



The “New Danone”: A unique food company



Forward looking statements

This document contains certain forward-looking statements concerning Groupe DANONE.

Although Groupe 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 sections “Risks Factors” in Groupe DANONE’s Annual Report (which is available on www.danone.com).

Groupe 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.




A powerful mission for sustainable, profitable
long-term growth

**To bring health through
food to the largest
number of people**



Major M&A activity has created the «New Danone»

- Biscuit division “swapped” for Numico
- Creation of a unique company - 100% focus on healthy, value-adding nutrition
- 4 distinct divisions:
 - Commanding leadership positions through distinct business models
 - Offering clear visibility on future growth and margin potential
 - Delivering above average growth and margins
 - Supported by a state-of-art R&D platform



A sustainable business model to continue to deliver LT profitable growth at high margins



Numico - Initial synergies have been identified

Revenues synergies

€120 - €140 mln

- Leverage Blédina's food range and juniorization expertise
- Leverage Numico's and Bledina's expertise in Infant Formula
- Utilize Danone's expertise in "brand polishing" and deployment
- Combine Numico, Blédina and Danone R&D to develop new technologies

Cost synergies

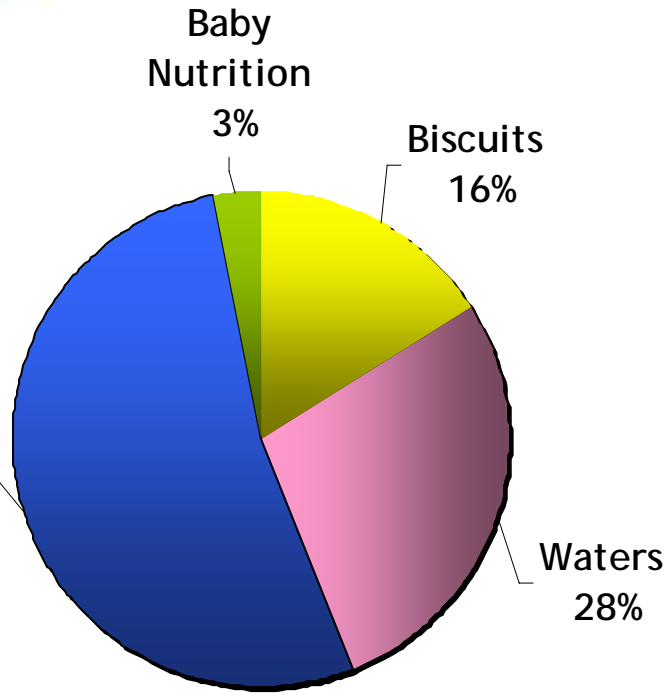
€ 60 mln

- 2008: € 45 mln
- Main areas:
 - Headquarters overhead
 - Purchasing (Raws & packs, media buying)
 - Manufacturing

