Fit for Innovation & Growth

Paco **CAMACHO**

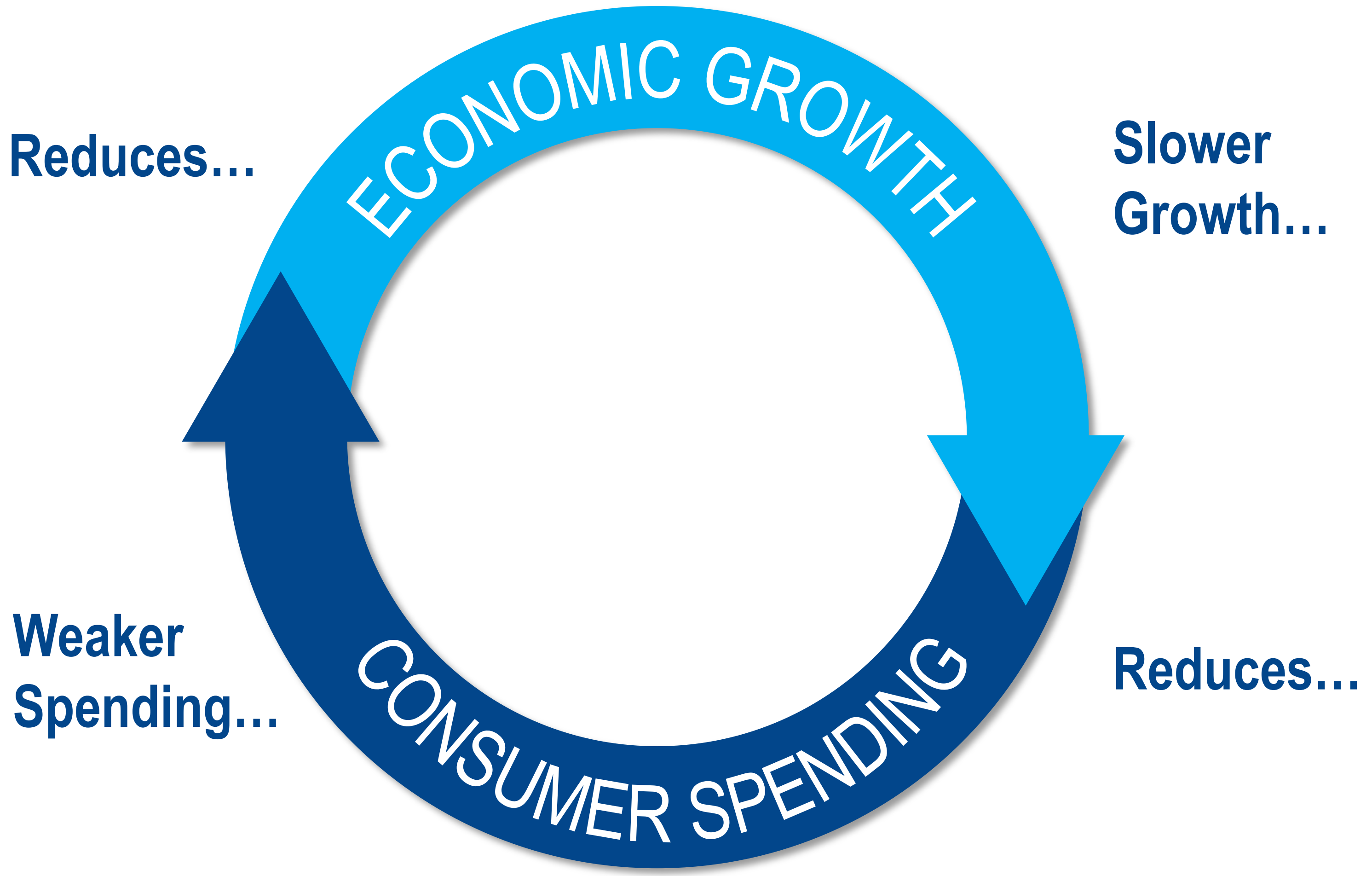
EVP Growth & Innovation Officer and Waters

Evian 2017 - Investor Seminar

paradigm

shift

Stagnant economic outlook puts pressure on demand making growth harder to find

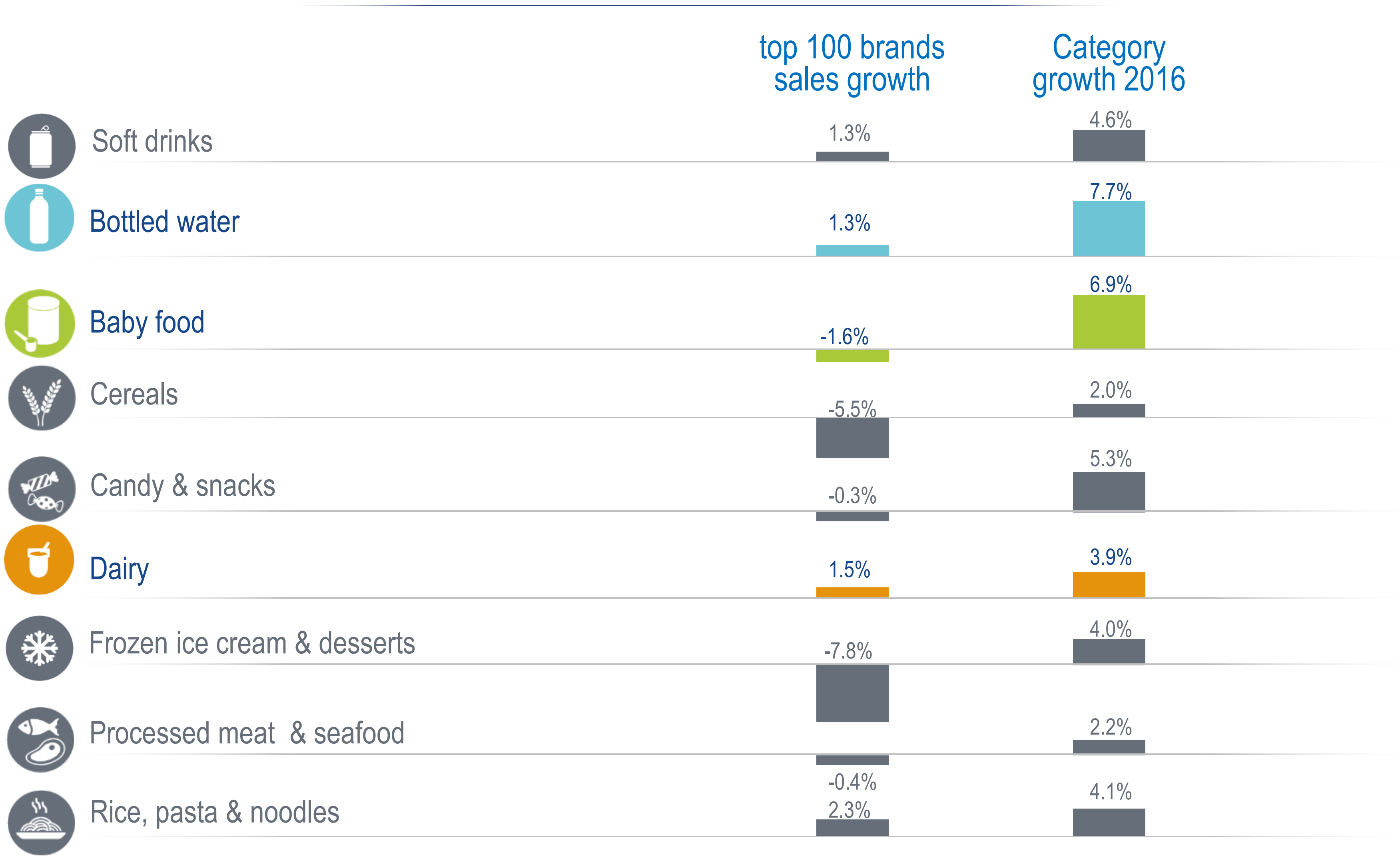


Growth slowing down across categories

	2011	2012	2013	2014	2015	2016	
Soft drinks	4.9%	4.4%	4.1%	4.6%	4.2%	4.6%	↓
Bottled water	5.8%	4.9%	5.3%	7.1%	7.5%	7.7%	↑
Baby food	10.5%	11.6%	12.0%	9.7%	7.4%	6.9%	↓
Cereals	2.8%	2.7%	0.9%	0.9%	1.9%	2.0%	↓
Candy & snacks	6.1%	6.2%	6.0%	5.8%	5.6%	5.3%	↓
Dairy	6.8%	5.5%	5.7%	5.6%	3.6%	3.9%	↓
Frozen ice cream & desserts	5.5%	5.2%	4.4%	4.3%	3.6%	4.0%	↓
Processed meat & seafood	2.4%	2.8%	4.2%	3.4%	2.1%	2.2%	↓
Rice. pasta & noodles	5.8%	7.1%	5.1%	5.0%	3.8%	4.1%	↓

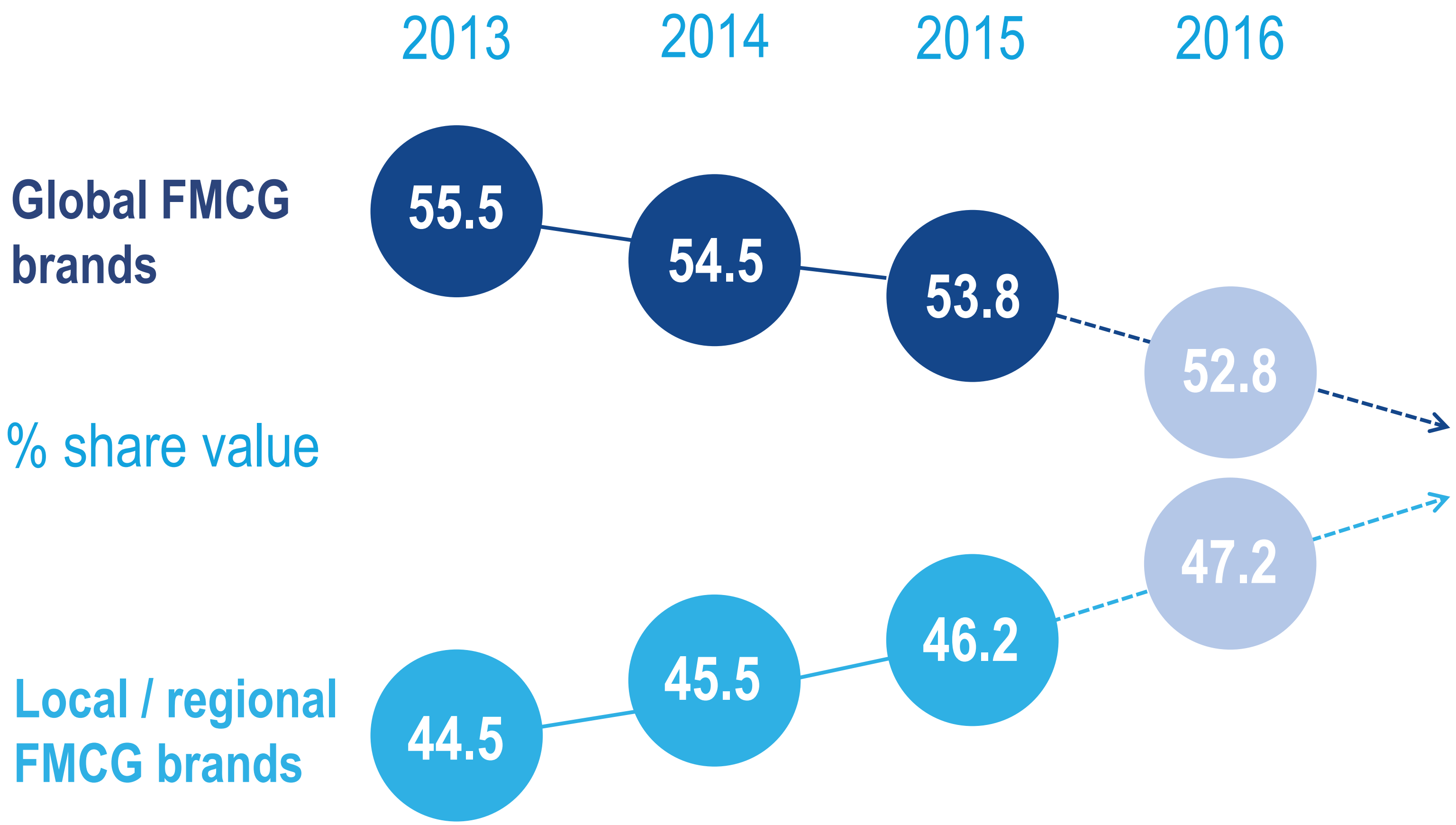
Source: Euromonitor Historical data 2011-2016 packaged food & soft drinks value growth rate %2016

A fragmented world, in which growth comes from the niches



Source: 1. Ad Age report / Category growth Top 100 Jun 2015 (52 weeks) 2. Euromonitor data packaged food & soft drinks value growth rate % 2016

50% of share will come from local - regional FMCG brands by 2020



58% of the growth is driven by local brands

Source: Kantar Worldpanel - Packaged food & drinks evolution 2013-2015 in MS Value & 2016 B- Estimated (without private labels).

