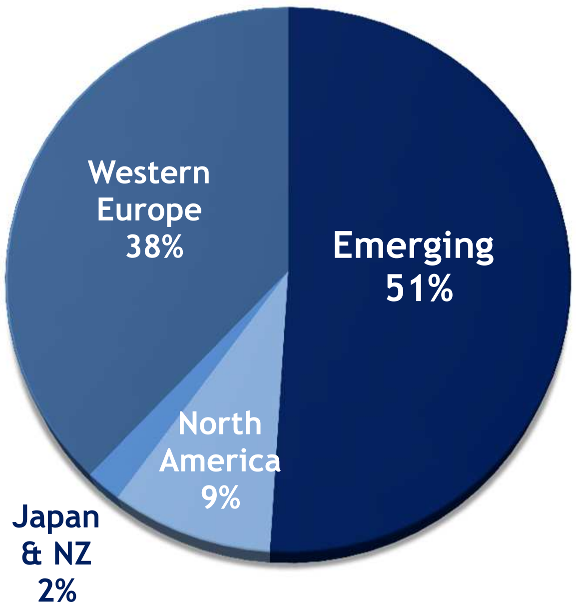
1 Building further the EM footprint

2 Growing our categories with health & nutrition relevance

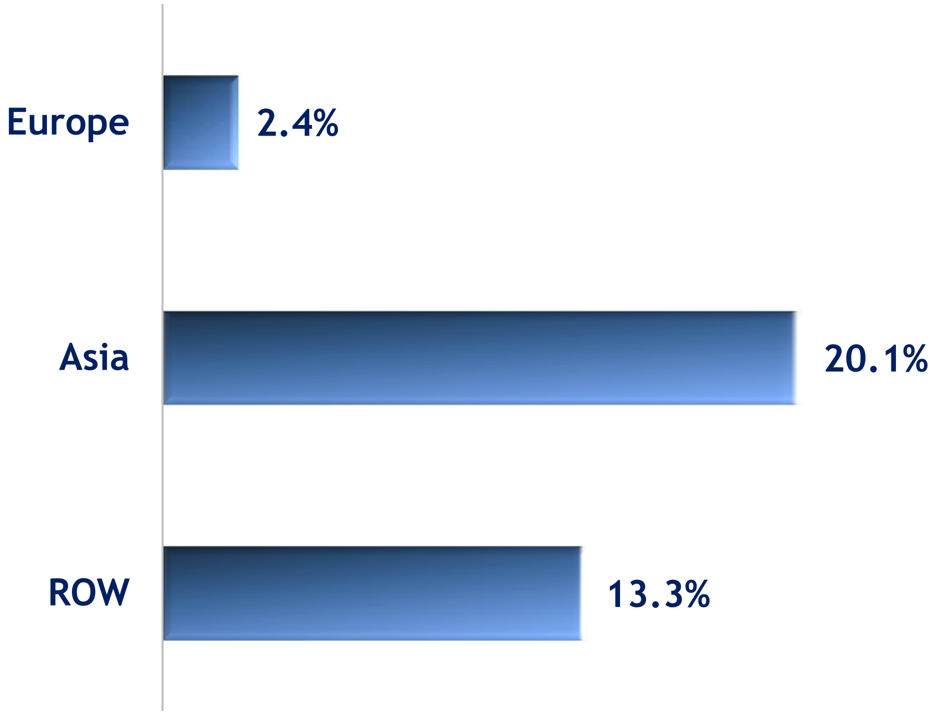
3 Engaging people

More than 51% sales in EM, and more to come

