



DANONE

Pierre-André Térésse - Chief Financial Officer

June 19th, 2012



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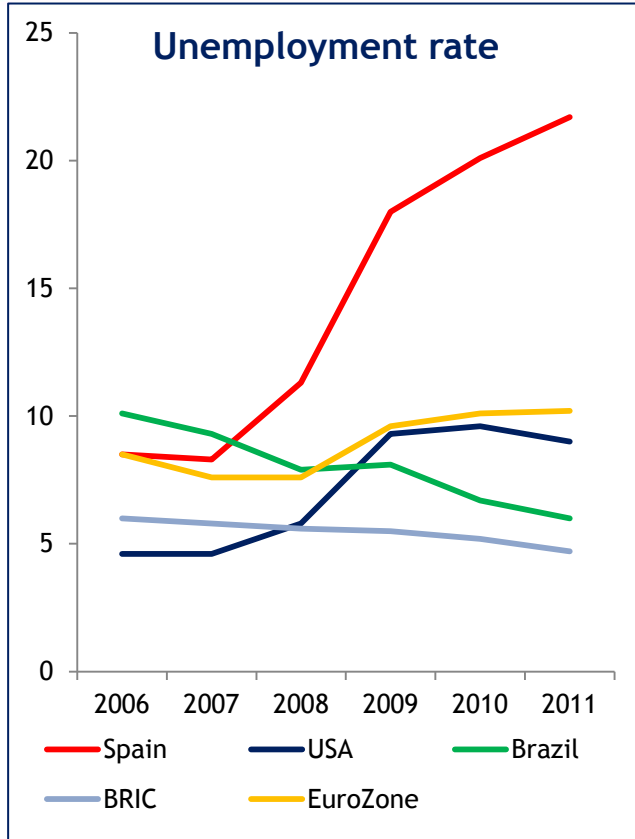
Disclaimer

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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A Complex Environment



Source : Euromonitor



Source : The economist



Source : Bloomberg

- Consumption under pressure in mature markets
- Developing middle class in emerging markets
- Input costs volatility

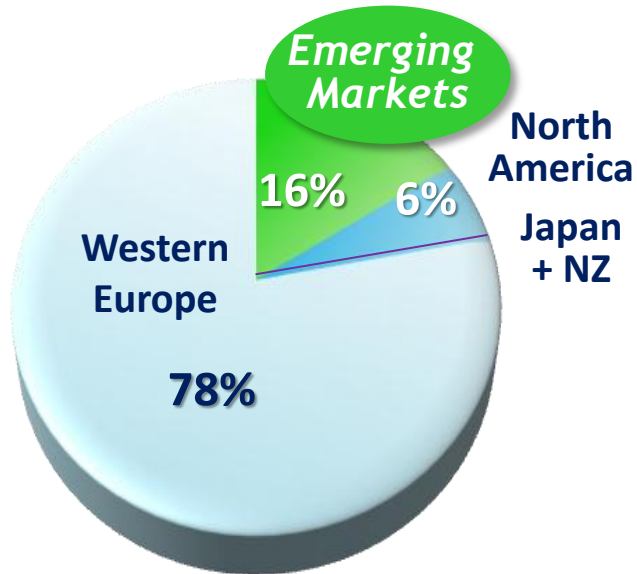


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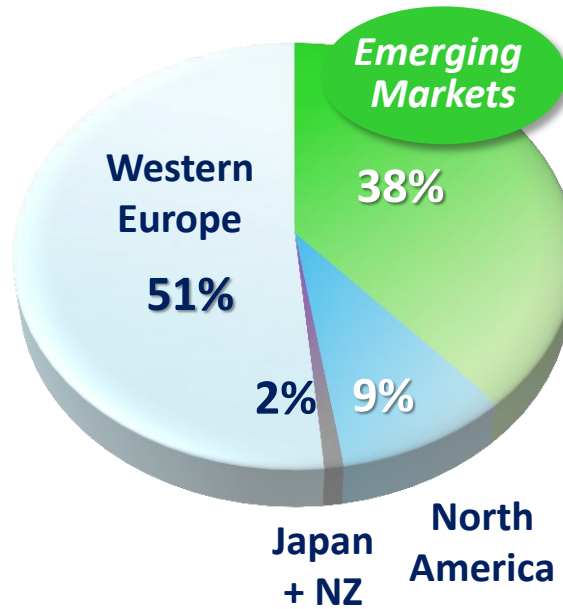
A Fast Geographical Transformation