small

is the new big

Where future growth shifting towards small grocery store formats & online

CARG 2012-2022 % estimate growth in value per channel

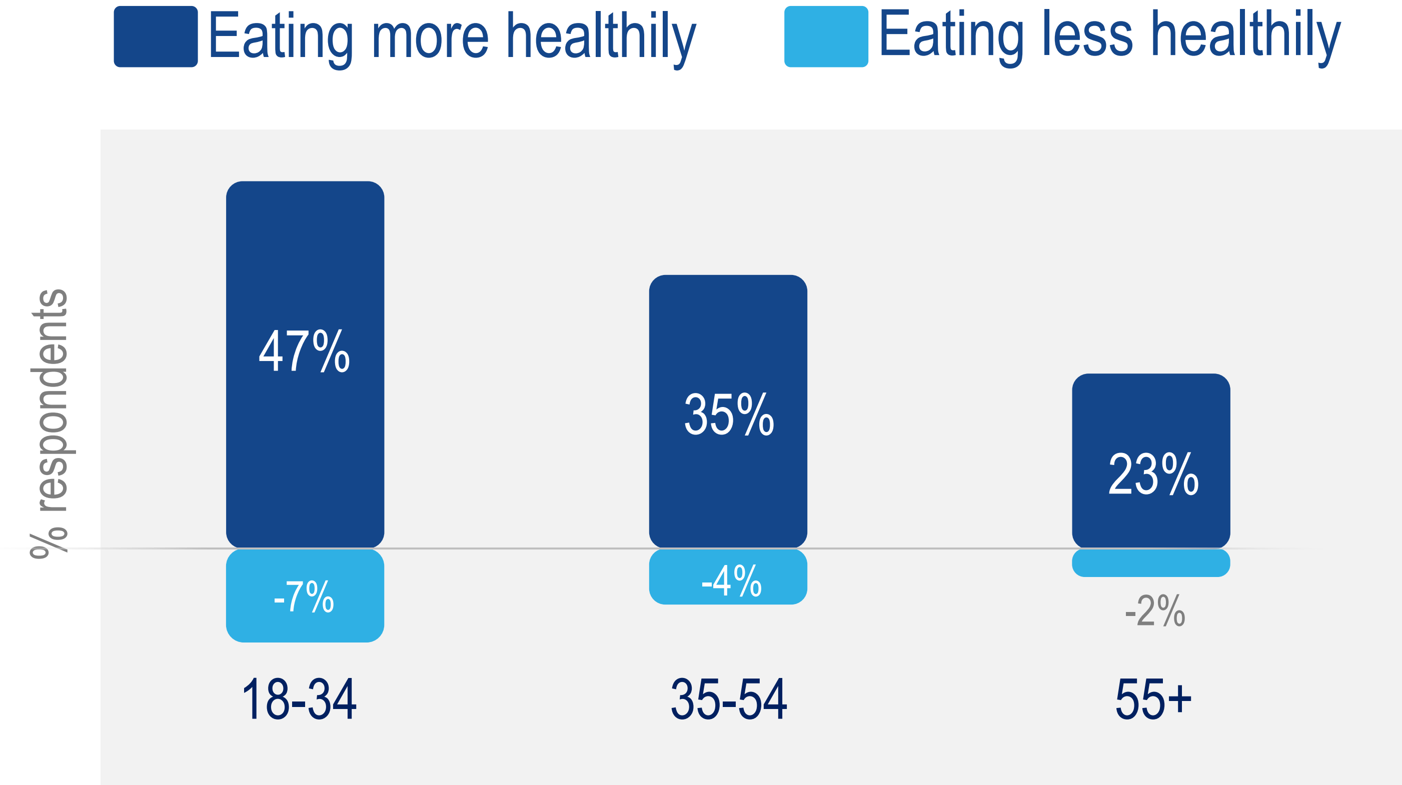
Notes: 1. Date relates to retailers within the planet retail database only: e – estimate / f – forecast. 2. Small stores > includes: Neighborhoods stores, Drugstores & Pharmacies, Convenience stores. Source: Planet retail 2016*

Millennials are playing a key role

Source: Nielsen 2016

DANONE

47% of Millennials have changed their eating habits towards a healthier diet in the last year



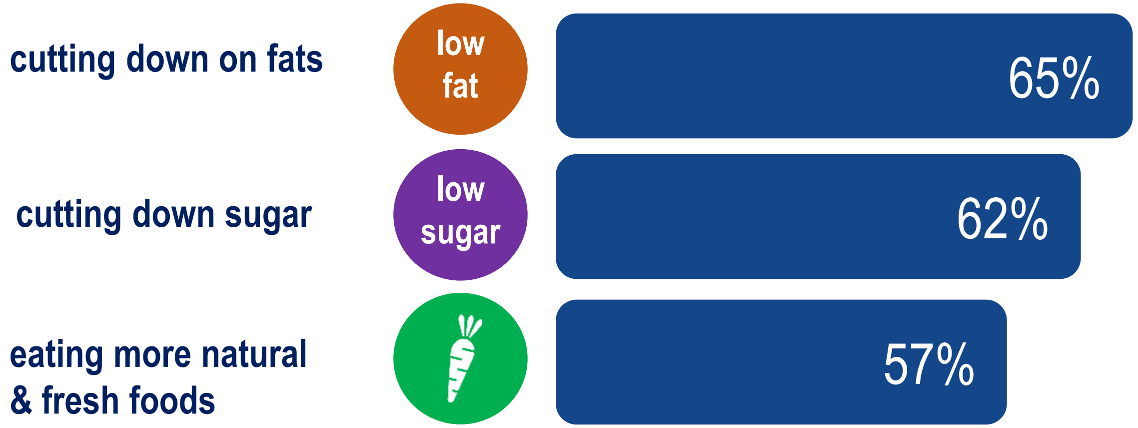
88% consumers willing to pay more for healthier food *

*Source: * Nielsen Global Health & Wellness Survey, 2015*

Healthy = Trendy

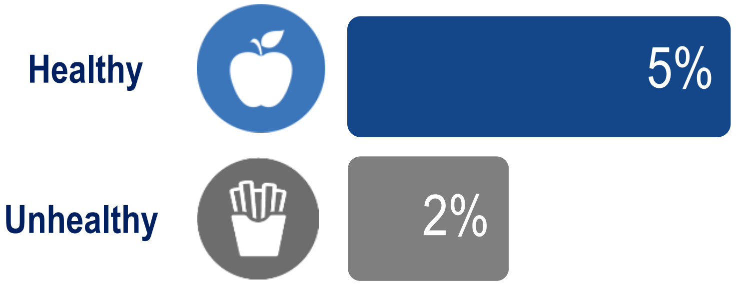
People are eating & drinking more healthy

(2012 to 2015) Global average ways of changing our diets



Healthy categories growing in all regions

(2012 to 2015) Global average sales change for selected healthy & unhealthy categories



Source: Nielsen Global Health & Wellness Survey, Q3 2015

DANONE

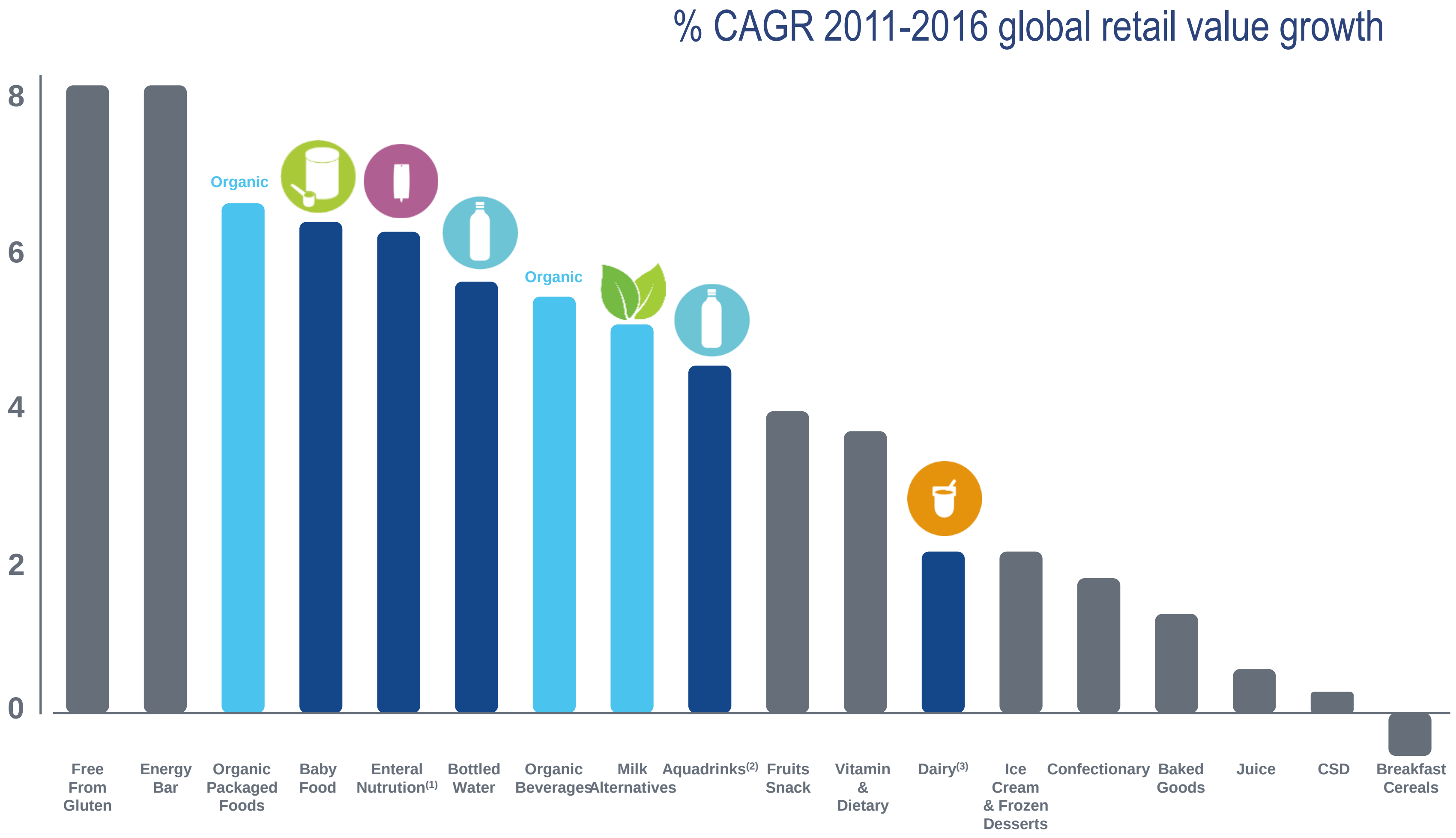

MORE THAN EVER...
RIGHT TO PLAY THE GAME

Right mission

BRINGING HEALTH THROUGH FOOD TO AS MANY PEOPLE AS POSSIBLE




Right categories with a strong competitive position



Sources: Euromonitor. Retail Sales 2011-2016; Costant 2016 prices: (1) Source: Kalorama Information 2012 Note: Allergy category not included in this data (2) Source for aquadrinks: Canadean – 27 countries, Date: 2008 – 2014, (3) Aggregation of butter and margarine, drinking milk products, cheese, yoghurt and sour milk drinks, and other dairy products.

Health driven brand portfolio

fresh dairy products

early life nutrition

plant-based food & beverages

organic food & beverages

nutritionals

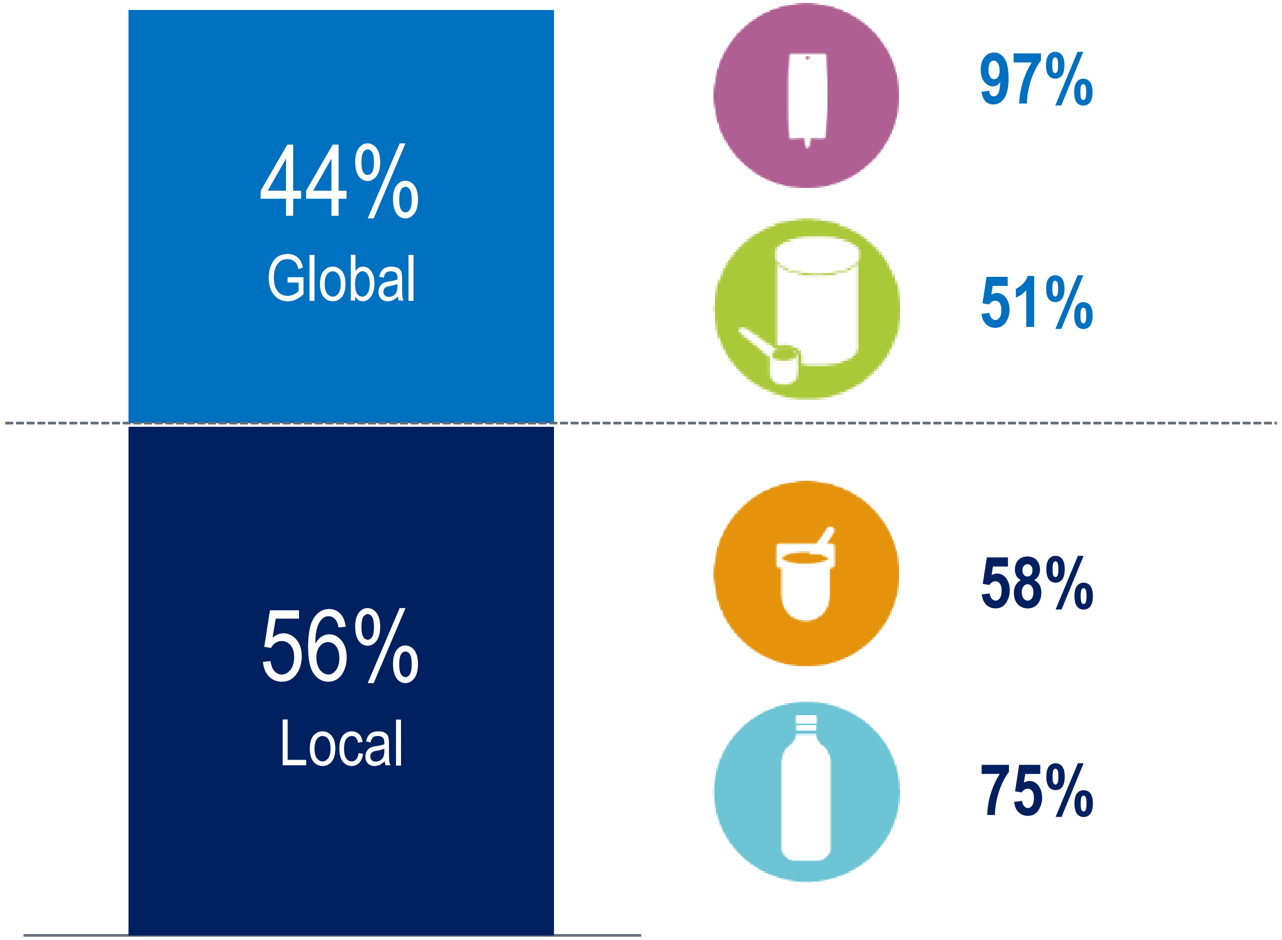
waters

advanced medical nutrition

coffee creamers & beverages

DANONE

Right balance between global & local brands



Fully empowered local teams

% Value mix net sales global / local brands Danone w/o WhiteWave

Right organization

maximize local team empowerment

2016

1. ONE DANONE

One DANONE Organization

New collaborative mindset

2. BEYOND BUDGET

BEYOND BUDGET

From short term performance
To sustainable value creation

Jan 2017

3. NEW COMEX TEAM

A more closely integrated comex

Mar 2017

4. NEW REGIONAL FOOTPRINT

Removing complexity & facilitate alignment

Apr 2017

5. DANONE EXECUTIVE LEADERSHIP TEAM

D.E.L.T.