2011: sales in Emerging Countries > 50%

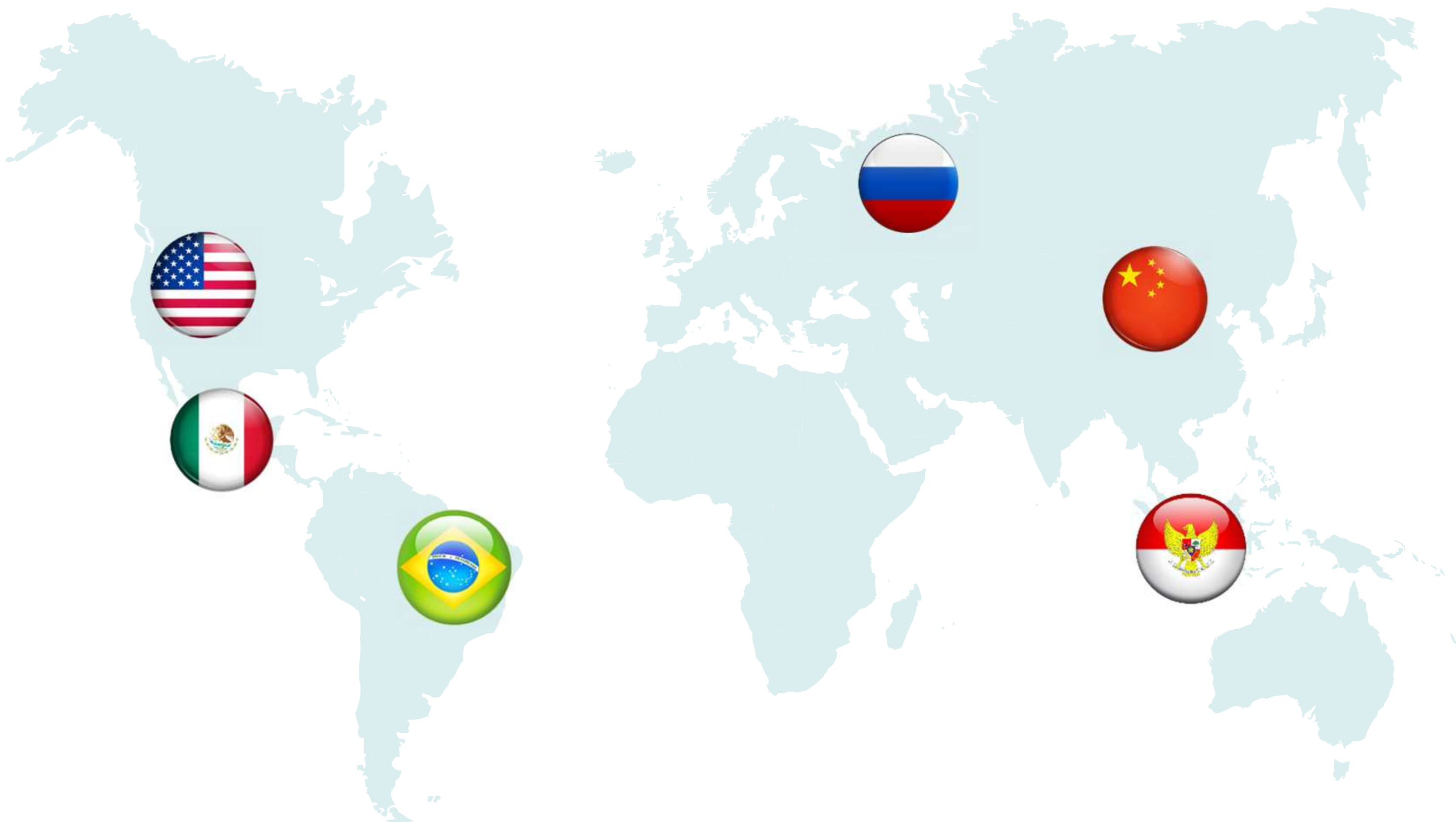


2011 Like-for-like sales growth by region



MICRUB's leading the way

Top 6 priority countries contributing around 60% of sales growth
and more than 3/4 of EBIT growth in 2011



