



DANONE

Franck Riboud

September 5th, 2012



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.



DANONE

Unique Mission, Unique Portfolio

FRESH DAIRY PRODUCTS

Developing a well being category worldwide



WATERS

Hydratation and elimination



Bring health through food to the largest number of people

BABY NUTRITION

Supporting growing children
Every step of the way



MEDICAL NUTRITION

Nutritional support
for persons in fragile health

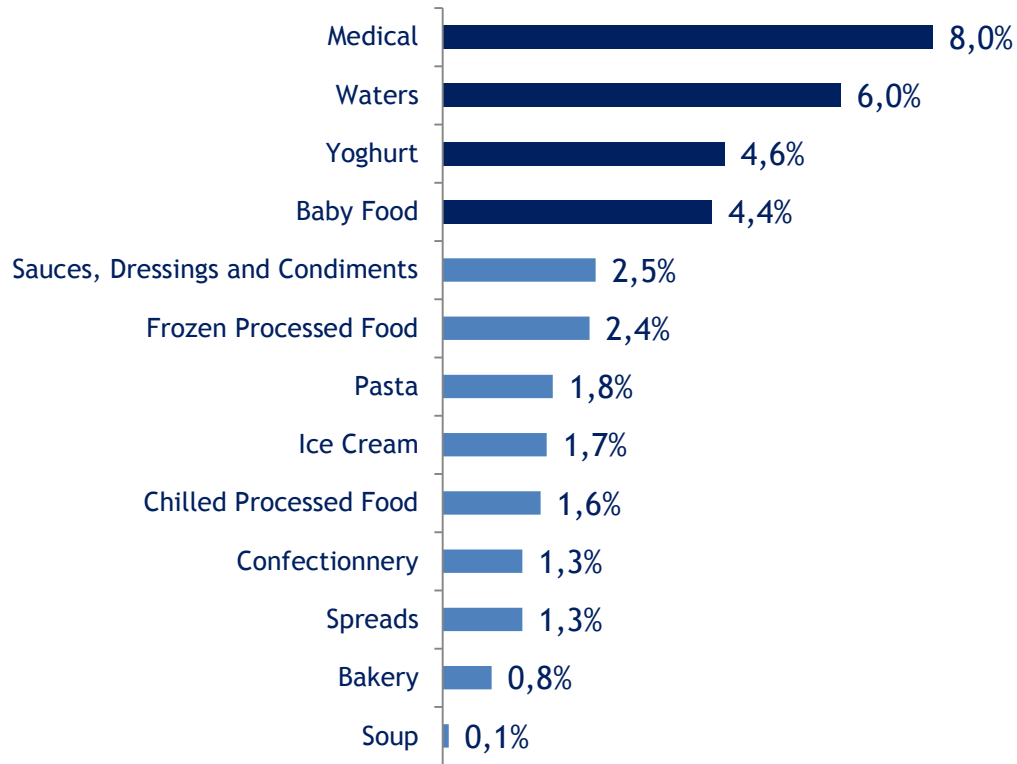




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Well-positioned in fastest-growing food categories