DANONE EXECUTIVE LEADERSHIP TEAM

Regional empowerment

A new transversal function: Growth & Innovation

maximize
local team
empowerment

3. NEW COMEX TEAM


A more closely integrated comex

EVP Growth & Innovation Officer and Waters

1. Drive seamless cooperation process among all topline and innovation functions
2. Provide framework and platforms for category growth and innovation
3. Identify and drive transversal / cross category opportunities

Unique culture

responsiveness

sharing

pragmatism

dialogue

100,000
men and women
&
1culture

openness

agility

proximity

autonomy

commitment


MOVING FORWARD





BUT CONSUMERS CHANGE AND THE CENTER MOVES









To keep them at the center there are 3 things we need to constantly adapt

innovation	engagement	reach
Early adoption of trends	Purpose brands & precision marketing	Be where consumers are

innovation

Early adoption of trends

GLOBAL TRENDS FRAMEWORK

VISION FOR GROWTH

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

1. Hyper Fluid lives

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

Busier schedules mean that specific timings for food and drink occasions blur

DATA DRIVEN CONVENIENCE

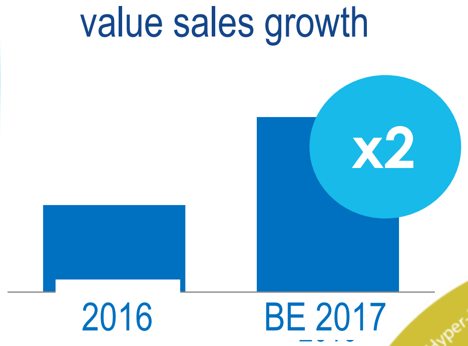
STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

DANONINO ON THE GO HEALTHY SNACK

Top 10 innovations

FMCG market 2016 value sales - France



DATA DRIVEN CONVENIENCE

STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

Individuals are looking for convenient solutions, from immediate to predictive, to make their lives easier

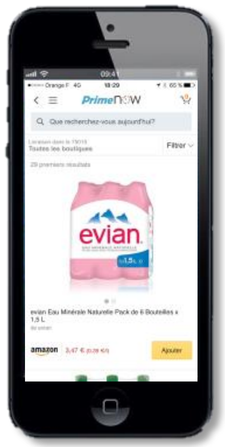
STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

EVIAN #1 SKU IN AMAZON PRIME IN FRANCE

#1
SKU



*amazon prime ns sales ytd-17 between all fmcg products on sale

STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

ON THE GO / OUT OF HOME

STRIPPED BACK SIMPLICITY

In an increasingly saturated marketplace, individuals want guidance, products and services that offer simplicity

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

ON THE GO / OUT OF HOME

E-COMMERCE AS ONE OF THE FASTEST GROWING CHANNELS IN ELN

≈+20%
vs' 15

18%
ELN MIX

- endorsing online shopping
- strong partnership with global & local players
- innovative experiences in our d2c sites

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

STRIPPED BACK SIMPLICITY

ON THE GO / OUT OF HOME

People are increasingly on the move

FRAGMENTED FOOD, DRINK & INFANT NUTRITION OCCASIONS

DATA DRIVEN CONVENIENCE

STRIPPED BACK SIMPLICITY

EVIAN SPECIFIC TOURIST ON THE GO FORMAT ACCELERATION

i.e. Sagrada familia - Barcelona

5 MM
Visitors every year

84 POS
In the area

RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

2. Trust & Authenticity

RESPONSABILITY & CARE

Growing demand and necessity for brands and businesses with care for consumer, community and world at their core

PROACTIVE HONESTY & TRANSPARENCY

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

EVIAN ZERO NET COMMITMENT 2020 & LANJARON NEW 100% SUSTAINABILITY COMMITMENT PREMIUM RANGE

premium category valorization
+ eco committed purpose innovation

PROACTIVE HONESTY & TRANSPARENCY

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

Individuals are seeking brands who proactively communicate and build trust with their audience, by having a 'purpose' beyond profit

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

RESPONSABILITY & CARE

DANNON PLEDGE FOR NATURALITY & NON GMO
DANONE WAVE IS THE LARGEST COMPANY IN US TO HAVE A PUBLIC BENEFIT CORPORATION STATUS

2017

DANNON

2018

DANNON Danimals

DANNON OIKOS

Brought to you by the community of

Certified B Corporations

DANONE WAVE

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

GOING BACK TO LOCAL

PROVENANCE & HERITAGE

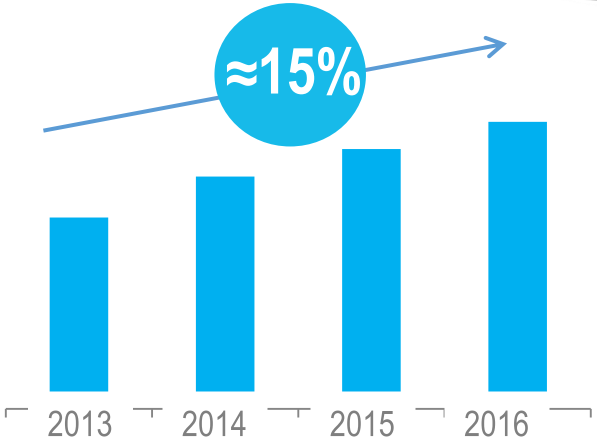
People increasingly want to know the exact history and origins of the products they consume

RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

GOING BACK TO LOCAL

LES 2 VACHES REINFORCING THEIR UNIQUE PROVENANCE & HERITAGE



RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

PROVENANCE & HERITAGE

GOING BACK TO LOCAL

People are increasingly looking for brands that support local origins which feed back into their own communities

RESPONSABILITY & CARE

PROACTIVE HONESTY & TRANSPARENCY

PROVENANCE & HERITAGE

BONAFONT MEXICO LEVERAGING LOCAL DESIGNERS FOR THE BRAND 25 YEARS

≈+10%
VS'15*

150 Mio. bottles

* in value sales growth 16' vs 15'

HOLISTIC WELLBEING

Consumer focus turns to mental and emotional wellbeing, beyond just physical health and fitness

PREVENTIVE HEALTH

Tracking and monitoring health data allows food, drink and infant nutrition manufacturers to create tailored products and make personalised recommendations

ALTERNATIVE GOODNESS

Consumers seek healthy alternatives to established foods and drinks, engineered to do good

NATURALITY

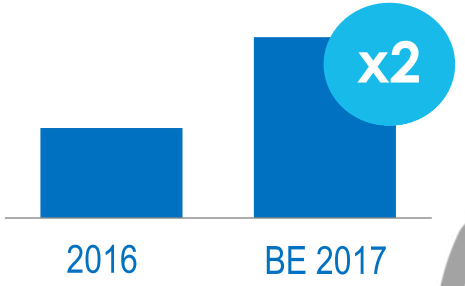
Nature being unlocked by science increasingly allows brands to offer products and services that optimise peoples' individual health

3. The New Health

Holistic Wellbeing

Double the tea brands in Spain driven by a new impulse format

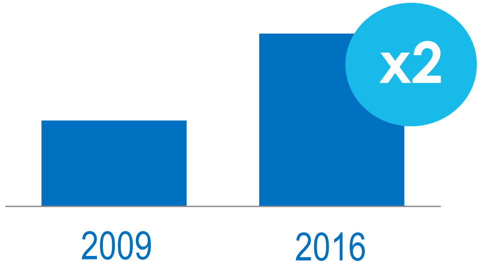
sales value growth



Preventive Health

US medical nutrition growth driven by innovations & new therapeutic areas

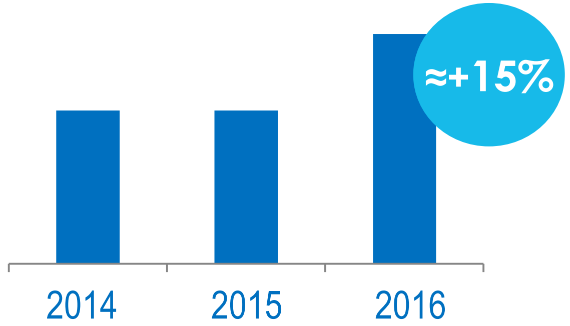
Total US Net sales



Alternative goodness

Oikos triple 000 takes us back to double digit growth in total Oikos US

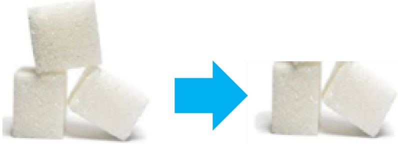
Value sales growth Total Oikos US

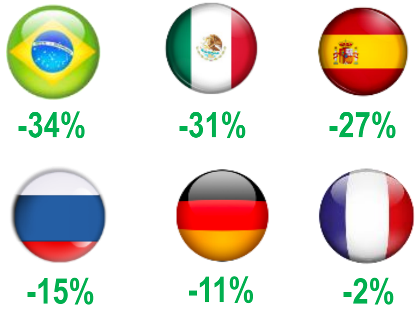


Naturality

Danonino with a strong commitment on sugar reduction

Added sugar 2014 vs. 2017





> No preservatives
> No artificial colorings
> No artificial flavoring

4. Discovery & Delight

VISUAL IMPERATIVE

The design imperative for food has never been so strong, as individuals consistently ‘eat and drink with their eyes’, both on- and offline

SMALL, EVERYDAY PLEASURES

Everyday food ,drink discoveries and novelties which stimulate the senses are now as impactful as high-end experiences

DISCERNING EXPERIENCES

Access to information on global food & drink contributes to greater expectations for discerning experiences

IMMERSIVE EXPERIENCES

Sophisticated technology is able to delight consumers with enhanced and hyper-sensorial experiences

Visual imperative

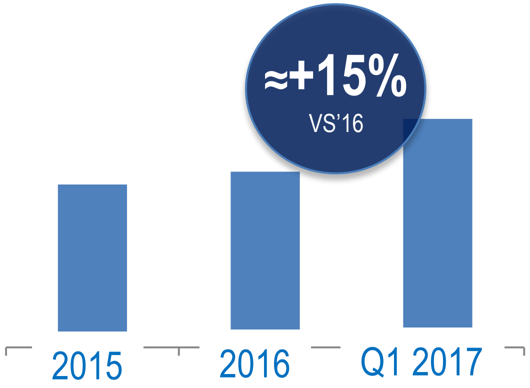
new on-off presence with the new evian infused water segment

X3
vs LY ytd'17

Everyday pleasures

Danissimo Shake & Go first delicious yoghurt cocktail on the russian market

Danissimo sales value growth



* Q1% NS growth in value based on Q1-17 results

Discerning experiences

« clearly crafted » online programme to gain parents trust

≈+30%
VS'15

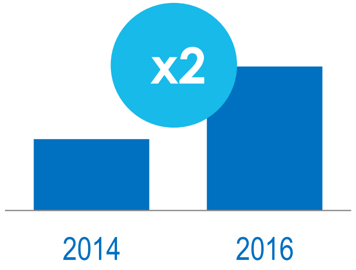
#1 Organic Brand (excl. Walmart)

Inmersive experiences

Kids activation to the limit

- > Stickers on pack
- > Special caps
- > Glow in the dark
- > Digital games

DW sales value growth Kids



DECLINE OF THE MIDDLE

The rise of niche communities means consumers want personalised solutions over mass-produced offers

SAVVY SPENDING

With real-time information sharing, people seek the best personal value for their money

HIGH EXPECTATIONS FOR SERVICE

Customers increasingly want brands who provide an ongoing service beyond the product

CATERING TO COMPLEX IDENTITIES

As people challenge traditional labels and define themselves in new ways, brands need to cater to multi-faceted identities