Building our geographies for tomorrow and after tomorrow

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2011 Highlights

Launched into **Greek yogurt** segment in US

Mexico :
-Launched **Baby Nutrition**
- 2 additional **Water** plants

Brazil :
- Leadership conquered in **Fresh Dairy Products** in Nord-Este
- Launched **HOD Water** in Sao Paulo

Launched Bonafont **Water** in Poland

Egypt : started operations at **Dan'Farm**

Building one **Fresh Dairy Products** company in Russia

India: Signed agreement to acquire #2 in **Baby Nutrition** and launched BOP **Dairy Products**

Started distribution of **Baby Nutrition** in 80 new cities in China

Launched **Baby Nutrition** in Hong Kong

Singapour: new R&D center for **Baby Nutrition**

Opened 1 additional **Water** plant in Indonesia

New **Fresh Dairy Products** plant in Australia

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Building breakthrough models for profitable growth

Small scale & flexible production units

Innovative recipes based on local needs & ingredients

Working on the upstream ecosystem

2012 and beyond, a model for sustainable performance

1 Building further the EM footprint

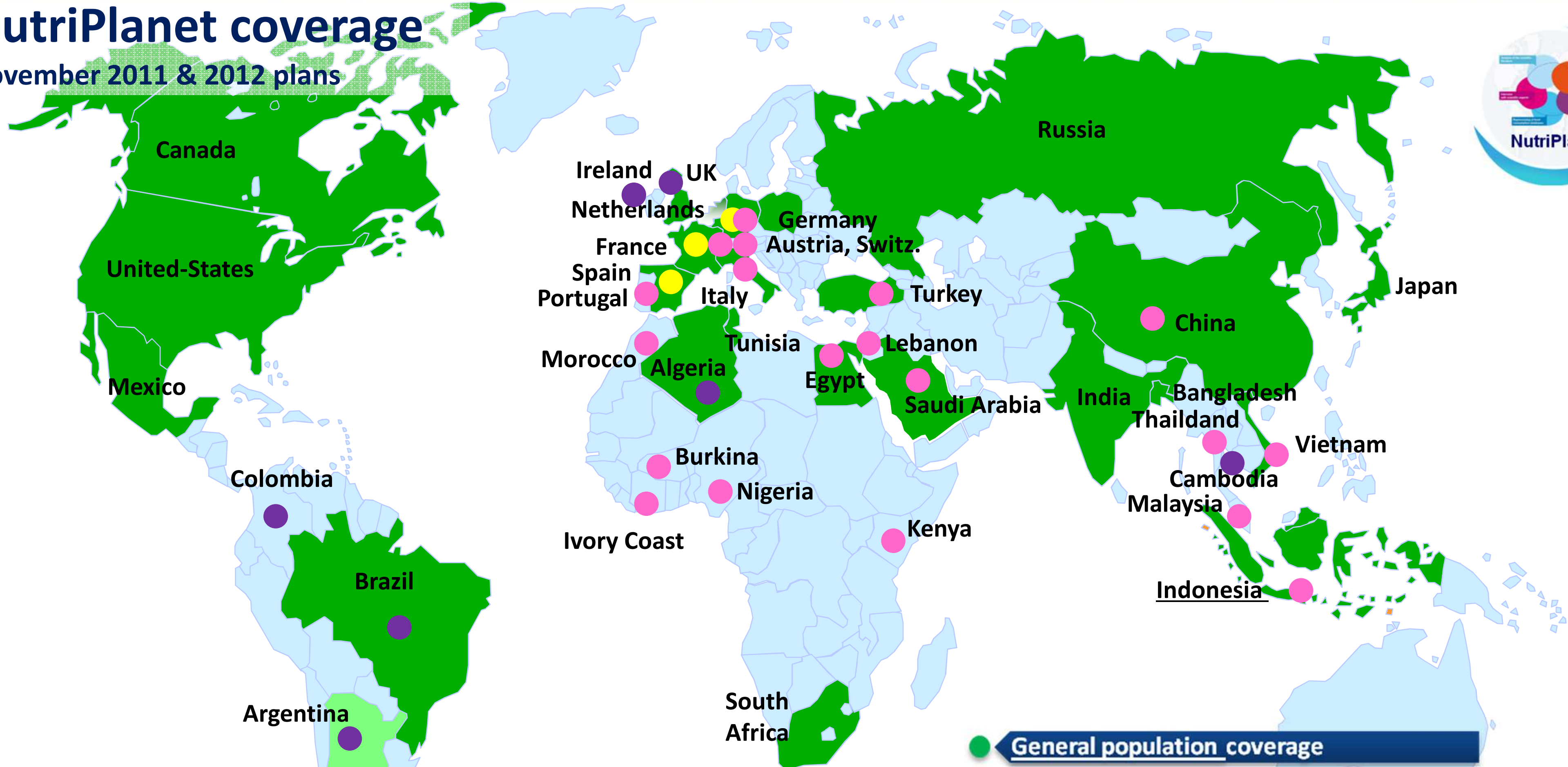
2 Growing our categories with health & nutrition relevance