Sales by region

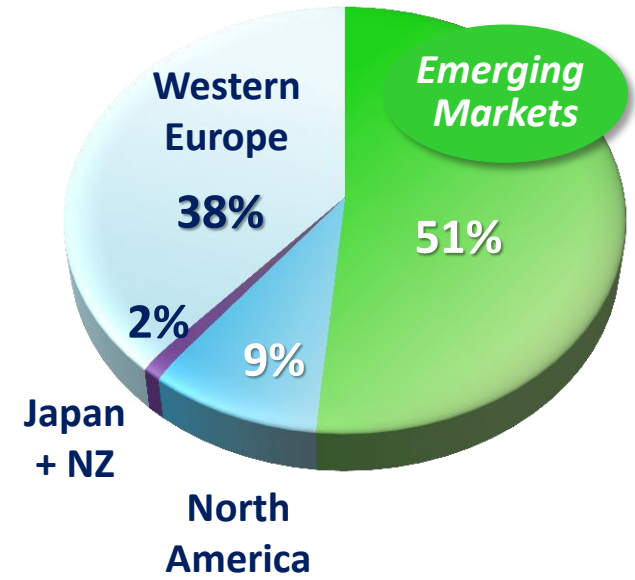
1997



2007



2011

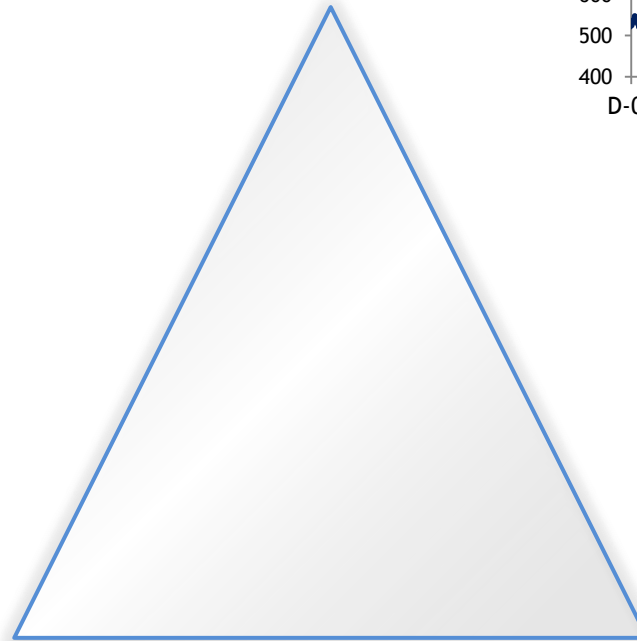
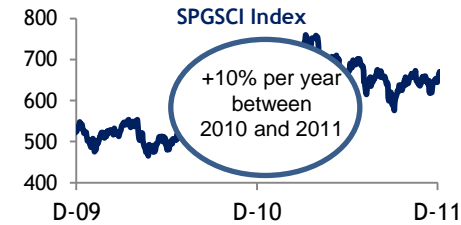




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Complex Equation - Clear Priorities