5. Next Gen Value

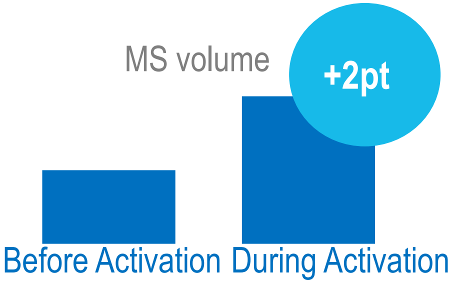
Decline of the Middle

The most successful ultra premium launch

National launch
Apr 2017

Savvy spending

Affordvaluity & refraiming activations during low season in LatAm

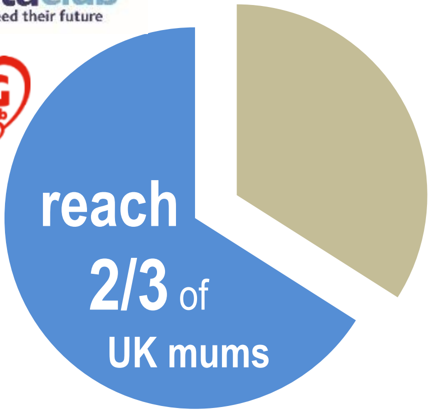


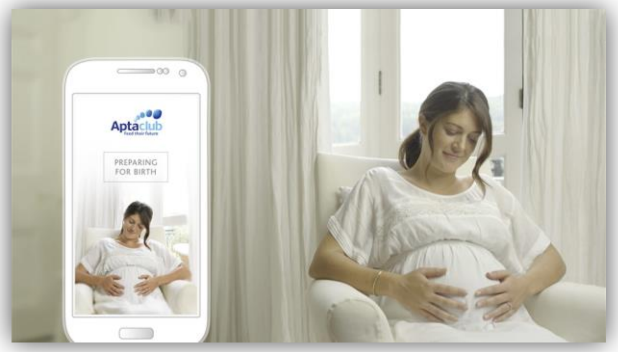
High expectations for service

Consumer connections with 1st time mums to be

Aptaclub
Feed their future

C&G babyclub





Complex identities

#1
Innovation Retail UK

Light & free new identity – UK may-16

* Retail FCMG UK 2016

CONSUMERS AS CREATORS

Consumers seek involvement in creating food, drink and infant nutrition products, blurring the boundary between producer and consumer

LIKE-MINDED COMMUNITIES

Both on- and offline, food, drink and infant nutrition communities are proliferating faster than all other shared interest groups

NEW PHYSICAL SPACES

Hybrid areas for work, retail and leisure encourage consumers to co-create and allow small enterprises to scale quickly.

6. Creativity & Collaboration

Africa consumer connection

Valérie **DESPLANCHES**

R&D & Quality VP Africa

Evian 2017 - Investor Seminar

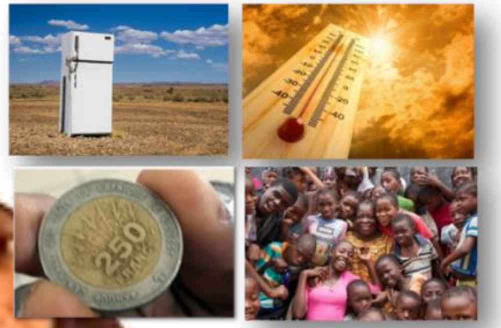
Africa

CONSUMER CONNECTION

To innovate, we need not only to look at what people eat….

But go through a systematic understanding of who, when, what, how & why

Context



Aspirations

Needs

To Drive local relevance & community acceptance

Systematic understanding of who, when, what, how, why

Needs

1. Nutriplanet

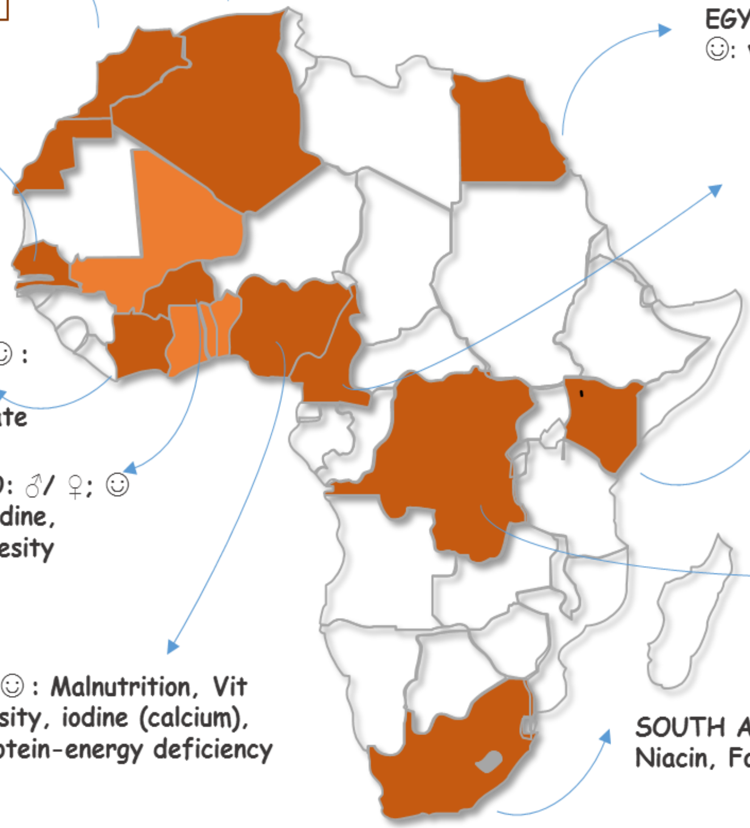
MOROCCO: ♂/ ♀; ☺ : Obesity, iron, iode, vit A ☺ : malnutrition

ALGERIA: ♂/ ♀; ☺ : Iron, vit A, obesity, ♀: folate, ☺ : vit D

EGYPT: ♂/ ♀; ☺: Iron, obesity, ☺: vitD, calcium, zinc, malnutrition (stunting)

SENEGAL: ♂/ ♀; ☺ : Vit A, malnutrition, iron, obesity ☺ : zinc

CAMEROUN: ♂/ ♀; ☺ : Iron, vit A, iodine, malnutrition, protein-energy deficiency, obesity



WEST AFRICA IN GENERAL: ♂/ ♀; ☺ : iron, Vit A, malnutrition, obesity

- COTE IVOIRE: ♂/ ♀; ☺ : Vit A, iron, obesity, ☺ : malnutrition ♀: folate
- BURKINA FASO: ♂/ ♀; ☺ : iron, Vit A, iodine, malnutrition, obesity
- NIGERIA: ♂/ ♀; ☺ : Malnutrition, Vit A, iron, zinc, obesity, iodine (calcium), ♀: folate, ☺ : protein-energy deficiency

KENYA: ♂/ ♀; ☺ : Iron, obesity, ☺ : vit A, zinc, protein-energy deficiency, iodine, malnutrition ♀: calcium, folate

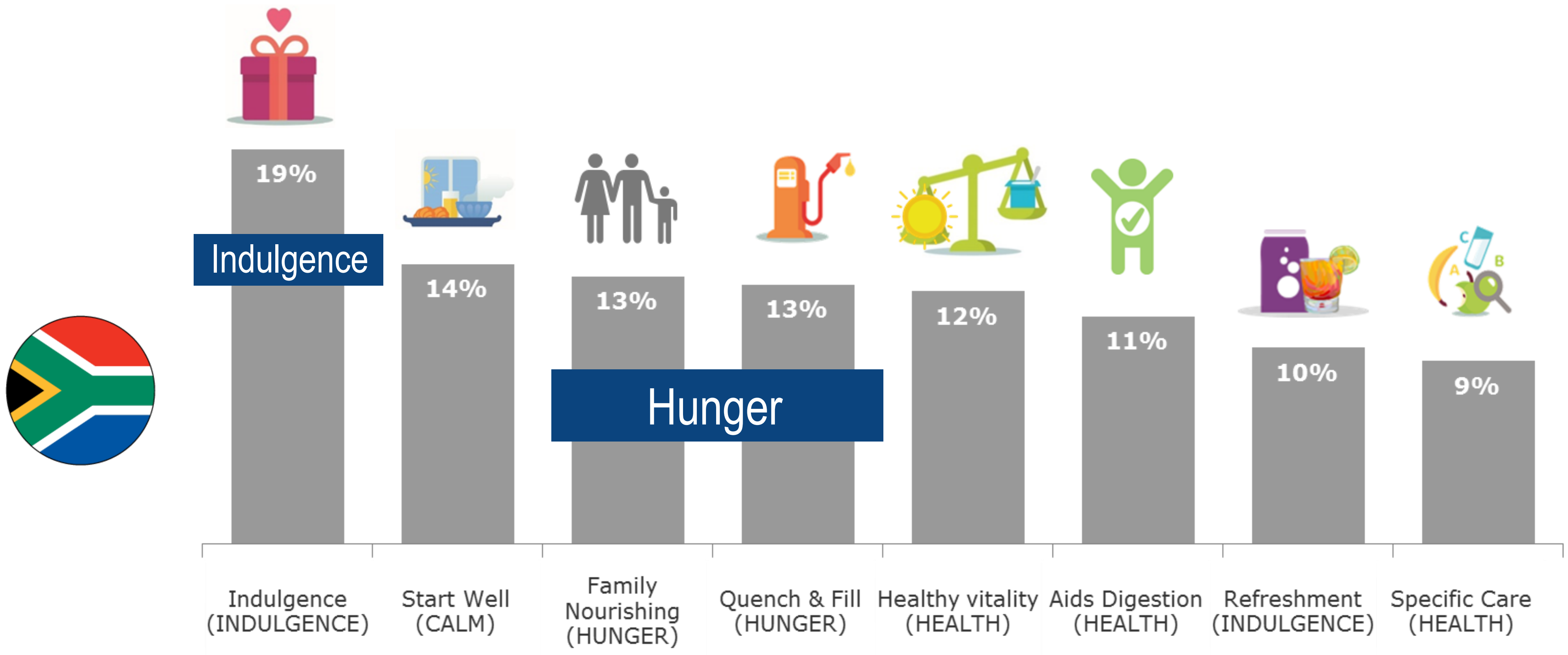
RDC: ♂/ ♀; ☺ : Protein-energy deficiency, malnutrition, obesity, iron, vit A, iodine

SOUTH AFRICA: ♂/ ♀; ☺ Obesity, vit A, B1 , B2, Niacin, Folic acid , B6 calcium, iron, zinc

Sources: Nutriplanet 2010-2016, WHO 2015, Unicef 2016, local reports

♂/♀: general population –
☺: Babies/kids 0-5 years old –
♀: Women child bearing age, pregnant and breastfeeding

Systematic understanding of who, when, what, how, why



Size of the individual Adult Needstates in South Africa

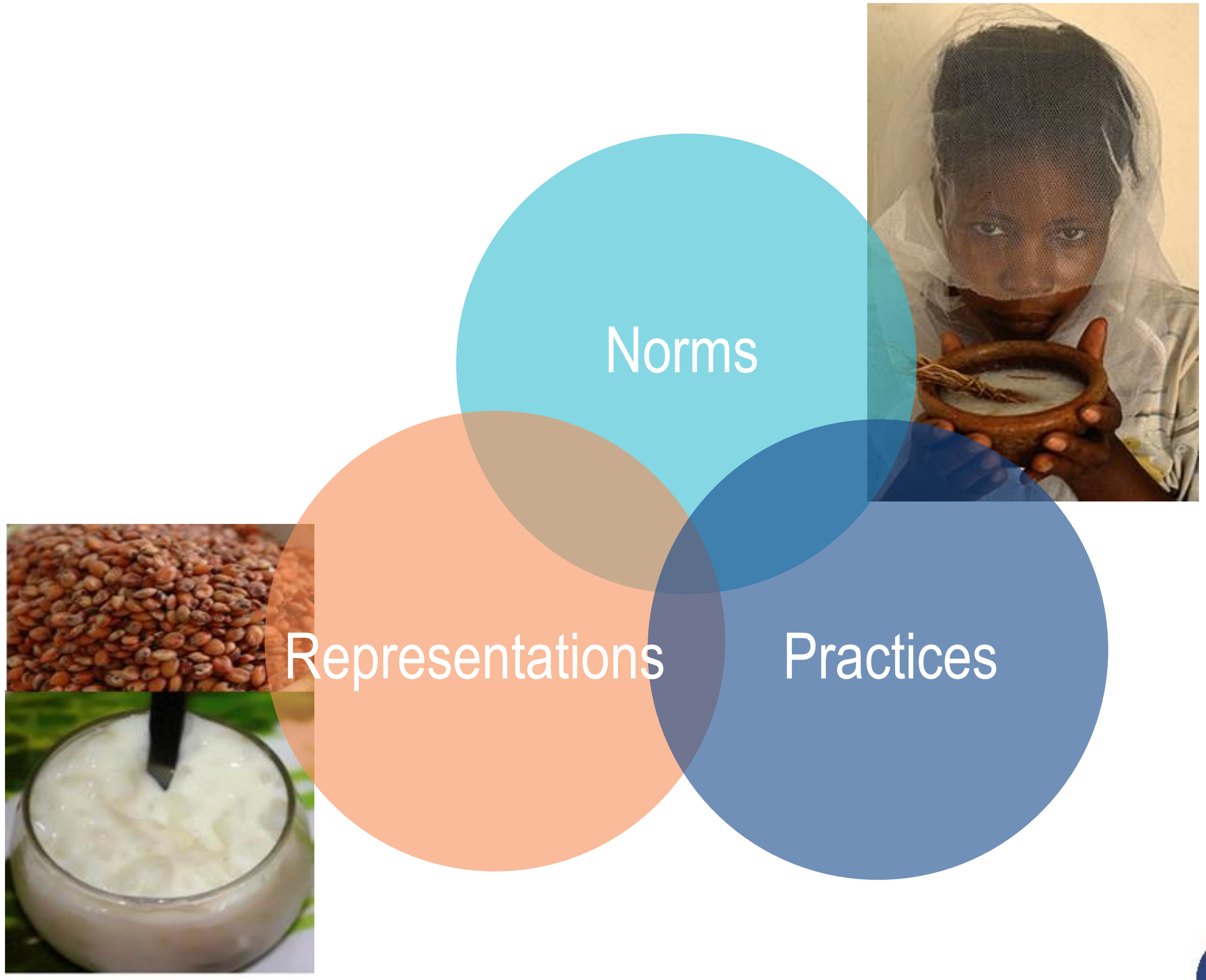
Base: segmented intakes (adults without main dishes) - drivers asked at occasion level