3 Engaging people

Our mission starts with understanding local health issues: NUTRIPLANET methodology

NutriPlanet coverage

November 2011 & 2012 plans



35 countries covered
23 countries with a **global population** overview
19 countries with a focus on **babies**
3 countries with a focus on **seniors**
Food Style approach launched in DBN (Indonesia)

- General population coverage
- Specific focus on Baby target
- Specific focus on Senior target
- General Population coverage, Plans for 2012
- Specific focus on Baby target, Plans for 2012

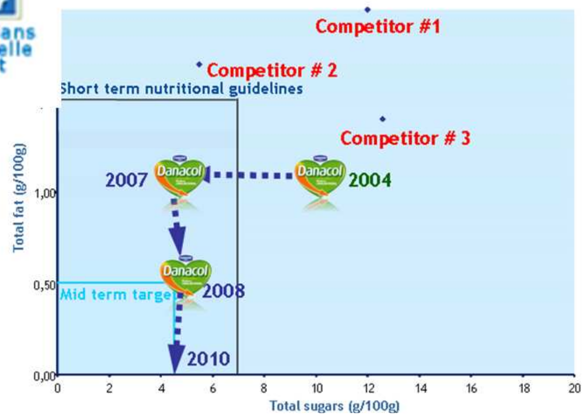
Making Fresh Dairy Products part of a healthy daily diet

Educating consumers on yogurts & probiotics

'One yogurt a day' campaign in Italy

Improving nutrition profile of our products

Filière nutrition
OMÉGA 3 NATURELS
Association Bleu-Blanc-Cœur
Organisation engagée dans une démarche nutritionnelle encouragée par l'état



Making the category relevant for every consumer at every moment through innovation