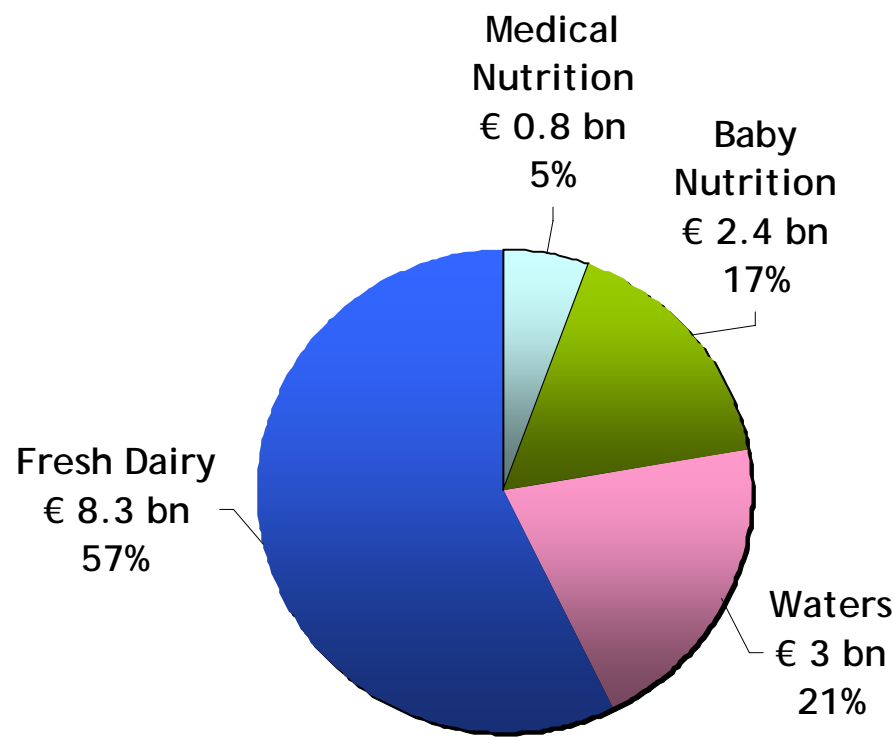


Danone + Numico: 100% health story

2006



2007 at 2008 Scope



Healthy Food

84%

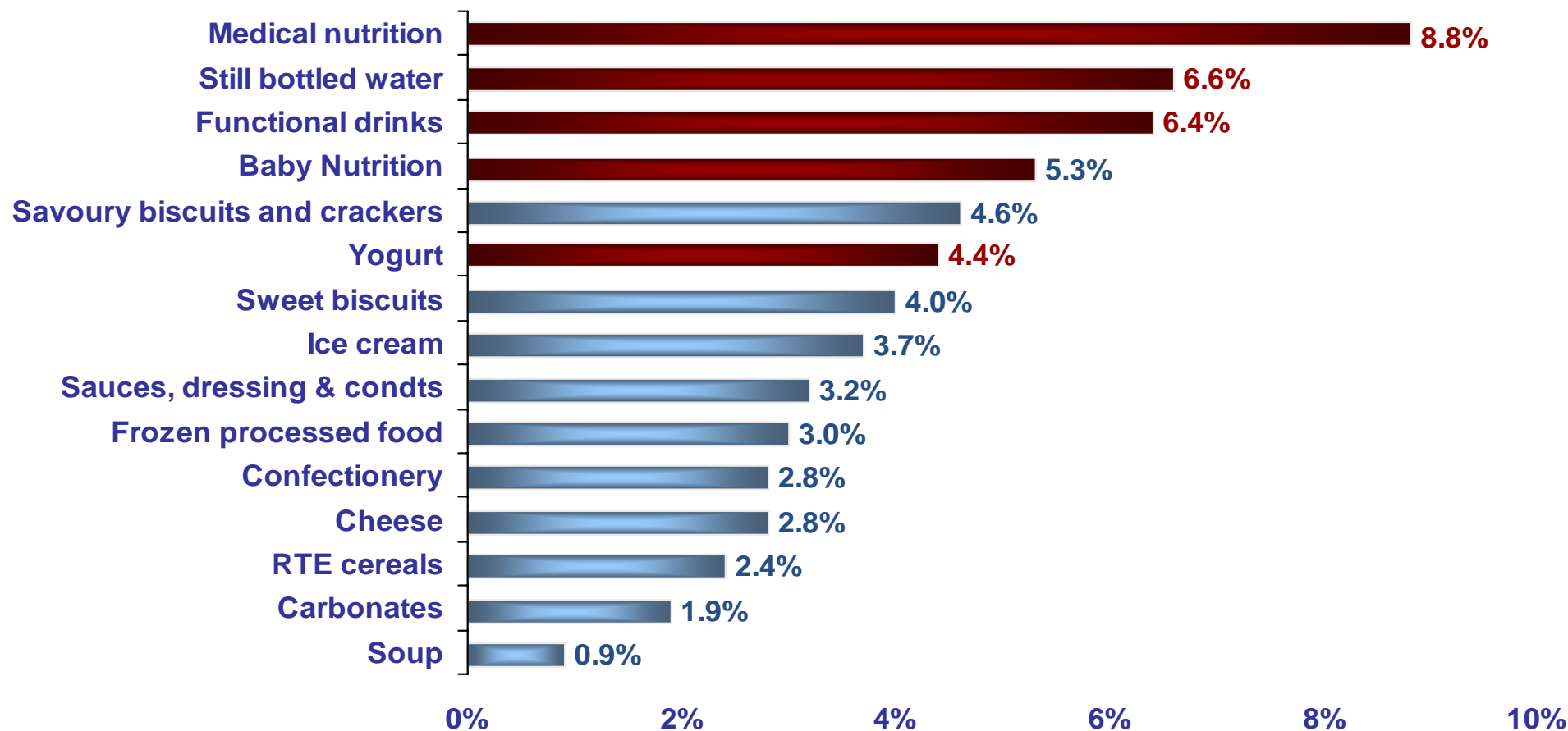


100%



We play in the most attractive food segments

World Market CAGR 06-11 (volume)