*Faster growing food categories
5-year industry volume CAGR as of 2012⁽¹⁾*



Growth focused portfolio

*FY 2011
Sales
breakdown*



(1) Source: Euromonitor & internal sources

A coherent product portfolio covering needs and demands at every age

**Growth/
Building Capital**

**Maintenance/
prevention**

**Ageing process/
Problem solving**

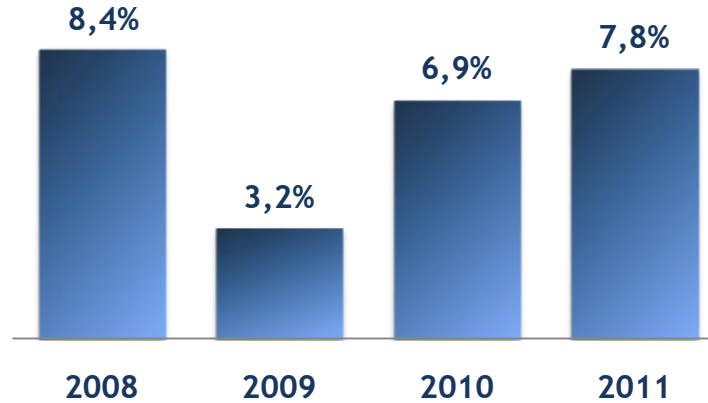




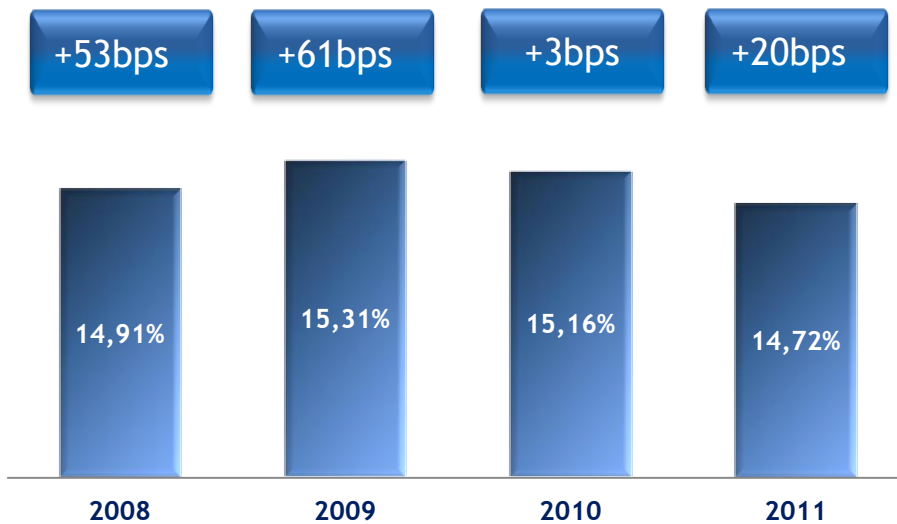
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2008-2011 : Sales growth, Margin, FCF

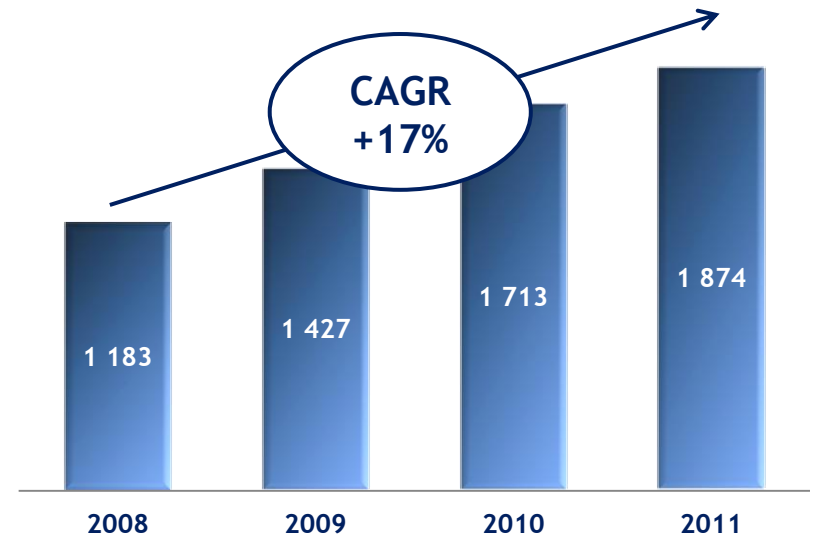
Like-for-like sales growth



Trading Operating Margin and like-for-like growth



Free cash flow (€ mln)



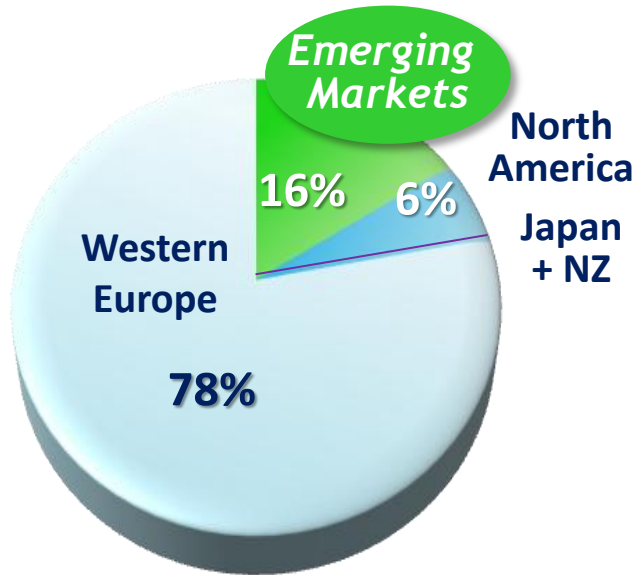


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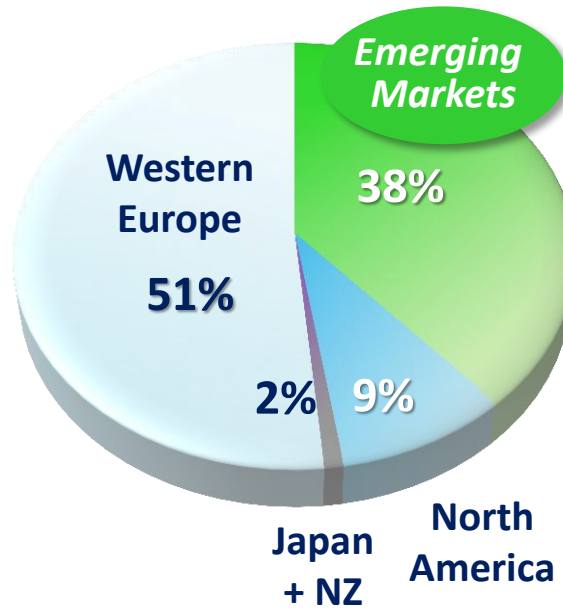
A Fast Geographical Transformation