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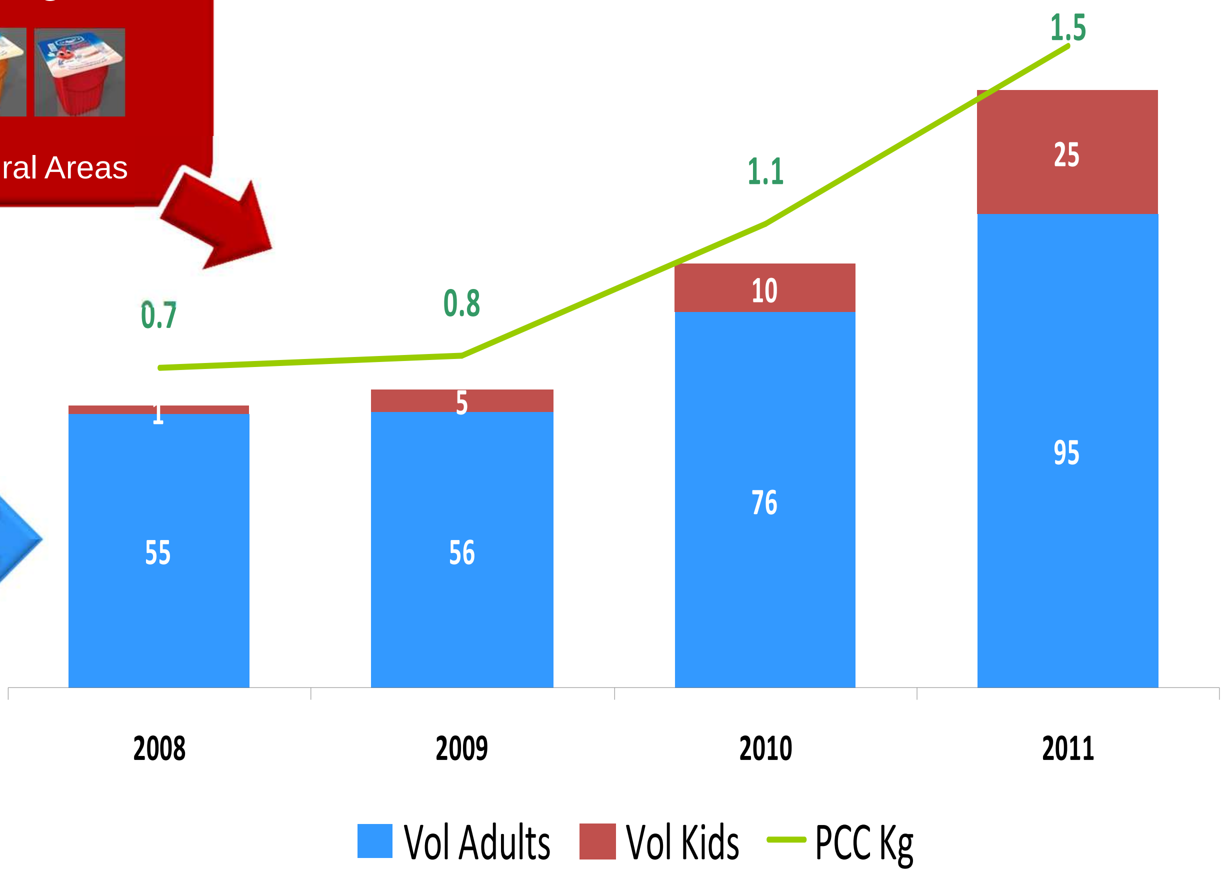
Building the role of Fresh Dairy Products as part of a healthy diet in new geographies

Example in Egypt

Launch Danone Mixy Flavor Yog 2008.

110gr – Urban Areas   80gr – Rural Areas

A Plain Yogurt Market Danone #1 player after 3 years



Pursuing the battle for water: concrete facts & benefits behind hydration

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1. We don't drink enough Water	Bringing facts	2. Water is the healthiest beverage
Population liquid intakes	**Evidence**	Population liquid choices
Are we dehydrated?	**Measurement**	e.g. are we consuming excessive liquid calories?
Physical/cognitive function Kidney health	**Physiology**	Overweight/obesity e.g. diabetes, hypertension
Health cost implications	**Nutri-economics**	Health cost implications
"Drink enough to replace your daily water losses"	**CONSENSUS**	*"The bulk of daily hydration should be met by water"*