Key features of our business model

- All divisions command leadership positions
- Through well-known brands and value-adding products
- Our brands have superior pricing power
- Growth is fuelled through
 - Innovation
 - Roll-out
 - Geographic expansion
- Strong productivity gains are generated on fixed and overhead costs

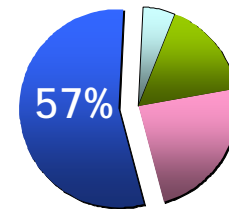


Fresh Dairy Division



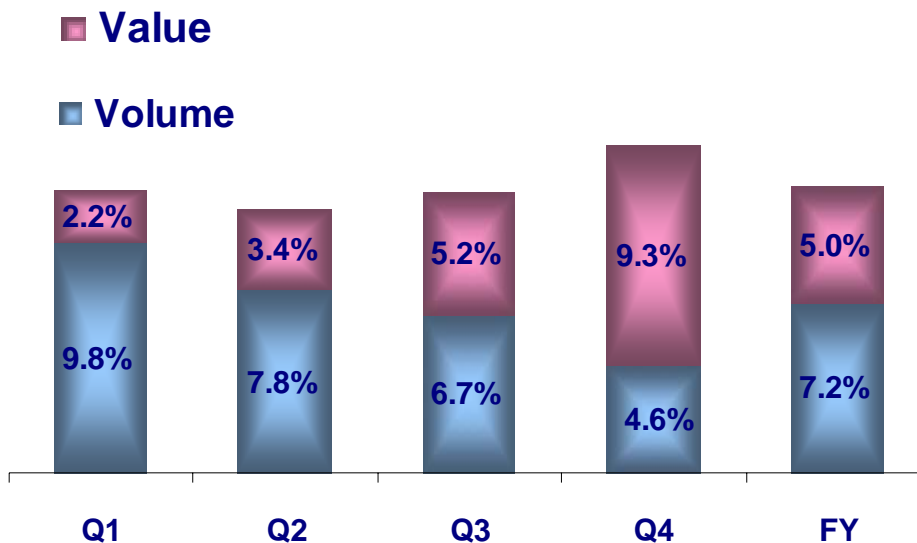


Fresh Dairy - key figures



	2007	Vs. 2006*	2007 PF
Net Sales (€ mln)	8,791	+12.2%	8,299
Trading Operating Income (€ mln)	1,229	+62bp	1,133
Trading Operating Income margin	14.0%		13.6%

L-f-L Sales Growth

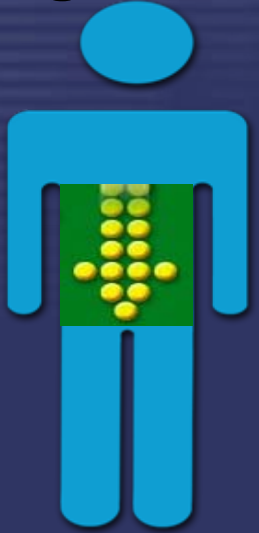


* On like-for-like basis



Blockbusters fuel growth and margin

**Transit
Digestion**



€ 1,900 mln

Protection



€ 1,100 mln

**Weight
Management**



€ 900 mln

Growth



€ 800 mln



Activia global model

GLOBAL = BACKBONE



Icons

Brand Name

Brand Block

Target:
Women with digestive disorders

Insight:
Stress and bad eating can create digestive disorders which have negative impact on our well being (bloating feeling, cave mentality)

Benefit:
Activia naturally regulates digestive disorders in 15 days

RW:
Acti-Regularis, Bifidus Regularis

Brand Personality:
Reliable, confident & friend

Key Audio

- *Selling line:* "Regulates inside and it shows outside"
- *Music:* "Barcarola" by Offenbach