Sales by region

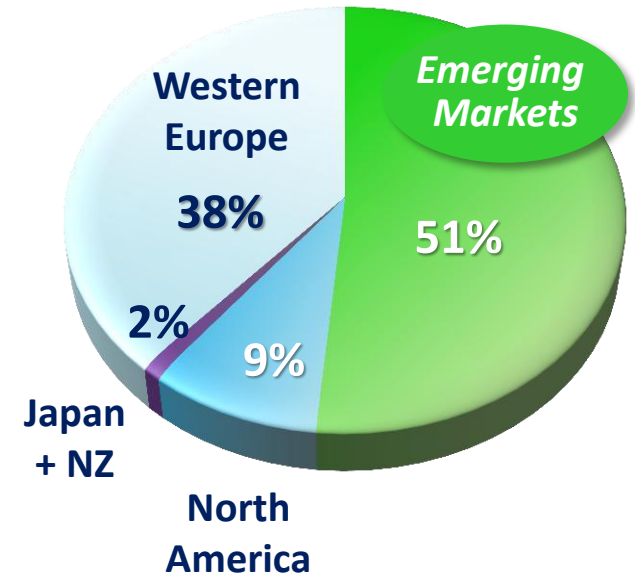
1997



2007



2011

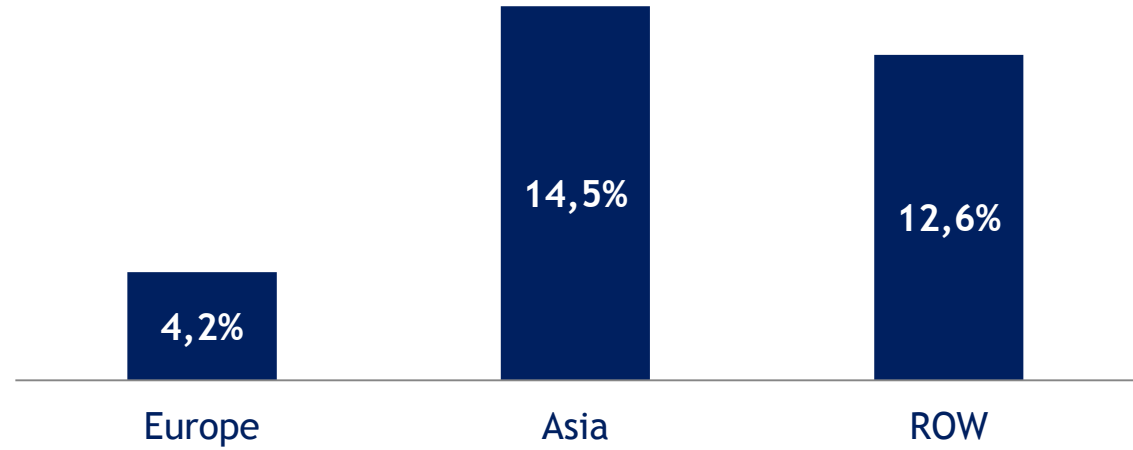




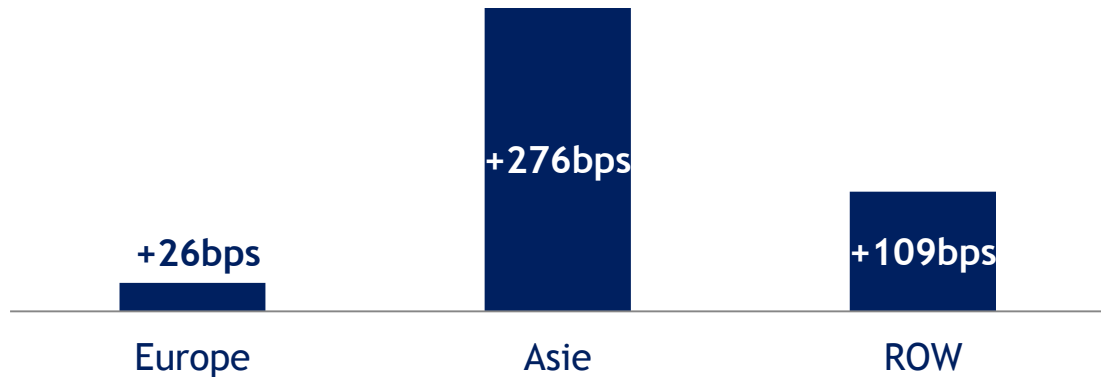
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Geographical Equation