INFLATION



EUROPE

EMERGING

- Sluggish growth
- Competitive price management

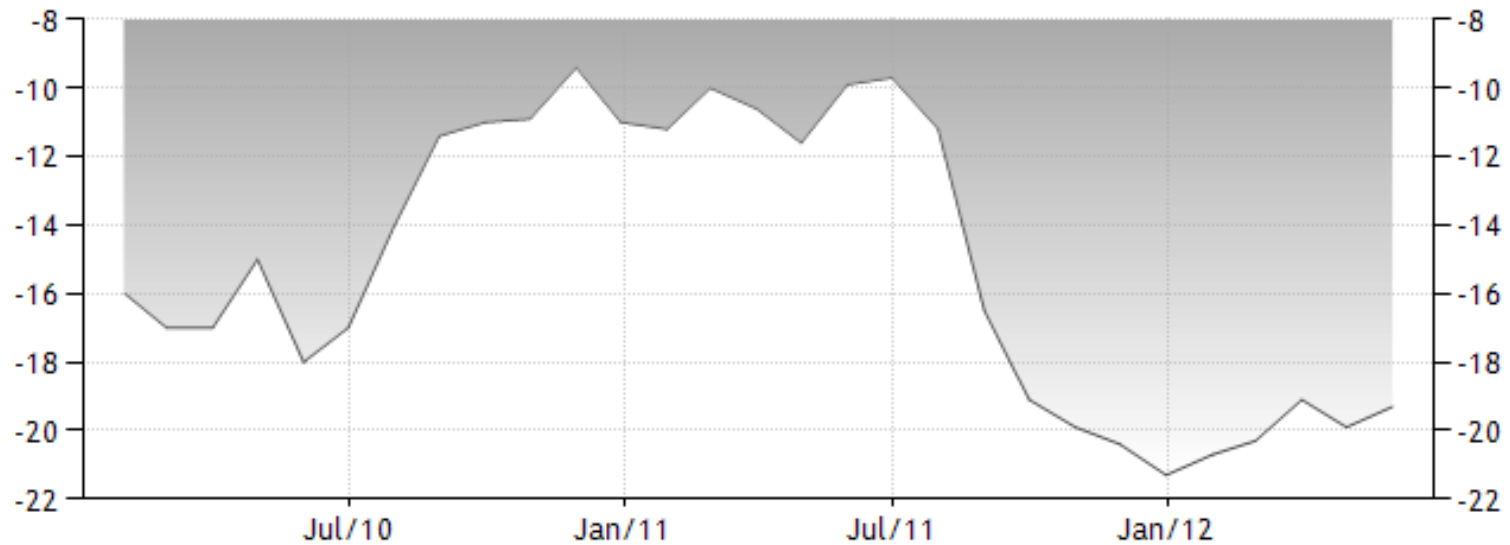
- Categories' development
- Positive mix
- Operational leverage



Eurozone under Pressure

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EURO AREA CONSUMER CONFIDENCE