Systematic understanding of who, when, what, how, why

Aspirations

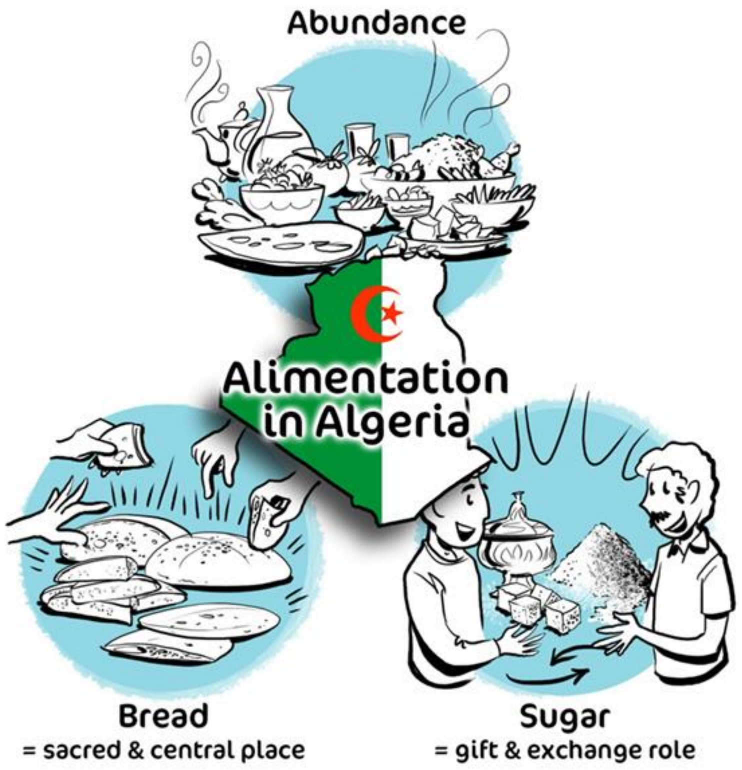
Ethno Socio

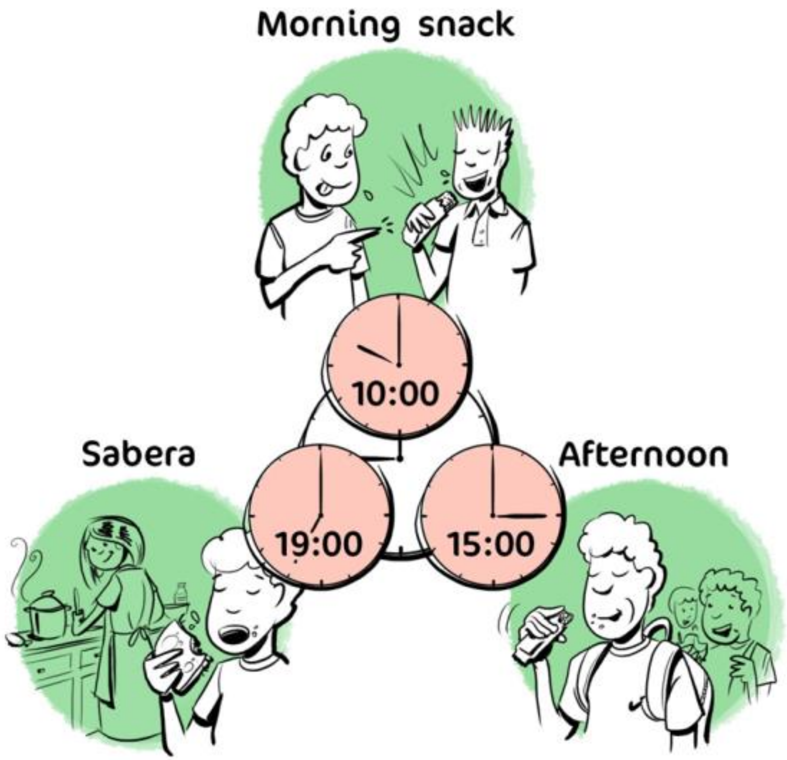
30 to 60 interviews



Algeria
Example

Understand food journey of 0-7 year old children with a specific focus on anemia and obesity





And innovating by exploring, co-creating with communities, not by validating concept ideas

Learn

1. FRAME & PLAN
2. LEARN
3. EXPLORE
4. IDEATE & EVALUATE
5. PROTOTYPE & TEST
6. CONNECT TO DEVELOP

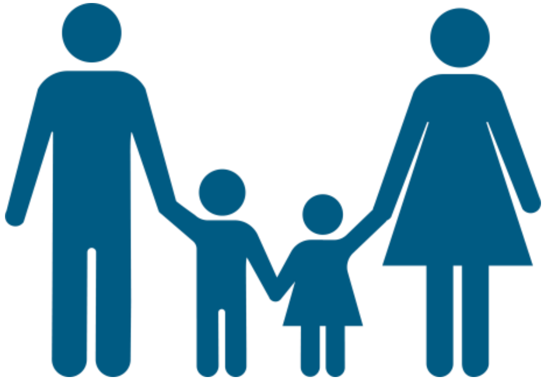
And innovating by exploring, co-creating with communities, not by validating concept ideas

For 1 project

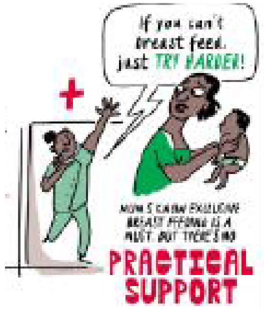
3 Days of immersion
per country

a cross function team
of 12 people

16 families met
at home



Which give insights to develop relevant offers



Finally we define the product brief, always with consumers

SCREENING & INTRO

GROUPING EXERCISE

OVERALL LIKING

EXIT QUESTIONS

Example
Ateliez Abidjan

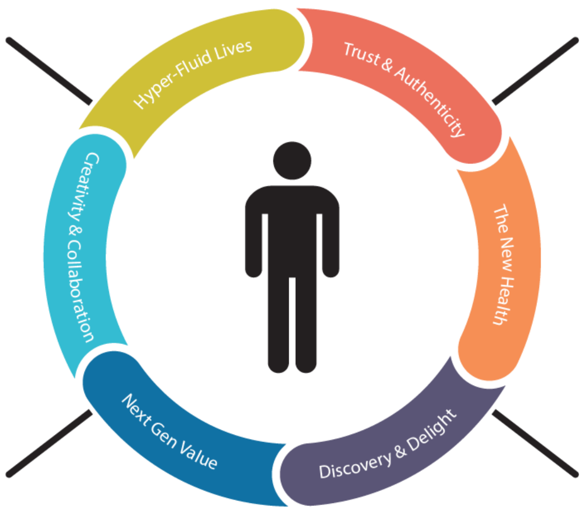
L'ateliez
ABIDJAN


DANONE
AFRICA

Beyond trends

Capitalize on our local strength

Right partners

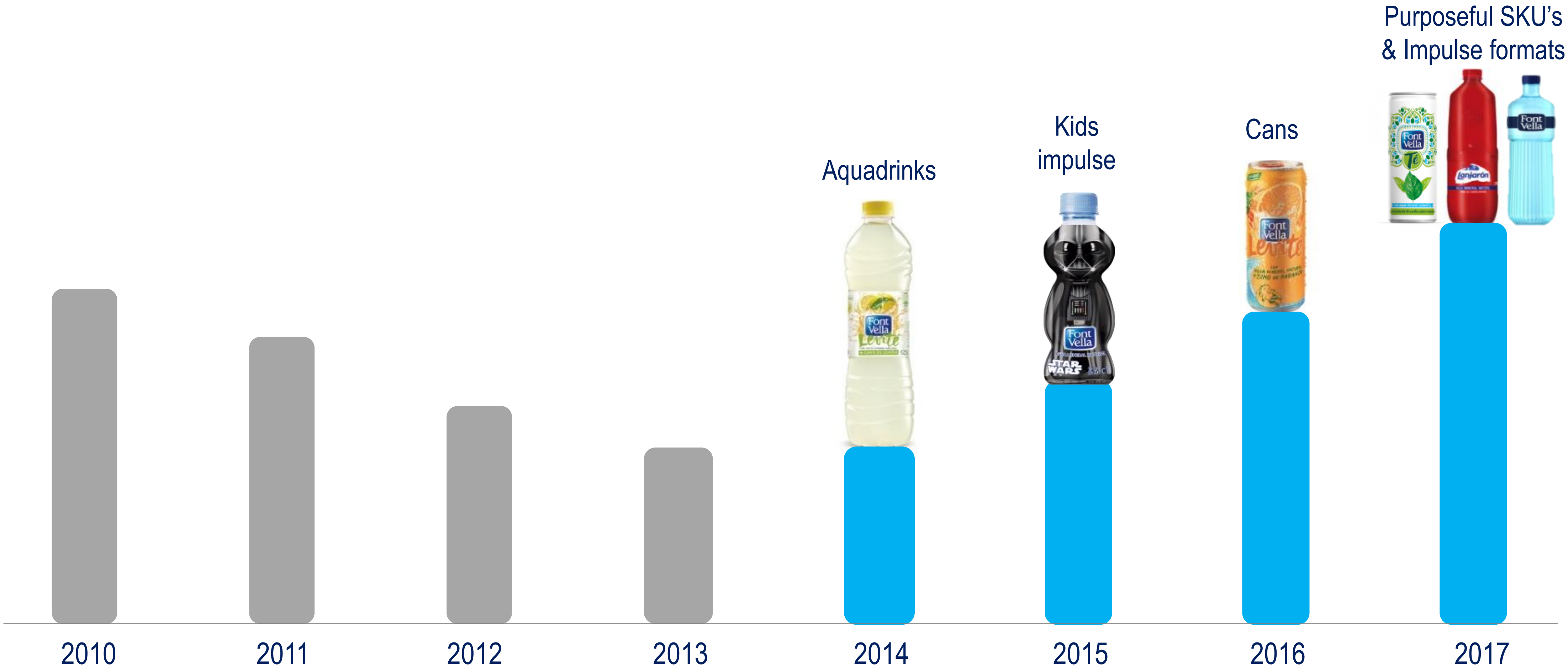


Global to local

Being faster

Innovate by capitalizing on our local strength

Danone Waters Spain, a growth story driven by innovation



Source: Internal Danone Waters Net sales representation

Having the agility to adapt from global to local

1 brand positioning

Danonino is part of a wholesome snack

Local understanding

(Danonino consumption)

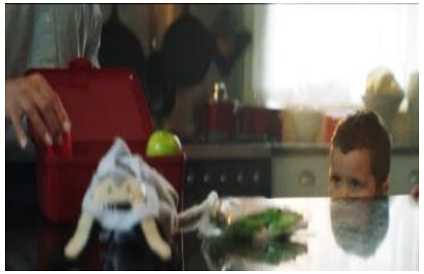
41% afternoon snack

36% morning snack*

Different executions

Consumption at home

Product in the lunchbox to be consumed at school



+ relevant local flavours

*source: U&A march 2017

Being Faster – Fast prototyping

FAST & FURIOUS

PACKAGING & FORMULATION

- Ideation
- 1st prototypes generation & ideas selection
- Prototypes selection & improvements
- Connect with consumers

Having the right partners

Digital

DANONE

Key Digital partners

Google

facebook

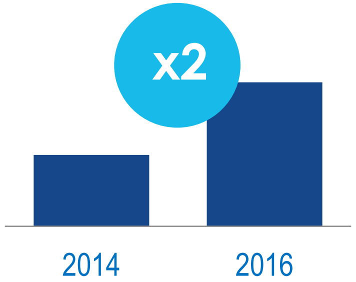
amazon

Exclusive partnership

Contemporary life

DANONE Disney

Disney-Danone sales value growth



Social

Volvic unicef

10 year old partnership

Influencers

evian
chiaraferragni S'abonner

8.3 MM Followers

Incubators Role

DANONE MANIFESTO VENTURES

Bringing the manifesto to life by partnering with a tribe of entrepreneurs

MiA MANIFESTO INNOVATION ACCELERATOR

Triggering breakthrough growth for the company, and influencing the business' ways of working

1. Identify key consumer insights
2. Respond to them by leveraging the strengths of Danone's divisions
3. Harness the energy of outsiders to bring breakthrough innovations to the market