Like-for-like sales growth -
CAGR 2008/2011



Like-for-like Trading
Operating margin
evolution
2008 – 2011





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Managing 2012



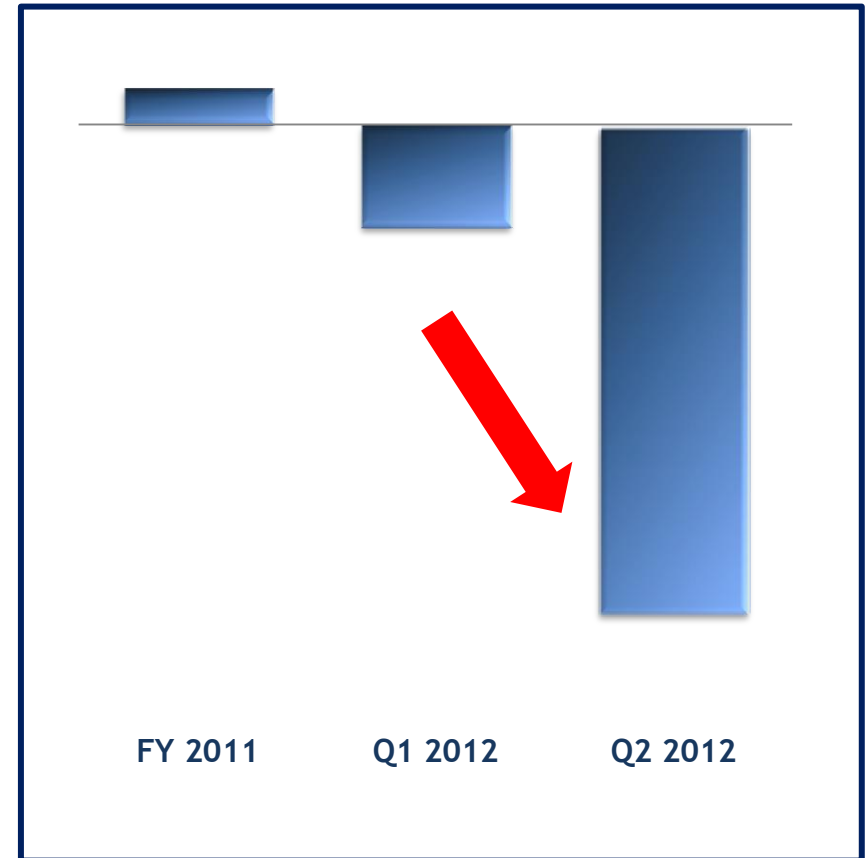
Southern Europe deteriorating

Focus on Spain

Unemployment rate in Spain (%)



Dairy Spain - Like-for-like sales growth (%)



Indicador de confianza consumidor

Instituto Nacional Estadística

Jun 2011	Dic 2011	Ene 2012	Feb 2012	Mar 2012	Abr 2012	May 2012	Jun 2012
74.9	71.0	68.3	58.0	63.7	50.3	50.5	50.6





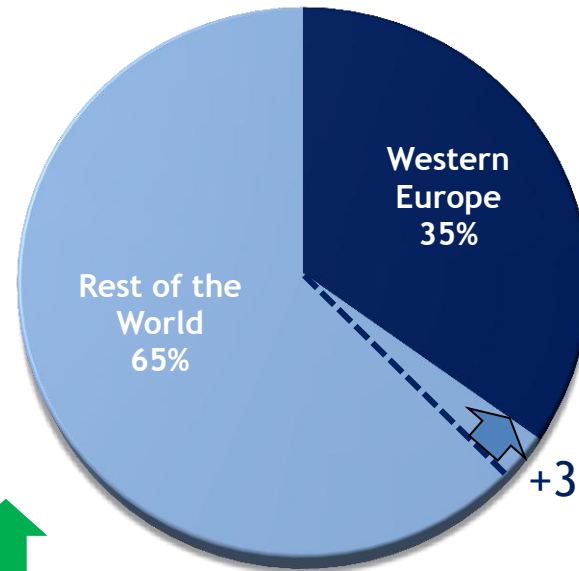
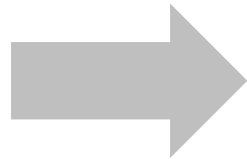
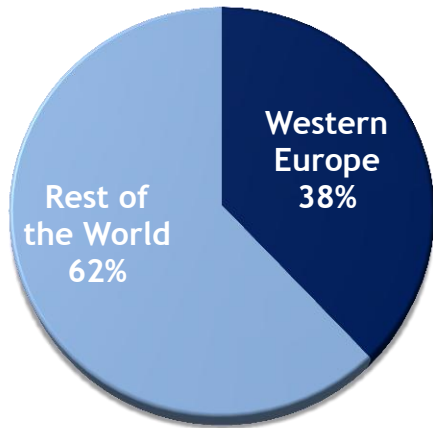
Dual dynamics

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Group Sales breakdown

H1 2012

H1 2011



Sales ↓
Margin ↓

Sales ↑
Margin ↑

Adjusted 2012 guidance

	Objectives 2012	H1 results
Sales growth ⁽¹⁾	5-7%	5.9%
Trading operating margin ⁽¹⁾	-50 bps	-61 bps
Free cash flow ⁽²⁾	€ 2 bn	€ 890 mln

(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



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**Playing the game
on our different fields**



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Playing the games on our different fields

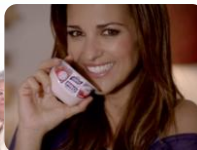




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Dairy Spain requiring specific response

Support and differentiate



Increase competitiveness



Innovate



Continued productivity





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Yolado : expanding boundaries of the category in Spain