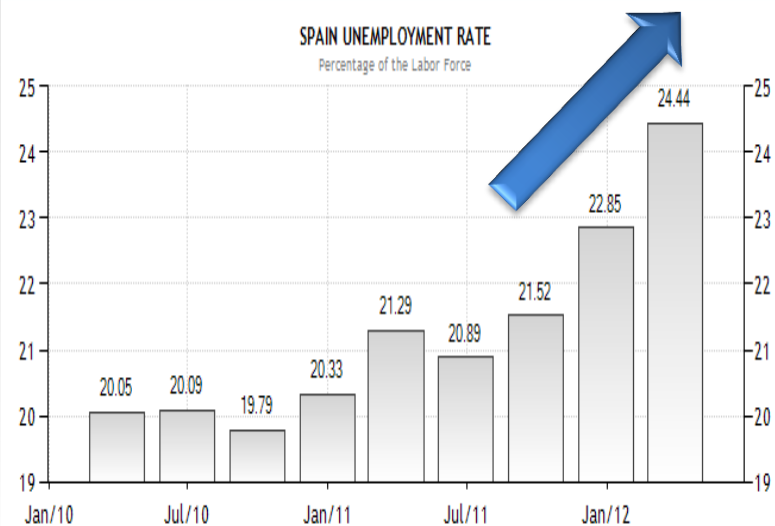
SOURCE: WWW.TRADINGECONOMICS.COM | EUROPEAN COMMISSION



Southern Europe deteriorating

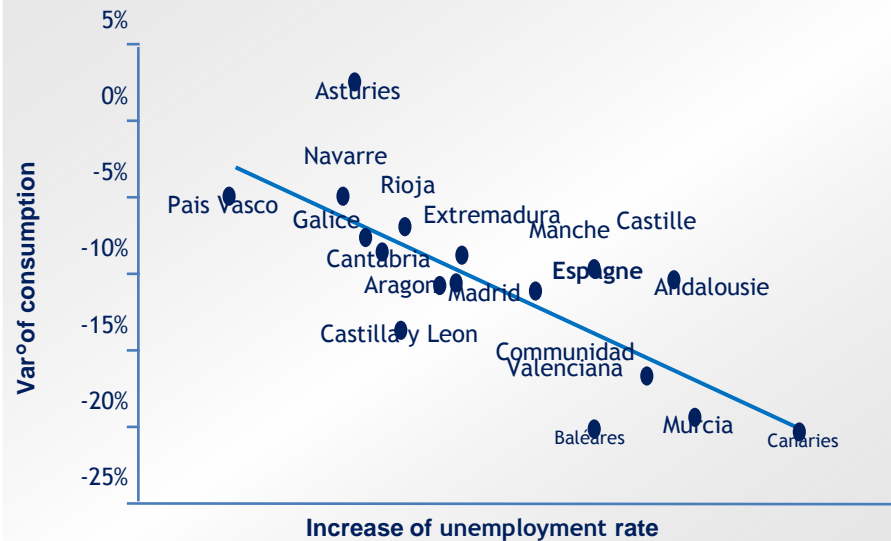
Focus on Spain

Unemployment rate in Spain



SOURCE: WWW.TRADINGECONOMICS.COM | INE

Unemployment vs Consumption Variance by region



Indicador de confianza consumidor. Instituto Nacional Estadística

	Abr 11	Oct 11	Nov 11	Dic 11	Ene 12	Feb 12	Mar 12	Abr 12
INDICADOR CONFIANZA CONSUMIDOR	73.2	64,1	70,5	71,0	68,3	58,0	63,7	50,3

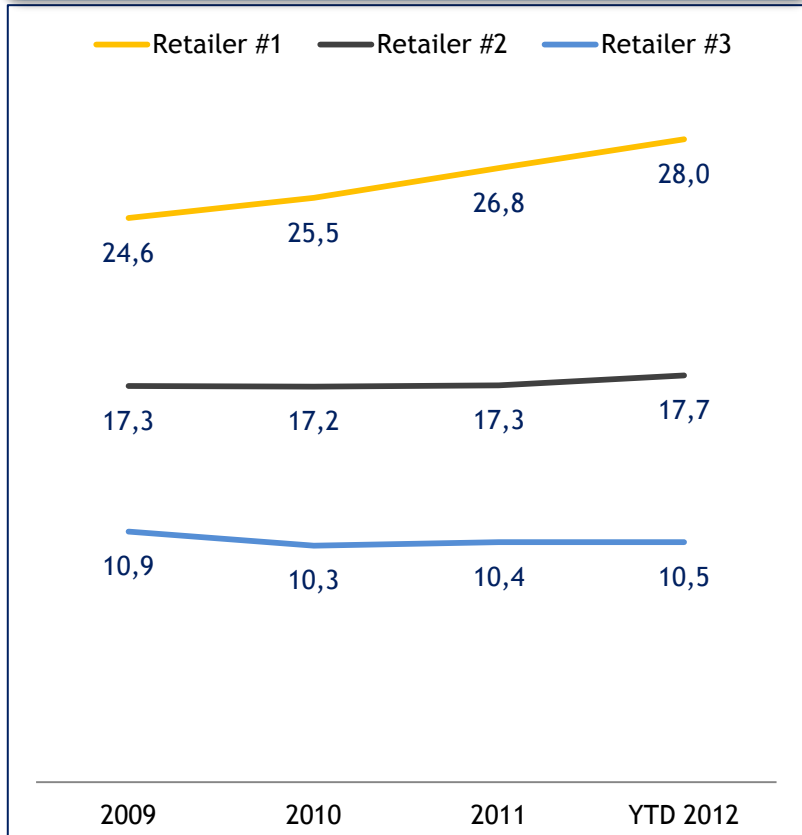




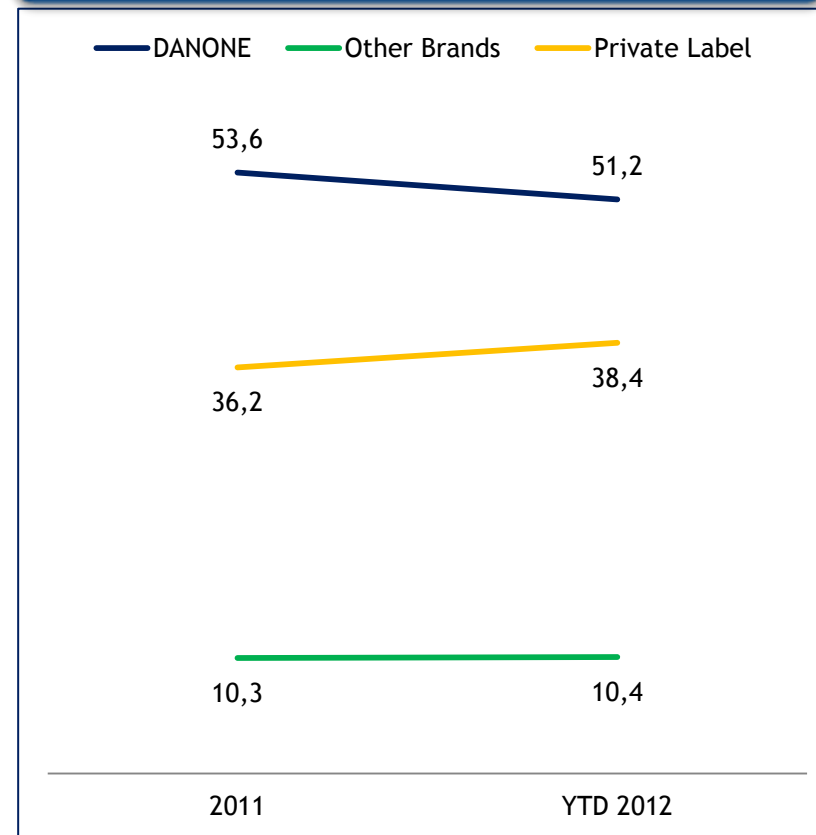
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Dairy Spain : Dominant brand in a changing environment