Demo

Advertising signature

Naturally regulates the digestive disorders caused by stress & bad eating (digestive disorder conso wording & relevant insights adapted to each country)



Activia Global Model

LOCAL = DRESS CODE

POSITIONING CLUSTER

RANGE

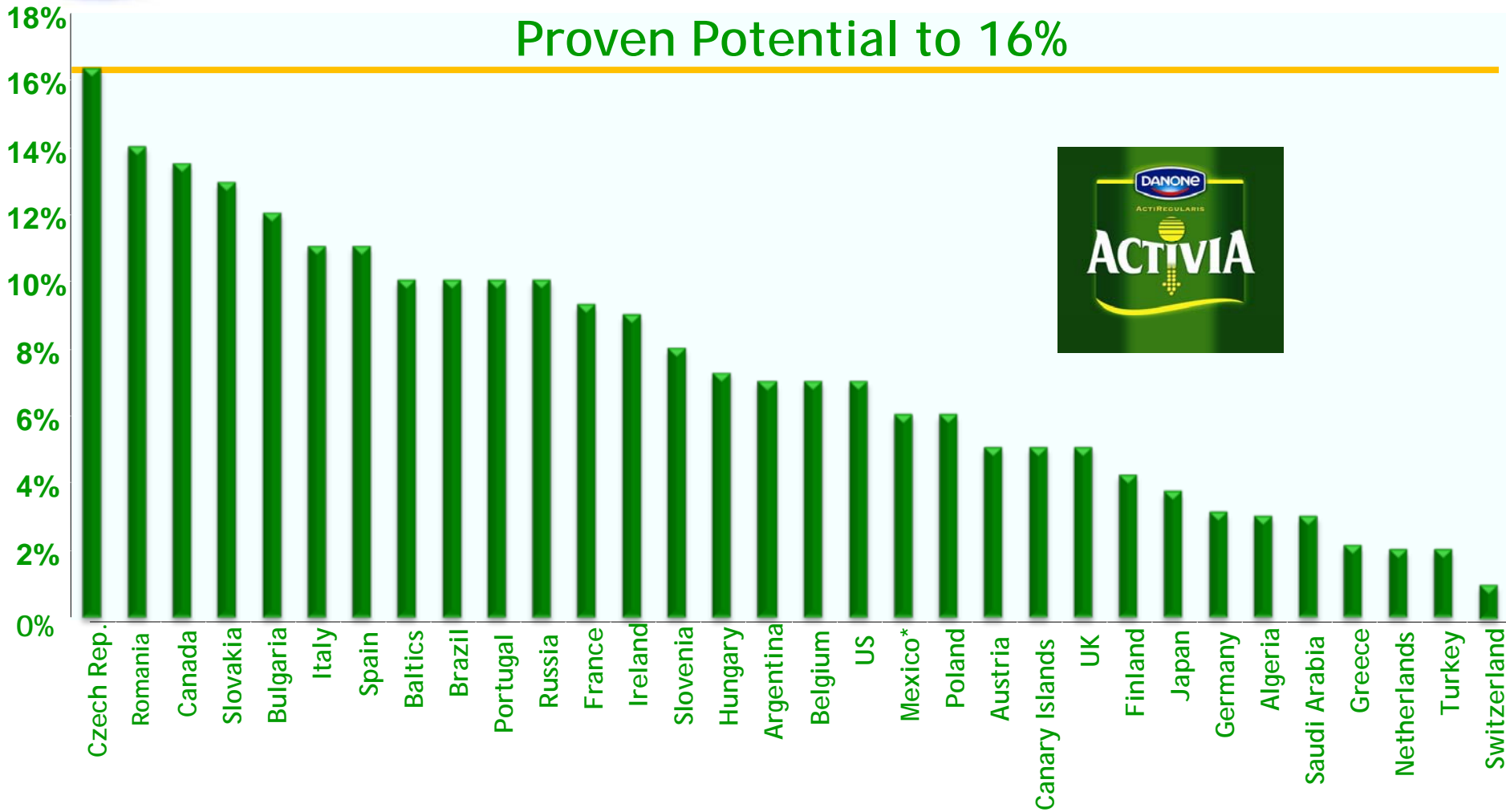
COMMUNICATION INSIGHTS & SELLING IDEAS





Activia value market share on total dairy market

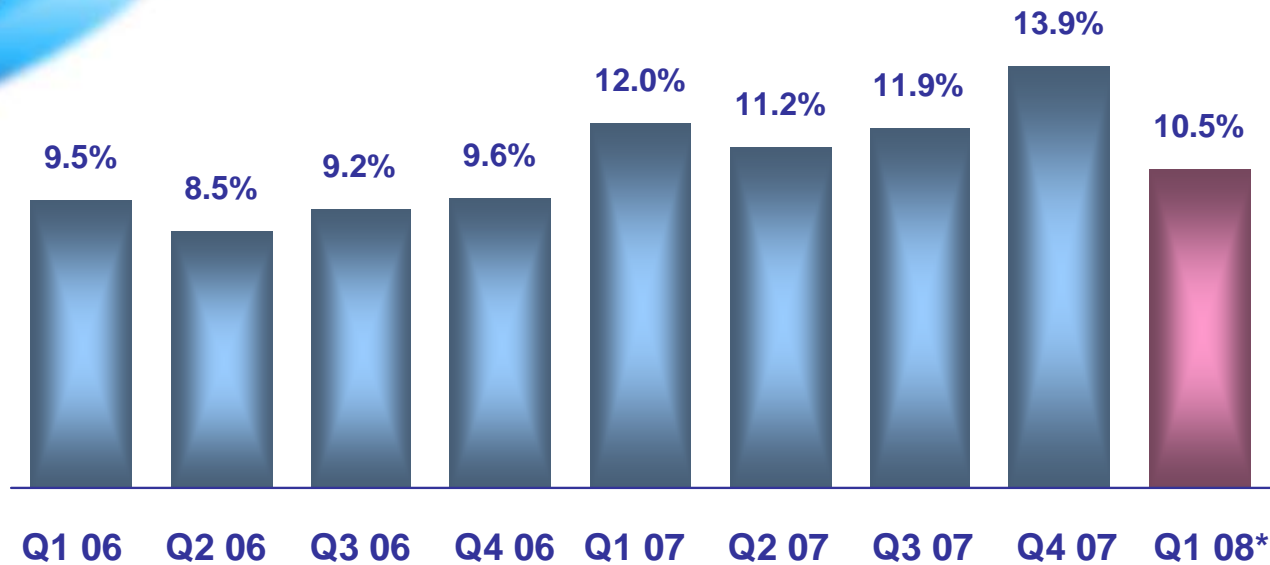
Proven Potential to 16%