Fresh Dairy CIS From Integration in 2011 to Growth in 2012

2011 priorities

Integration ✓

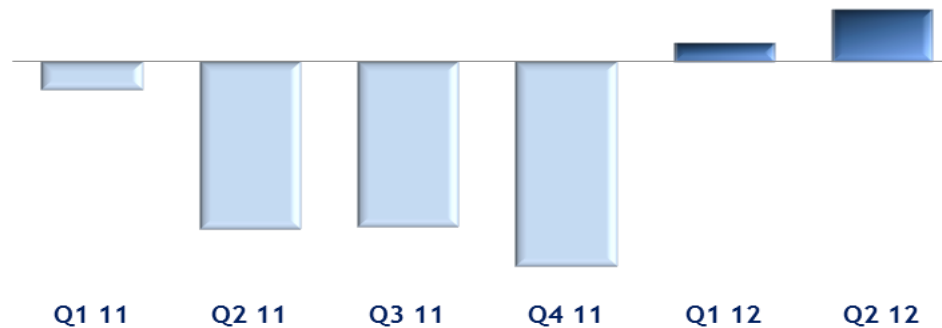
Drive efficiency to invest behind brands ✓

Segment the portfolio ✓

2012 agenda: Activating the key brands



Danone-Unimilk CIS % volume growth





Fresh Dairy CIS - Leveraging the Prostokvashino brand - New Identity in Q2 12



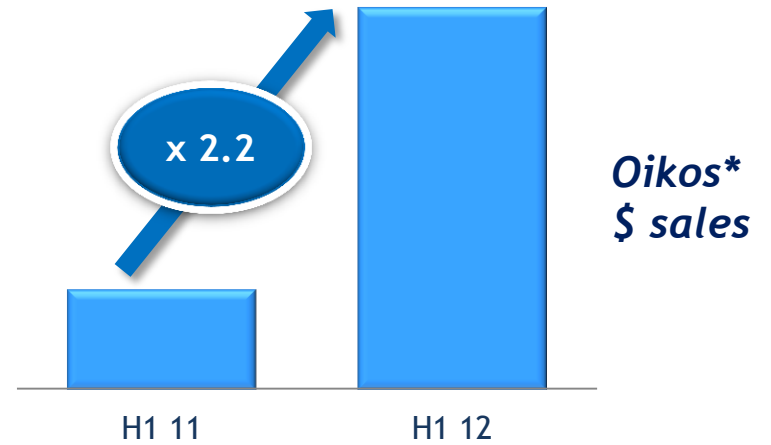
H1 12 like-for-like
growth - Russia





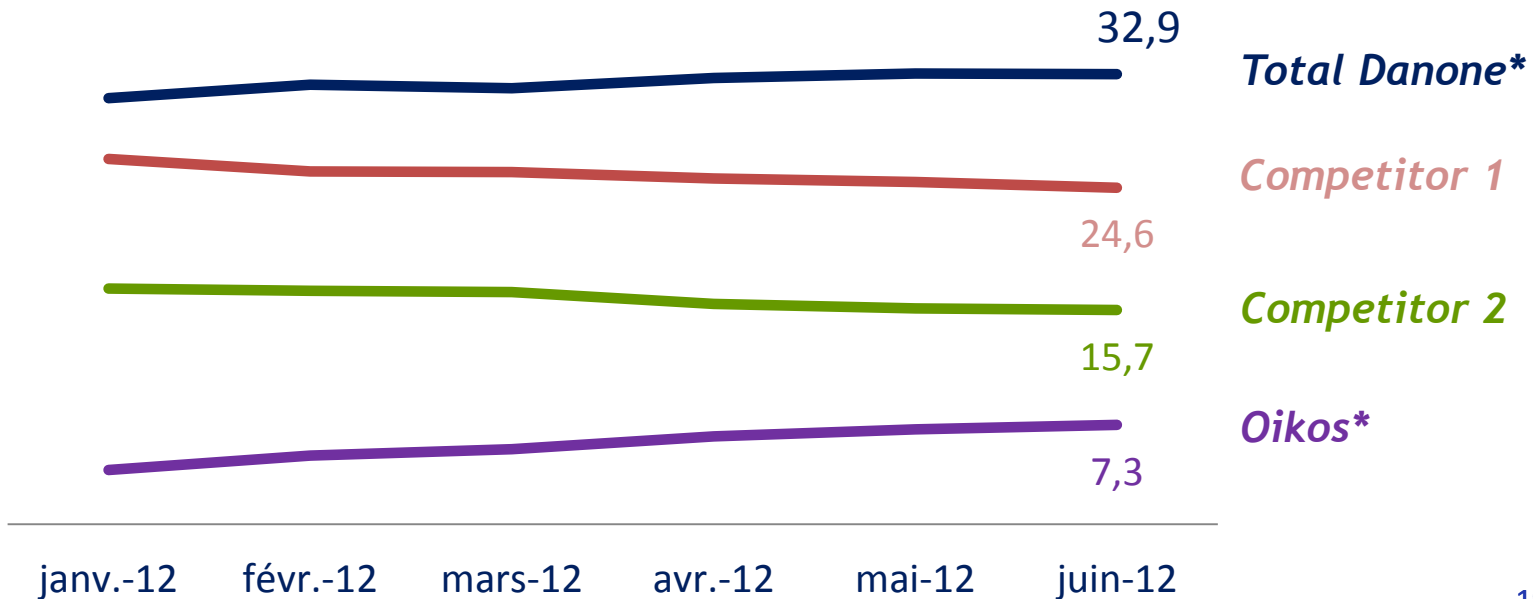
Fresh Dairy US

Continued share gains globally and on the Greek segment



US MS Value

Source : IRI





Fresh Dairy US - Entering Q3 with strong plans and additional capacities, in a very competitive market