Pursuing the battle for water: concrete facts & benefits behind hydration

Indonesia: Getting water into the food pyramid

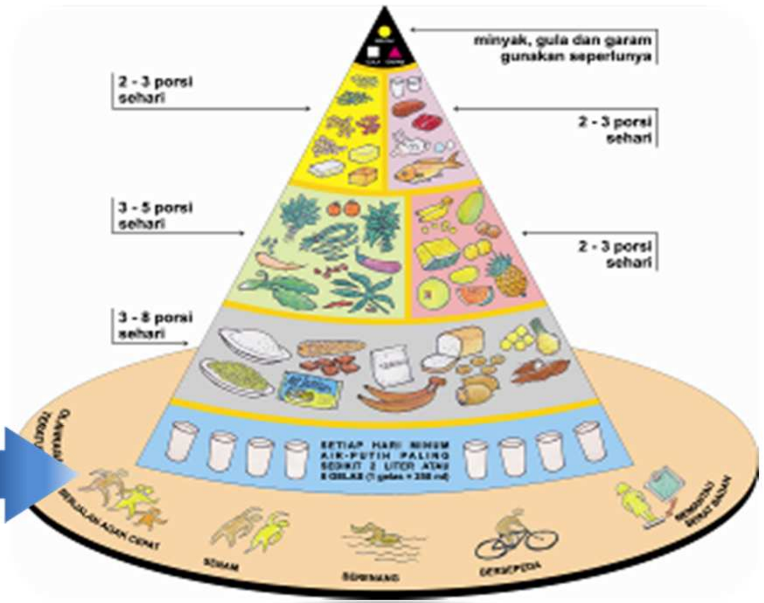
Bogor Agriculture Institute

University of Airlangga

University of Hasanudin

The First Hydration Study in Indonesia
- 4 regions, 1,200 subjects

Several congresses across Indonesia



Drink at least 2 L of water a day

Building awareness on the role of Early Nutrition for health in later life

Babies nutritional requirements per kg body weight *(compared to adults)*

7x more	**4x** more	**3x** more
iron	calcium	essential fatty acids

Building awareness on the role of Early Nutrition for health in later life

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Turkey : Educating on the need for milk intake after 6 months

(Breast milk completed by Follow on Formulae if necessary)

6-12 months actual milk intake

290 ml

WHO
Babies need **500ml** milk after 6 months

Min 500 ml

Breast Milk (+FOF)

2010
Raise awareness

- Milk Amount Checker
- Facebook

2011
Partnership

KANAL D

Pediatric Association

- HCP Meetings with Ministry of Health
- TV Series
- Connect to Bloggers

2012
Education

Milk Centric Diet

- WHO educational Meetings
- Social Responsability Project
- HCP E-Meetings - 25% cvg.

* Observational Study performed by pediatritions with 577 mothers of babies > 6 mth

Building Medical Nutrition as an essential part of supporting healthcare

Patients have specific nutritional needs, related to their health condition and disease

Some facts

Elderly patients lose ~1kg of muscle mass in 3 days of immobilisation

>25% of healthy elderly does not reach adult RDA *(0.8 g protein /kg/day)*

RDA for protein is insufficient for older adults *(1-1.5 g protein /kg/day)*

Awareness is increasing

Healthy ageing initiative

Pilot project for European Innovation Partnerships (EIP)

- to add, by 2020, two healthy life years to the average healthy life span of European citizens
- by mobilizing and linking up stakeholders, EU institutions, national and regional authorities in order to facilitate new ways of working together across the entire innovation value chain

Danone is the only food or medical nutrition company in the Steering Group

Building Medical Nutrition as an essential part of supporting healthcare

Innovation and distribution

2012 and beyond, a model for sustainable performance

1 Building further the EM footprint

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3 **Engaging people**

Engaging people

Health coverage for every employee

Covering 3 core risks
hospitalization, maternity, outpatient

8 countries in 2011:
Mexico, Brazil, Spain, Poland, Saudi Arabia, Russia, China, Indonesia

28,000 Danoners already covered

A worldwide agreement on health, safety working conditions and stress

First commitment over such a wide geographical scale

Addressing concerns shared by employees in all countries

Based on the best practices seen in mature & emerging countries

HR schemes buildingcommitment

1,400 Top executives

ANNUAL BONUS SCHEME

- 1/3 Financial objectives
- 1/3 Social & Environmental objectives
- 1/3 Business & Management drivers