The future is promising

Unique combination to foster healthier and more sustainable eating practices

To keep them at the center there are 3 things we need to constantly adapt

innovation

engagement

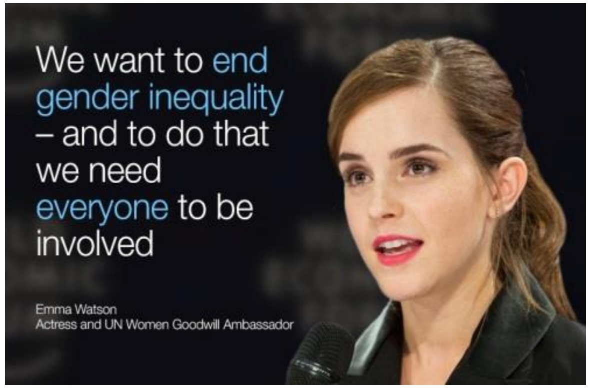
reach

Purpose brands & precision marketing

engaging

with our consumers

Having a point of view on a pertinent issue



Having a point of view on a pertinent issue & provoking the movement

Pertinent issues

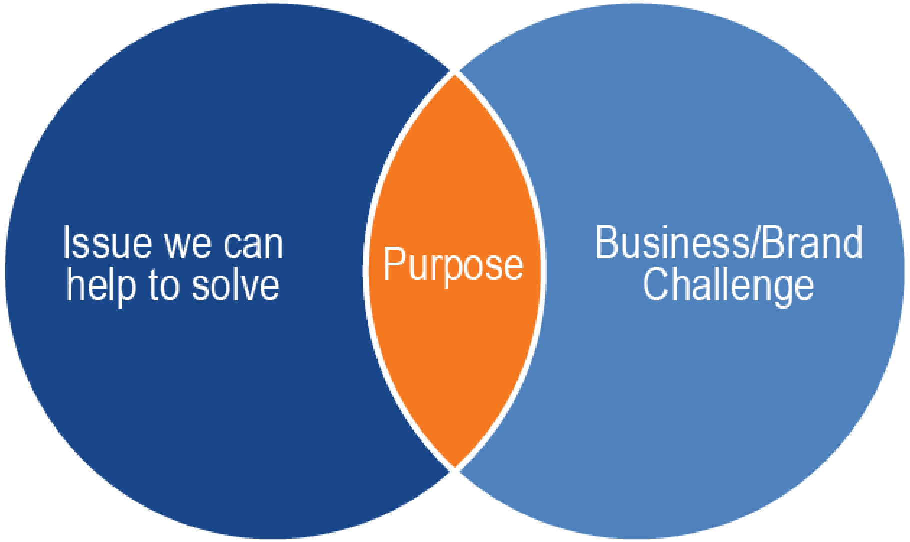
- Zero Net Carbon
- Gender Equality
- Plastic 2nd life
- Water Resources
- Water Access
- Healthy Hydration

Movement
Storydoing & Storytelling

Manifesto Brands

And we started the meaningful brands journey time ago

Owning a pertinent issue



And consistent with brand's equity & DNA

Precision Marketing

Domitille **DOAT**

Chief Digital Officer

Evian 2017 - Investor Seminar

New ways to engage with Millennials & more…

New ways of reaching out consumers

From Traditional Advertising	To Precision Marketing
Buy reserved ad space at negotiated price, and broadcast same creative to all	Bid on real-time for audiences, based on data & tech, with differentiated creatives per consumer segment
Mass Market	Mass of Niches
Mass Advertising	Targeting at Scale
Intuition-driven	Data-driven

DANONE

Data precision marketing to maximize efficiency of our campaigns

Engage consumers for whom alimentation revolution and healthy drinking and eating habits matter

with the right insights and the right content

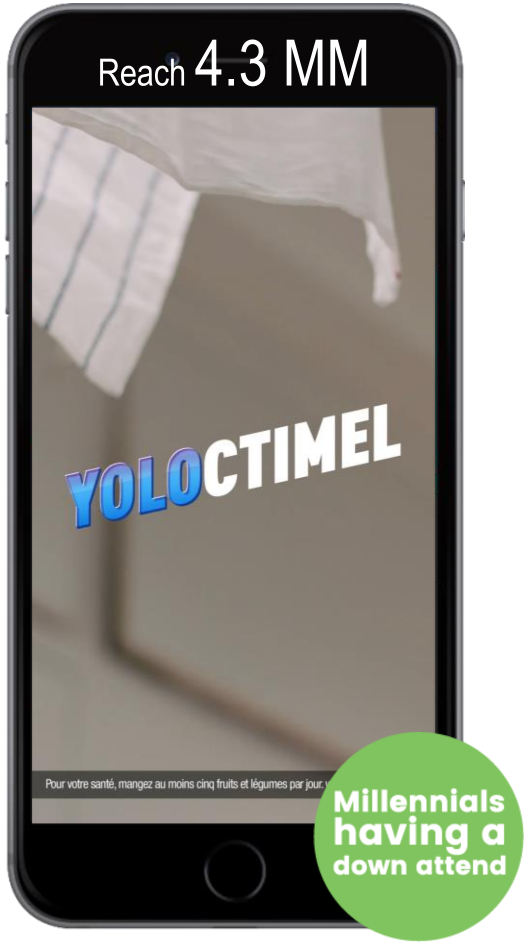
Adjust advertising pressure and budgets to focus on more relevant TRIBES AND COMMUNITIES

Differentiate creatives per segment to maximize ad relevance

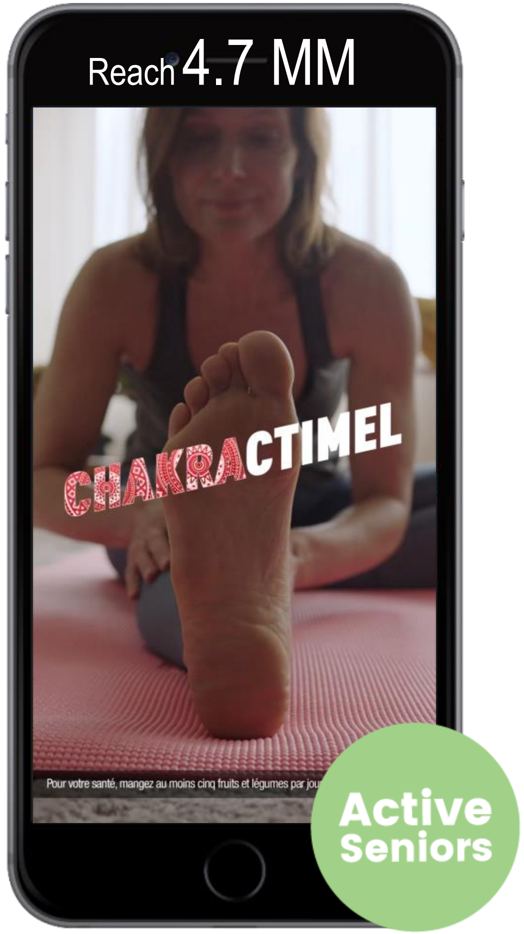
Own our data and leverage the direct to consumers approach

Examples of successful tribes activation with sales lift positive impact
Actimel & Facebook mobile partnerships

Parent with health
and breakfast focus



Mobile addicted entertainment
Interest in easy and healthy

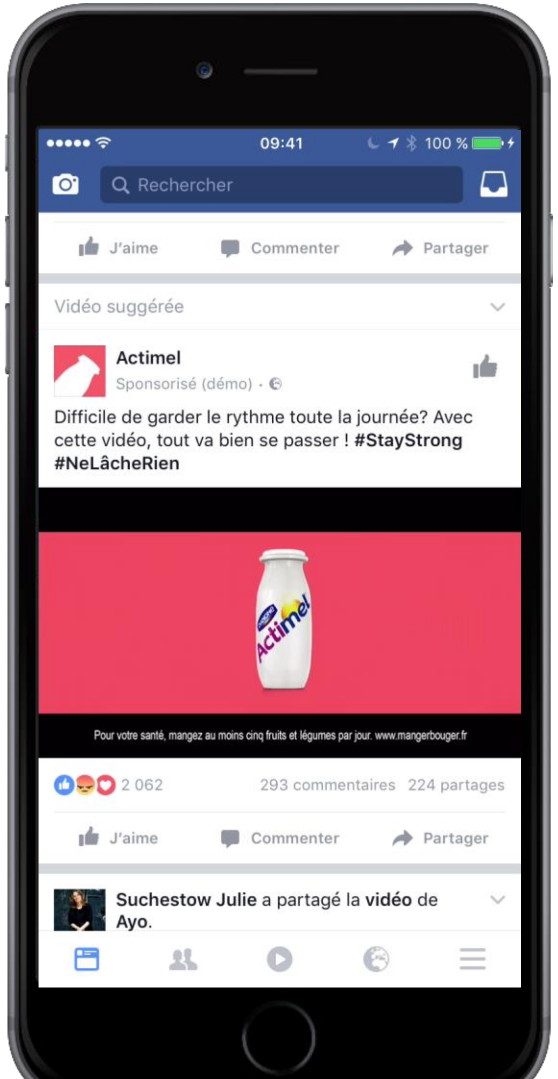


Health and naturality concern
Breakfast as a moment that matters

Results on Actimel previous campaign: data precision marketing generated incremental sales on targeted younger audiences

x2

ROI versus traditional targeting

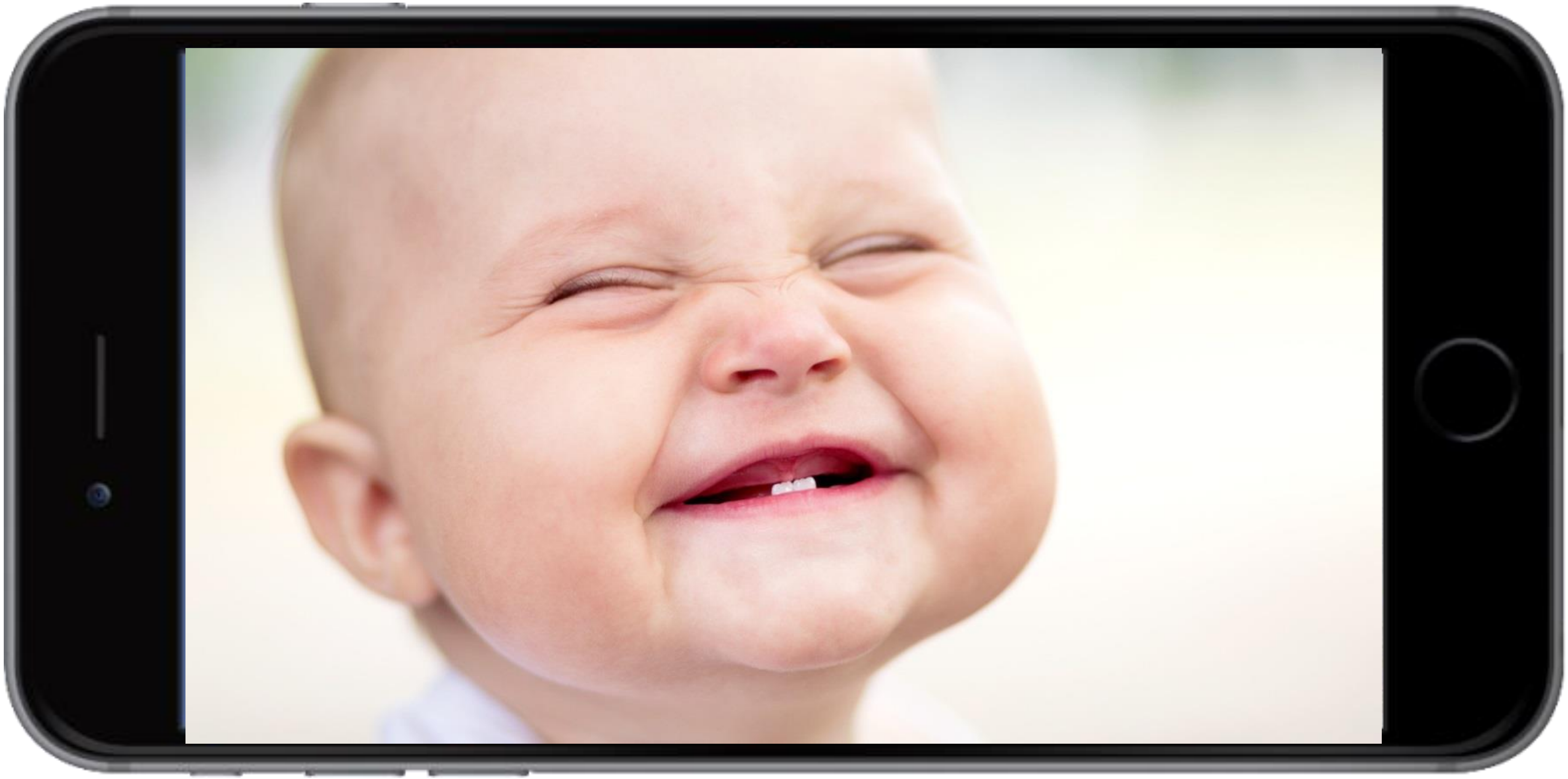


Source: Kantar Panel

+11%

On sales lift on
Target 20-35

Targeted content on health care specialist and young mum focused on new born wellbeing: 7 Mio Lead generated, UK Most love brands for mums



Volvic multiple target campaigns with dedicated content

Gaming

Young audience
Sensible to gaming
Extreme sports

Travellers

Mature audience
With Sensible health and
Strong advise on well being

Running

On the go
Impulse buy
Geoloc and context sensitive

Above target results in terms of business indicators and brand health

In terms of business

21.5% in volume sales on the period

On shoppers indicators

+1.2% in penetration
+25% on qt/act*
on the period

In terms of image

EXPOSED vs. CONTROLLED
Global Results
vs benchmark FR consumer packaged goods

Best in class

Average

Average low

Under Average

+40%

Attribution and memorization

Notes: quantity per purchase per act

Scale up precision marketing to own our communities and capacity to engage directly our Danone audiences