Oikos - Multipack



Greek – Light & Fit

0% FAT
2x PROTEIN vs. REGULAR LOWFAT YOGURT
80 CALORIES

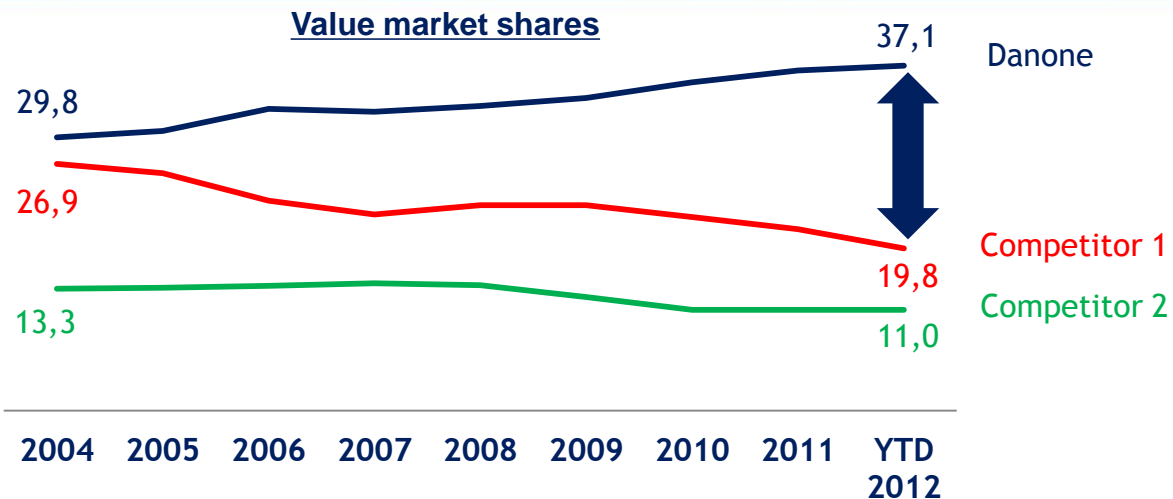


Activia Breakfast

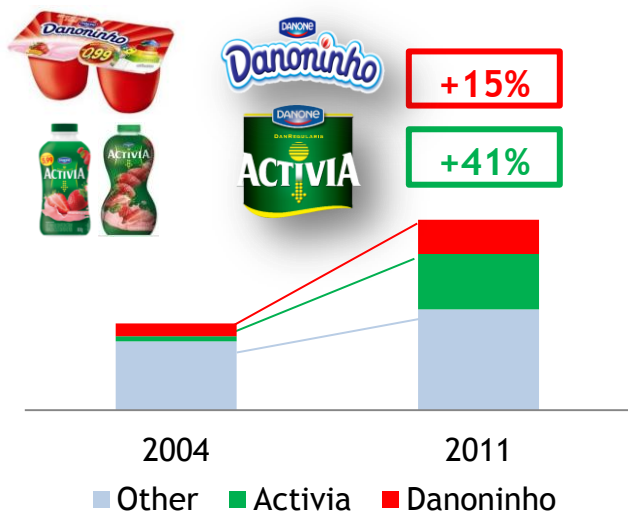


THE YOGURT CULTURE COMPANY
125 PARK AVE.
NEW YORK, NY 10017

Brazil : consistently building leadership in our categories



Volume CAGR 2004-2011



Extending leadership to Nord-Este region





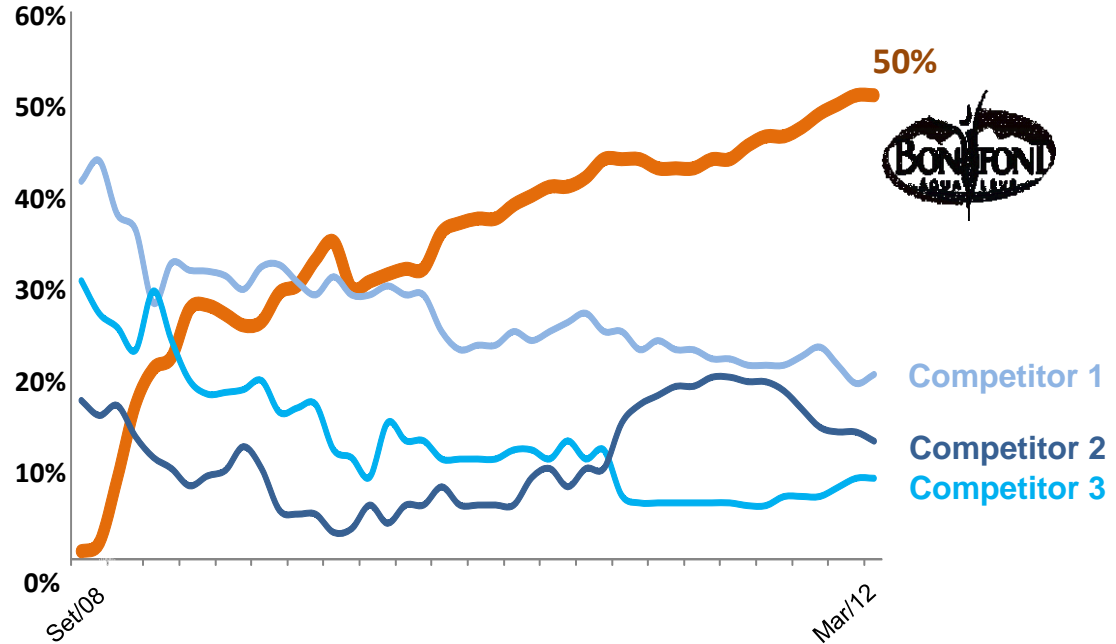
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Brazil : consistently building leadership in our categories