Food Retail - Value Market shares



Fresh Dairy Products - Value Market shares





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Dairy Spain requiring specific response

Support and differentiate



Increase competitiveness



Innovate



Continued productivity





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Inflation higher than expected

Input cost inflation vs. LY (in %)

Whey & Milk Proteins: > 20%

Packaging: mid-to-high single digit

Milk: very low cream resale price

Fruits & sugar: > 10%

**mid-to-high single digit
inflation expected for
2012**

Productivity 2008-2012 (€ mln)





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2012 Parameters evolving - Managing with same Priorities

- H1 inflation above expectations



- higher productivities

INFLATION

EUROPE

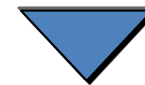
- Deterioration in Southern Europe



- Specific Support & Adjustments

EMERGING

- Continued strong growth & operational leverage



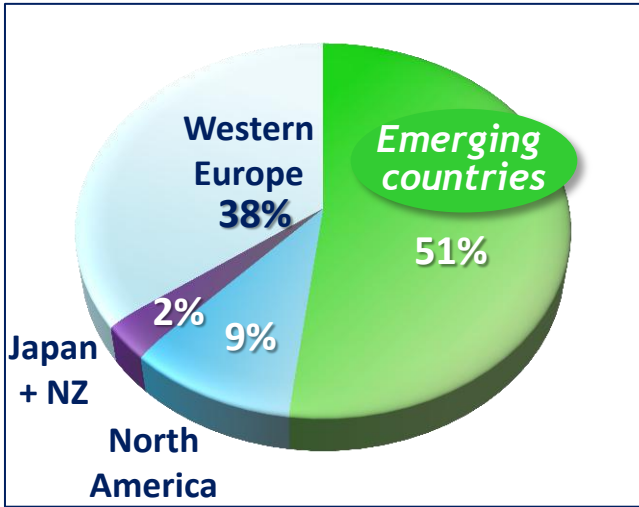
- No compromise vs LT building
- Investment maintained



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Continued performance in Emerging markets