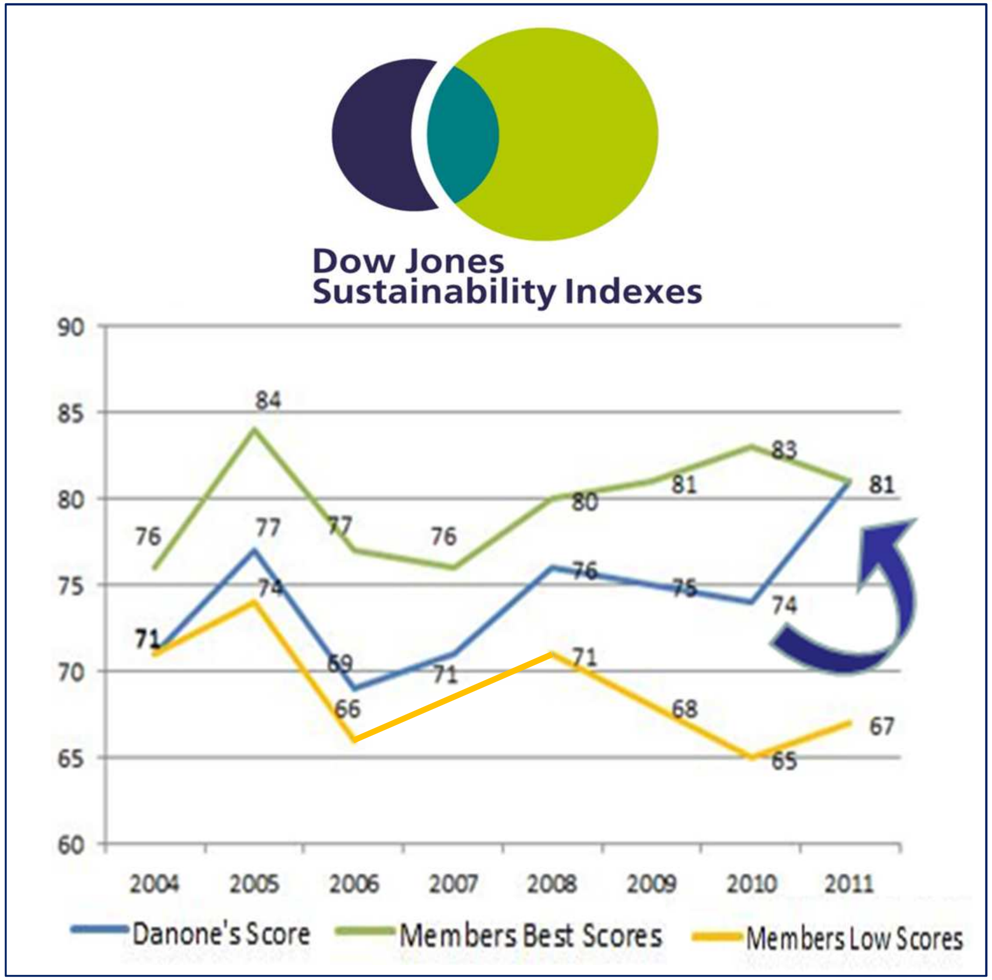
Employees engagement among the best in class

DANONE PEOPLE survey 2011

Participation 87% (vs. 82% en 2009)

Engagement 85% (=2009)

Great scores in the DJSI 2011 (Food producers category)



Danone awarded for the first time co-leader of the Food Producer sector with the distinction " SAM Gold Class »

→ **Environmental dimension:** best scores on environmental reporting, environmental policy/management system, packaging fields and raw materials sourcing since several years

→ **Social dimension:** best scores in Talent Attraction & Retention and in Social reporting

→ **Economic dimension:** Improvement in both Health & Nutrition and Innovation Management

➢ **Sustainable performance embedded in the Danone model**

2012 OUTLOOK

2012 Our targets

	Objectives 2012
Sales growth (1)	5-7%
Trading operating margin	Stable
Free cash flow (2)	€ 2 bn

(1) Like-for-like : Based on constant scope of consolidation and constant exchange rates

(2) Free cash flow: Cash flow from operations less capital expenditure (net of disposals) and excluding business combinations fees