Waters



Volume market shares, Sao Paulo City, Internal panel



H1 12
Volume
growth

+42%



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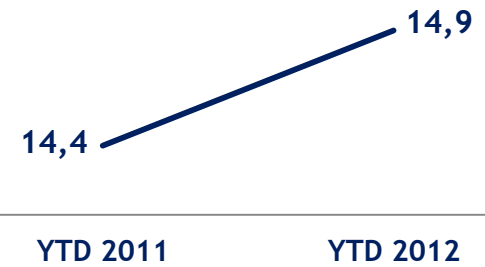
CHINA : Renovating Dumex



STAGE ENHANCED NUTRITION



Danone value market shares
Modern Trade - Total milks (May 2012)



PRODUCTS



PROGRAM



✓ Optimized "1000Days Growth Program"





Indonesia : unique leadership in Waters



Number 1 Water Brand Worldwide⁽¹⁾

> 9 bn liters

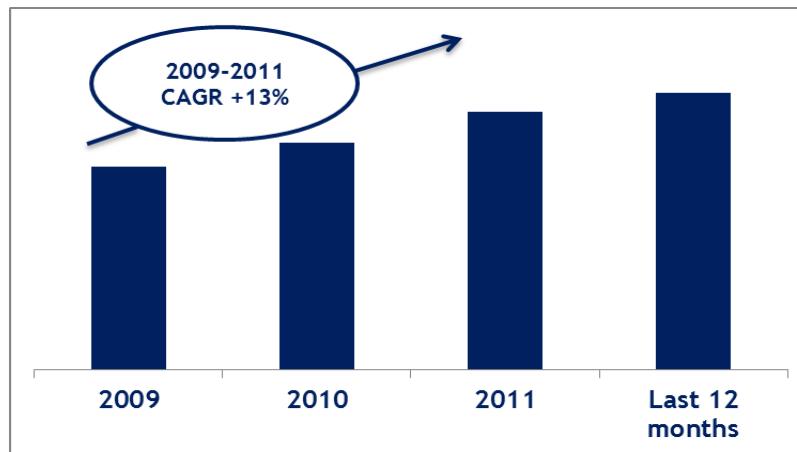
15 factories

10.000 trucks on the road

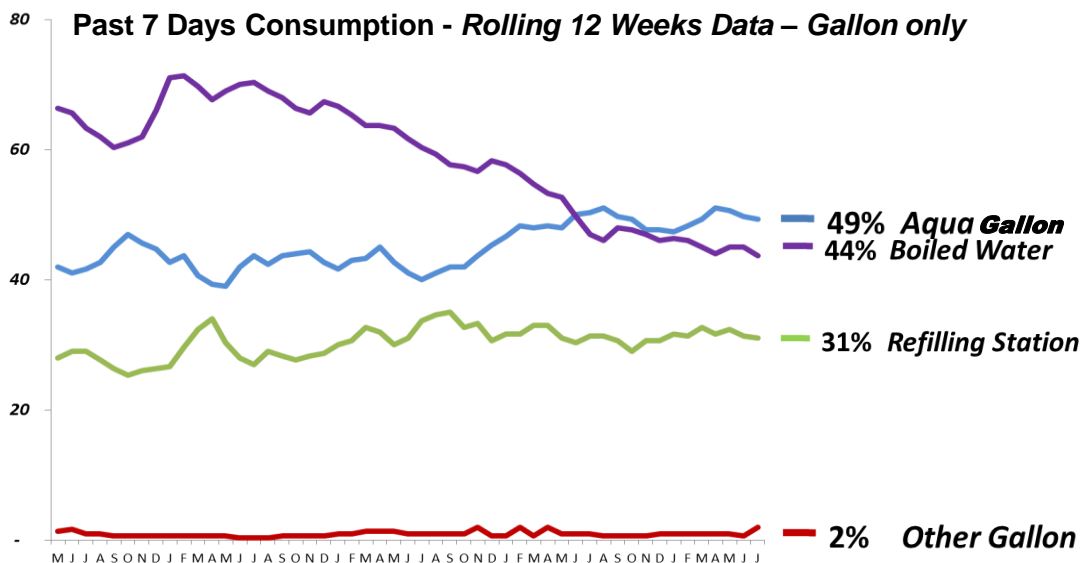
1.5 mln points of sale



Volume



Converting consumers from boiled water to Aqua



Source: ATP Consumer Tracking – Jbtbk, Surabaya, Bandung (As of July 2012)