DANONE

Social Listening of core category topics is a wide spread practice around Danone

A strength to adopt the **right insight and activate the right influencers**

5 core topics of social media listening for the dairy category

1. Nutrient Rich	2. Naturality	3. Dailyness for all	4. Sustainability	5. Ferments & Fermentation

To keep them at the center there are 3 things we need to constantly adapt

innovation

engagement

reach

Be where consumers are

Reach

Bruno **DE FOUGEROUX**

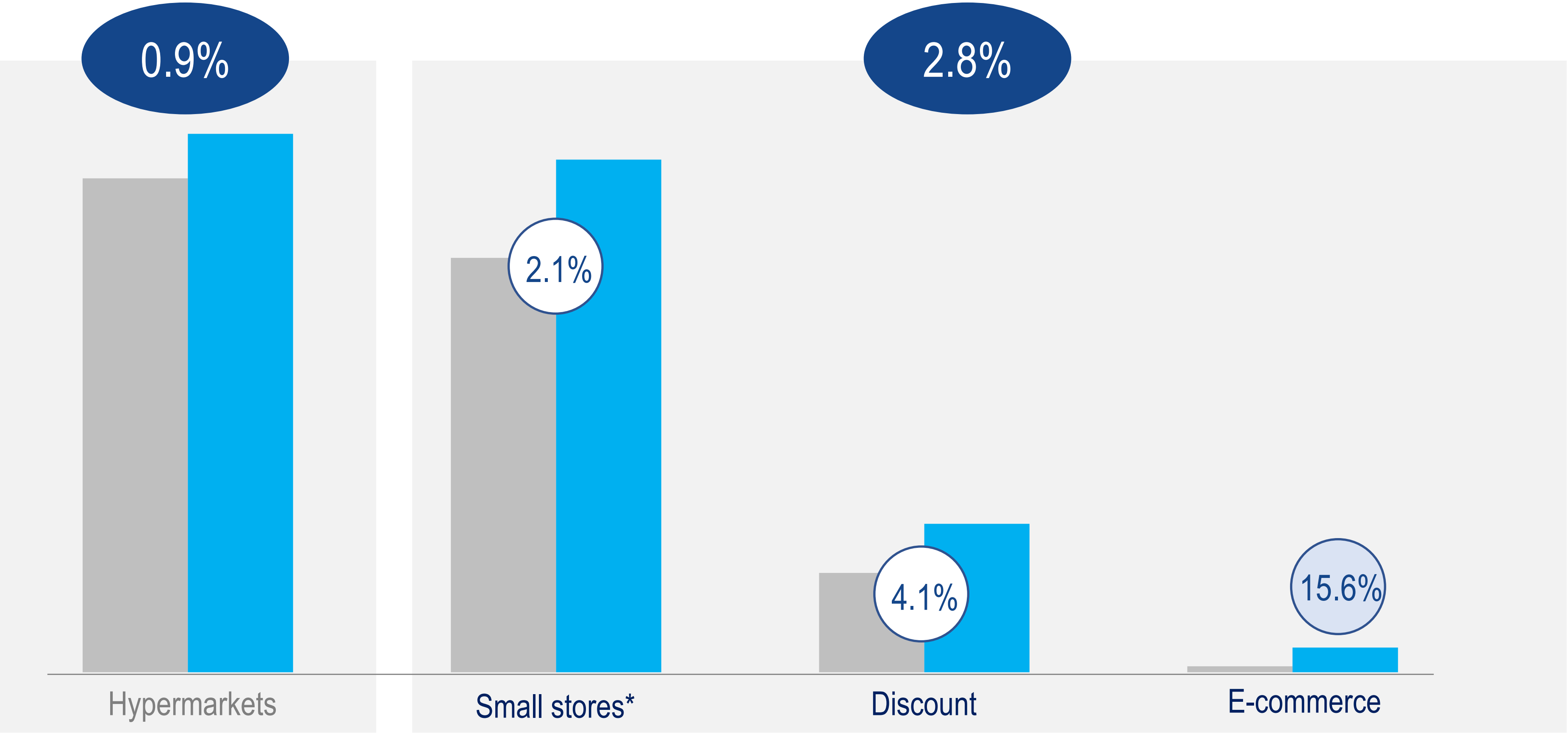
VP Global sales

Evian 2017 - Investor Seminar

reach

Where future growth shifting towards small grocery store formats & online

CARG 2012-2022 % estimate growth packaged goods in value per channel



Notes: 1. Date relates to retailers within the planet retail database only: e – estimate / f – forecast. 2. Small stores > includes: Neighborhoods stores, Drugstores & Pharmacies, Convenience stores. Source: Planet retail 2016 – without clubs*

Reach Growth drivers

Horizontal Growth

KPIs

Right Technology

Vertical Growth

- > Right moment
- > Right stores
- > Right financial discipline
- > Right partners

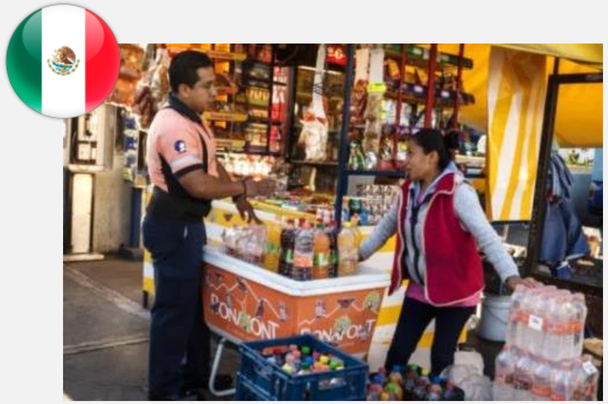
- > Right product
- > Right price
- > Right place
- > Right promotions

Reach Growth drivers

Horizontal Growth

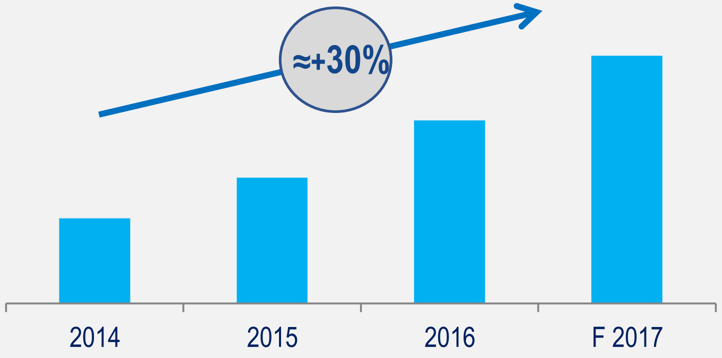
> **Right moment**
> Right stores
> Right financial discipline
> Right partners

Adapting our RTM if necessary



> mobile food stands
> Adapted fleet
> Adapted execution

CARG 2014-2017 NS Mio Euros



Reach Growth drivers

Horizontal Growth

> **Right moment**
> Right stores
> Right financial discipline
> Right partners

Adapting our RTM if necessary

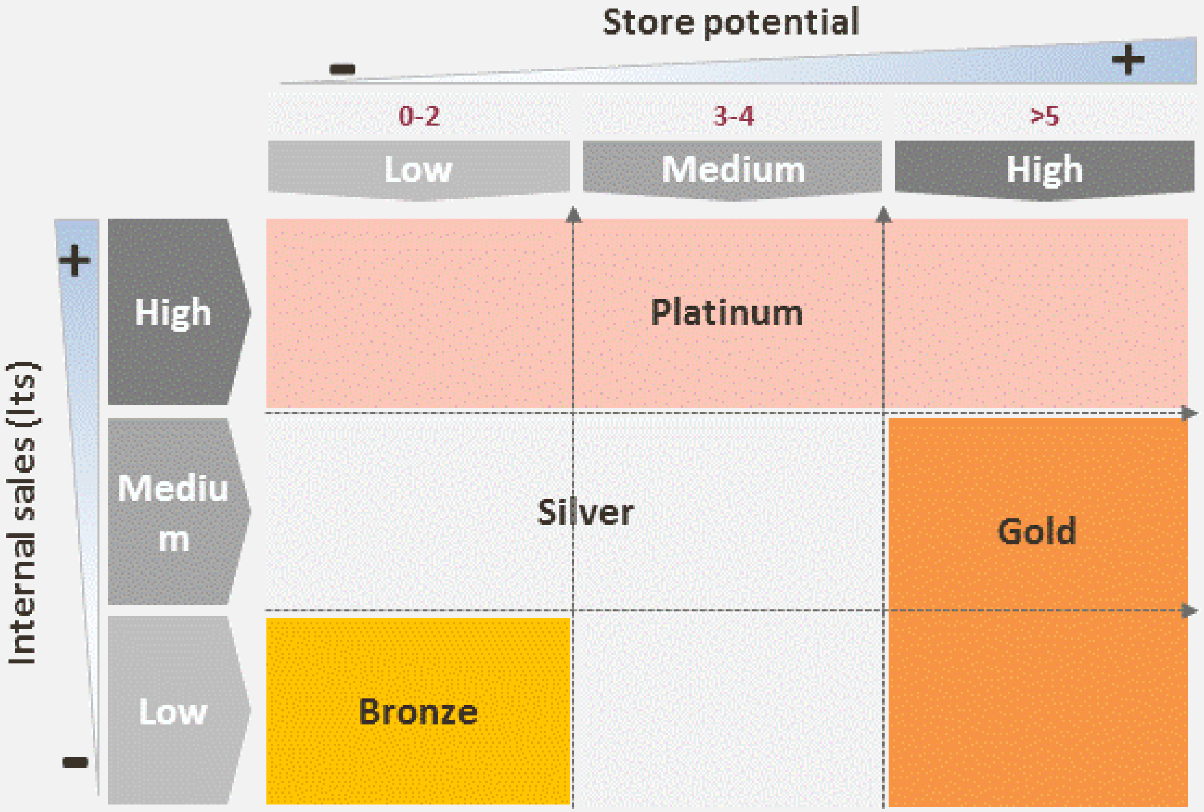
25,000 vendors

Selling unique products for mostly on-the-go consumption occasions...

Reach Growth drivers

> Right moment
> **Right stores**
> Right financial discipline
> Right partners

Numeric distribution roadmap & segmentation in all CBUs



DANONE

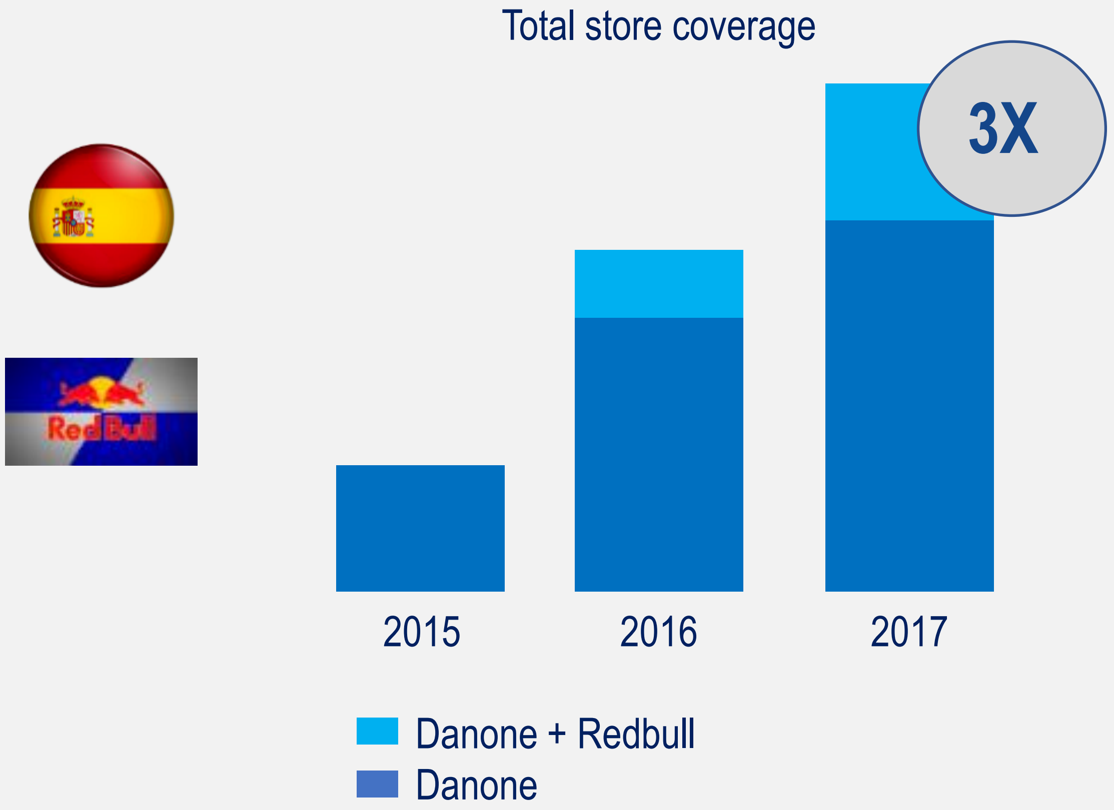
Reach Growth drivers

- > Right moment
- > Right stores
- > **Right financial discipline**
- > Right partners