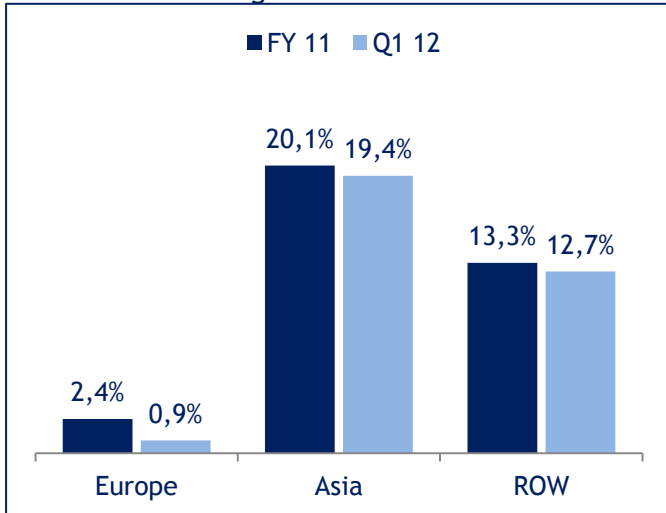
2011 sales breakdown



Platform(s) for growth



Like-for-like sales growth



2012 agenda: Activating the key brands

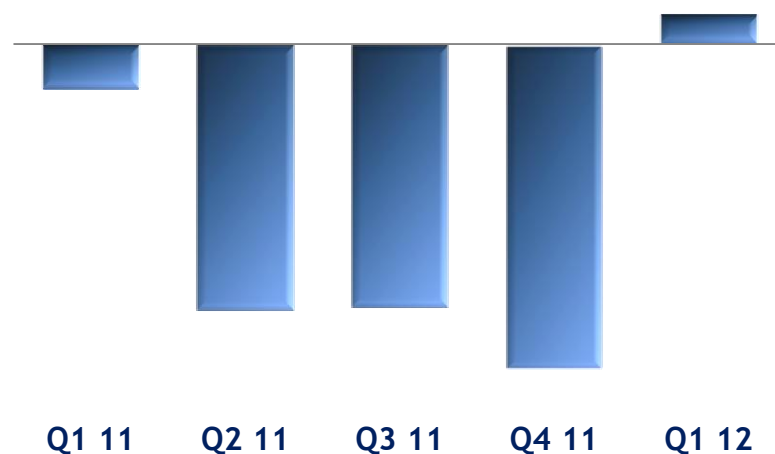


● A rolling activation plan

e.g. : key activities Q1

- 360° support on Prostokvashino
- 360° support on Danonino
- Support & line extension on Danissimo

Danone-Unimilk CIS % volume growth



- Good consumer receptiveness, with Prostokvashino the main growth driver



+12%

Q1 12 like-for-like growth - Russia

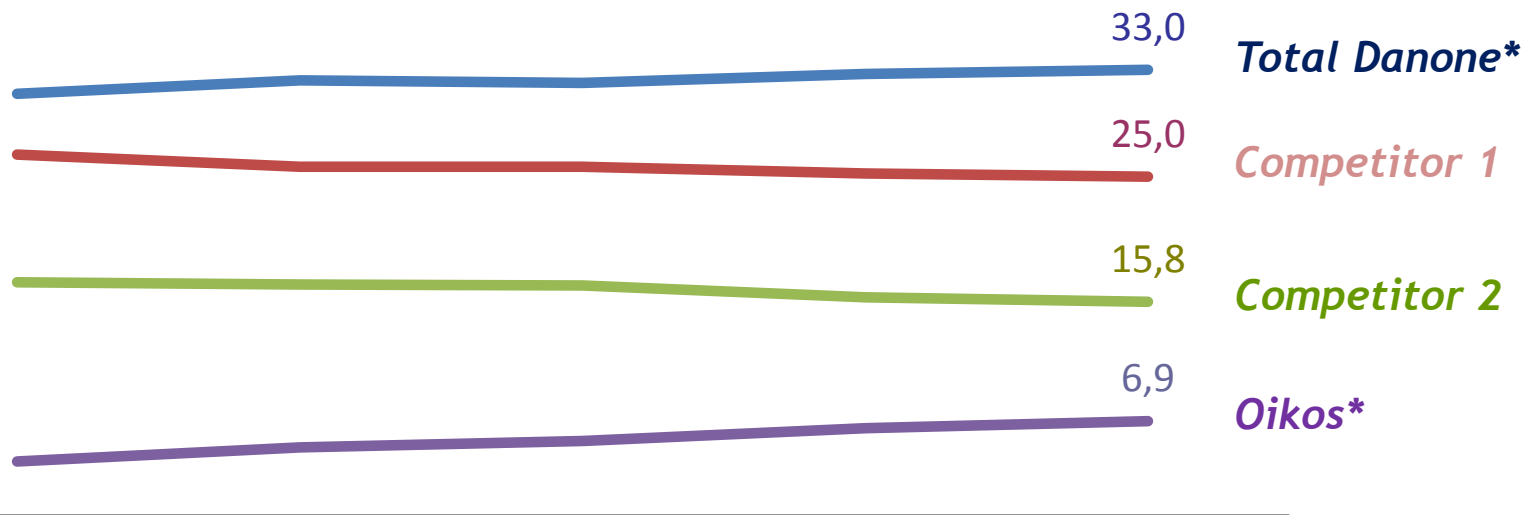


FRESH DAIRY US - Consolidating leadership of the total category while progressing in the Greek segment



MS Value

Source : IRI



2012 Our targets

	Objectives 2012
Sales growth ⁽¹⁾	5-7%
Trading operating margin ⁽¹⁾	- 50 bps
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