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Starting new games



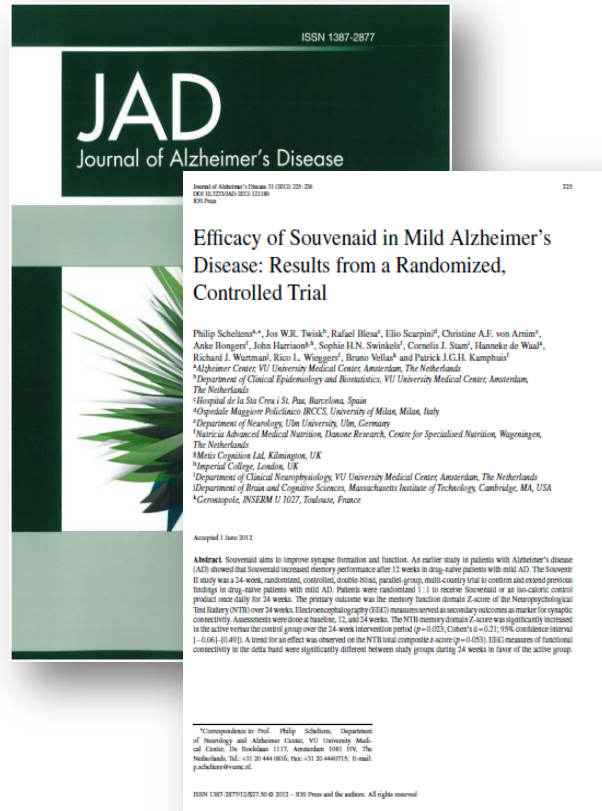
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Medical Nutrition : Preparing for Souvenaid launch

Presenting Souvenir II trials results

Journal of Alzheimer's Disease
Issue : Volume 31, Number 1, July 2012

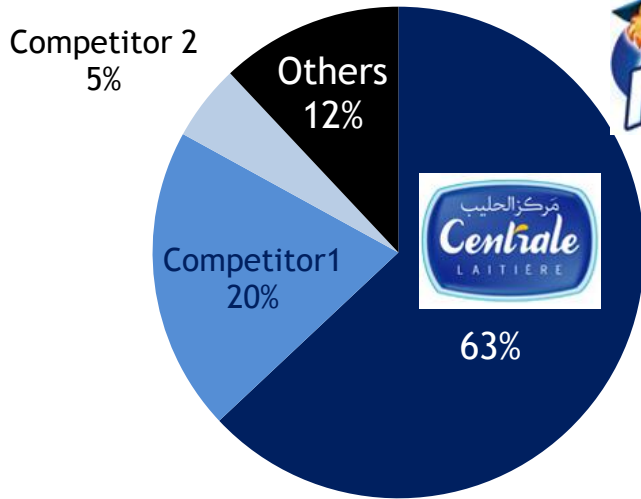
Alzheimer's Association
International Conference





Morocco : becoming majority shareholder of Centrale Laitière

Dairy - Value Market shares*



2011 Sales : ca. € 600 mln

2011 EBITDA Margin : 16.9%

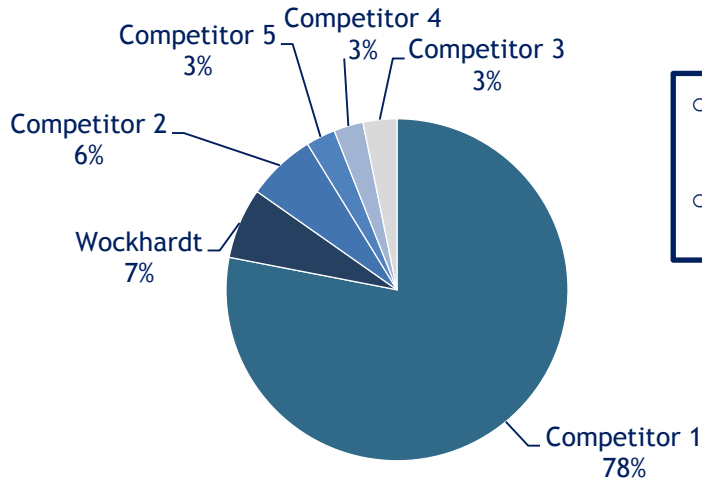


* Company data - 2011



India : Danone present in its 4 business lines after completing the acquisition of Wockhardt Nutrition

2nd PLAYER IN A FAST GROWING BABY FOOD MARKET (1)



- 25 million baby born/year
- 15% annual growth for the baby food market

NATIONAL DISTRIBUTION WITH LOCAL PRODUCTION FACILITY



- 1 factory located in Punjab
- National sales coverage
- More that 30,000 HCPs / doctors coverage

CREDIBLE BRANDS IN BABY AND NUTRITION

Baby brands



Nutrition brand



H1 2012 Sales
+22%⁽²⁾

(1) 2011 Value market shares - company data

(2) Wockhardt data

Playing the games on our different fields





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