Reach Growth drivers

> Right moment
> Right stores
> Right financial discipline
> **Right partners**

Partnerships leverage to increase store coverage



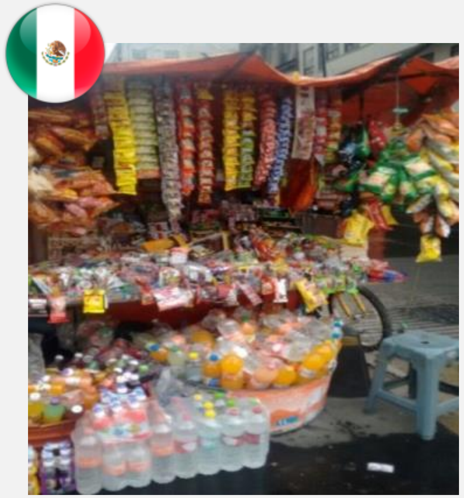
Reach Growth drivers

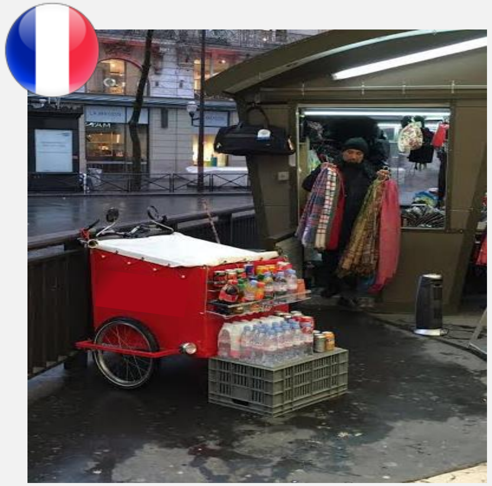
Vertical Growth

> **Right product**
> Right price
> Right place
> Right promotions

From one solution fits all to a tailored portfolio

IMPULSE OFFER





PLAIN

AQUADRINKS

Reach Growth drivers

Vertical Growth

> Right product
> **Right price**
> Right place
> Right promotions

Attractive price point & 15-20% below CSDs for specific channels

Bars & Cafes | QSR | Kiosks | Bakeries

Reach Growth drivers

Vertical Growth

> Right product
> Right price
> **Right place**
> Right promotions

Hot places for the consumer journey inside the store

1. Jugs display
2. Windows poster
3. End gondola
4. Floor display
5. Chiller
6. Beverage shelf
7. offers
8. COC & cashier

Reach Growth drivers

Vertical Growth

> Right product
> Right price
> Right place
> **Right promotions**

Right promotions

Joint Retailer Corporate Theme

+4pts SOM*

** CVS Market share value short term Thailand*

DANONE

Reach Growth drivers

Horizontal Growth

KPIs

Right Technology

Vertical Growth

> Right moment
> Right stores
> Right financial discipline
> Right partners

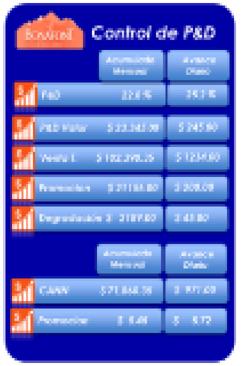
> Right product
> Right price
> Right place
> Right promotions

Technology step-up to win the impulse battle

Rigor, discipline and KPIs at the center of the model

Updated sales force device

Portfolio determined by store cluster



Pricing and promotion control

Sales force geo- localization with GPS

"Reach" Online shoppers

Horizontal Growth

> **Bricks & Mortars**
> Pure Players
> Brand Owned Website

“Reach” Online shoppers

Horizontal Growth

> Bricks & Mortars
> **Pure Players**
> Brand Owned Website

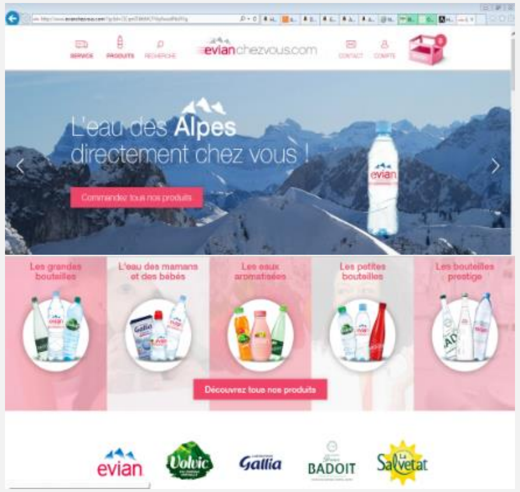
DANONE

"Reach" Online shoppers

Horizontal Growth

> Bricks & Mortars
> Pure Players
> **Brand Owned Website**

evianchezvous.com



Reservation Aptamil Website

“Reach” Online shoppers

Vertical Growth

> **Right content**
> Right offer
> Right service

ELN
– Shop by Age

Dairy
– Shop by Freshness

“Reach” Online shoppers

Vertical Growth

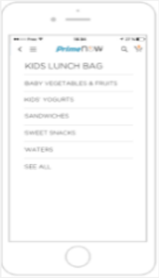
> Right content
> **Right offer**
> Right service

HappyFamily ORGANICS

Baby & Tote Offer

amazon

Primenow



Occasion based consumption

DANONE

“Reach” Online shoppers

Vertical Growth

> Right content
> Right offer
> **Right service**

Buy now button geolocalization

In house coaching app

Service with partners

Building growth through partnership

Build joint roadmap of collaboration with key partners

Partners in growth and in improving the healthy eating habits
to support a reduction in the levels of obesity

#1 UK COMPETITIVENESS	#2 CREATING SHARED VALUE END TO END	#3 GROW TRUST WITH SHOPPERS THROUGH HEALTHY CHOICES	#4 SUPPORTING A REDUCTION IN OBESITY	#5 REDUCING WASTE TOGETHER
				
• Health product innovation pipeline • Accelerate Home Shopping • Reinvention in Hypermarkets	• Pan European Shared Logistics • Maximise Availability with lean inventory • Right Promotional intensity	• Worlds leader on 1st 1000 days • Life is better with yoghurt • Healthy Hydration	• Eat Happy Early Years Programme • Kids Partnership	• Simpler financial terms • CO2 Emissions reduction • Single central European Plan

To be the best possible partner

Overall performance trend - by manufacturer 2016

Procter & Gamble	1
PepsiCo	2
Danone	**3**
Unilever	3
Coca-Cola	5
Colgate-Palmolive	6
Diageo	7
Heineken	8
Kellogg's	9
Reckitt Benckiser	10
Mondelēz	11
L'Oréal	12
S.C. Johnson	13
Johnson & Johnson	14
Nestlé	15

Source: Advantage report – global customer relations 2016 - The advantage Group International, Inc

Tesco May health month

"The healthiest place to work & shop"

through driving healthier baskets & encouraging healthy swaps

Event Support on Danone Categories

Increased Visibility with Online & Instore Support

Colleague Engagement

> Pay Day Booklet to over 300,000 colleagues
> Sampling
> Store Incentive

Complementary Analysis

> S&I market data
> Qualitative shopper feedback
> Full Review of our categories
> Tesco full store data

** Kantar Worldpanel 03/04/2017 Latest 12 weeks*

With purpose

10 years of successful collaboration on healthier products on 3 categories

Everyday
I say yes
to my health

Carrefour

+22%*

+15%**

+25%**

+24%**

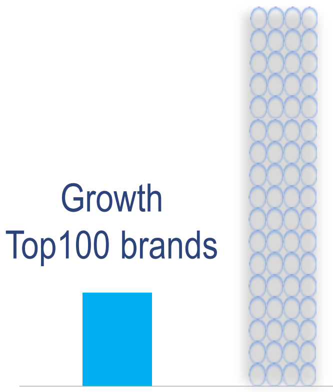
*Sales increase during activation period * 2016 results /** 2013 results*

fit for innovation & growth

Paradigm shift - small is the new big

Growth coming mainly from Regional/Local players

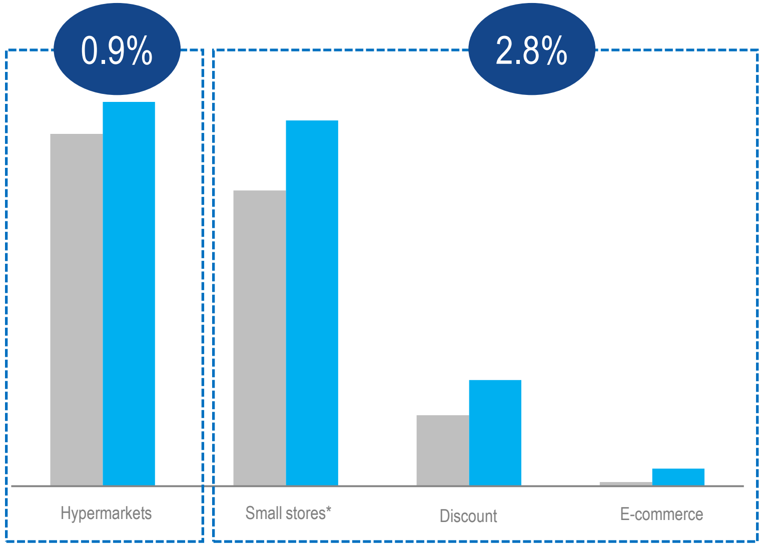
Category growth



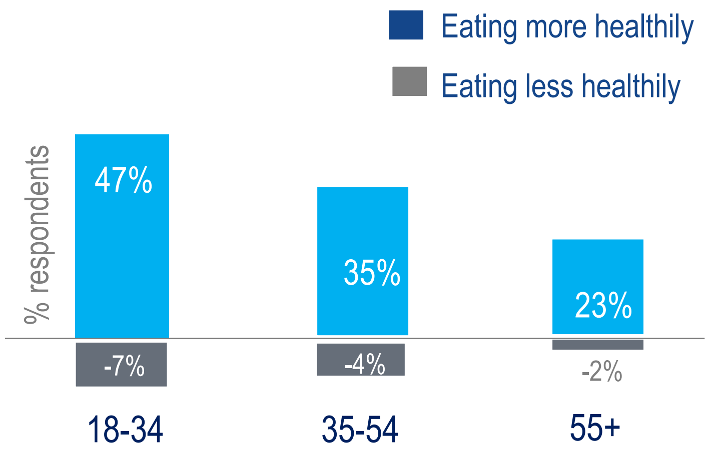
58% of the growth is driven by local brands

Future growth shifting towards small grocery store formats & online

CARG 2012-2022 % estimate growth packaged goods in value per channel



Eating healthy is trendy & millennials play a key role



88% consumers willing to pay more for healthier food *

*Source: *1. Ad Age report / Avg. Category growth Top 100 Jun 2015 (52 weeks) 2. Euromonitor data packaged food & soft drinks value growth rate % 2016. 3. Date relates to retailers within the planet retail database only: e – estimate / f – forecast. 4.* Small stores > includes: Neighborhoods stores, Drugstores & Pharmacies, Convenience stores. Source: Planet retail 2016*

Consumer at the center

innovation

Beyond trends

Capitalize on our local strength

Right partners

Global to local

Being faster

engagement

Brands with strong Point of view & new ways of reaching consumers: Precision Marketing

- Mass of Niches
- Targeting at scale
- Data-driven

reach

Be where consumers are…

Reach growth drivers

Horizontal Growth — KPIs — Vertical Growth

Right Technology

> **Right moment**
> **Right stores**
> **Right financial discipline**
> **Right partners**

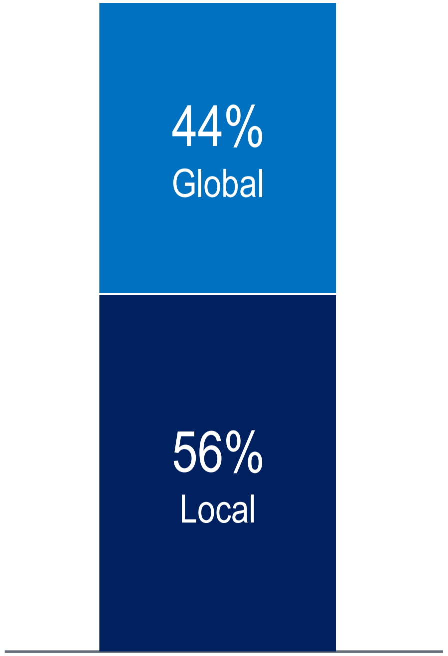
> **Right product**
> **Right price**
> **Right place**
> **Right promotions**

Reach online shoppers

More than ever… right to play the game

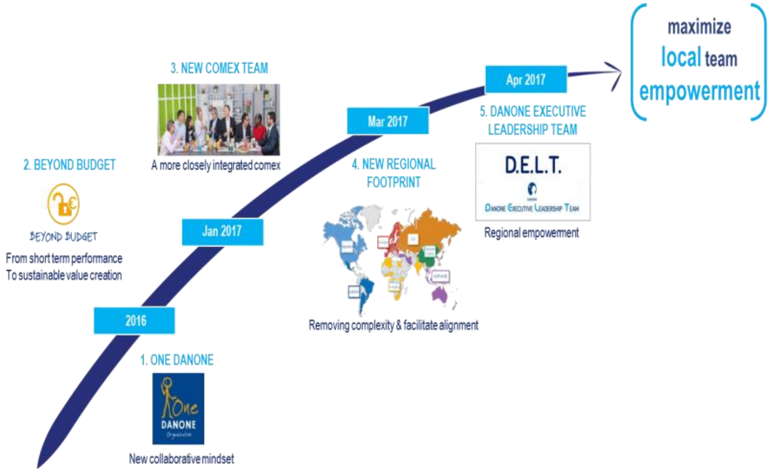
Healthy driven portfolio

Right balance between global & local brands



Right organization

maximize local team empowerment



DANONE

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2017 - 2020

Shaping the growth model

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