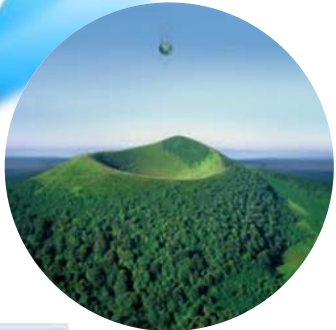


FRESH DAIRY PRODUCTS

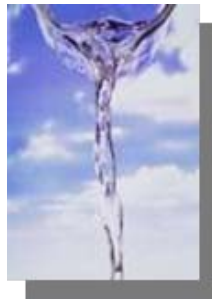
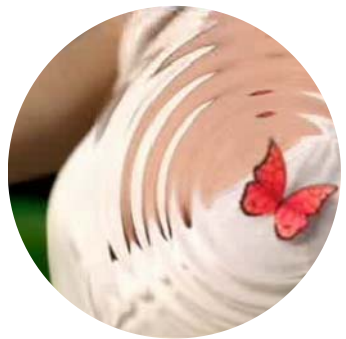
Continued double-digit growth



- Fifth consecutive quarter of double-digit growth despite high comparables
- Growth mainly driven by Latin America, North America and Asia
- Blockbusters continue to fuel growth at +15%
- Stable volumes (-0.2%) despite unprecedented price increases

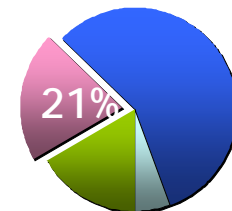


Waters Division



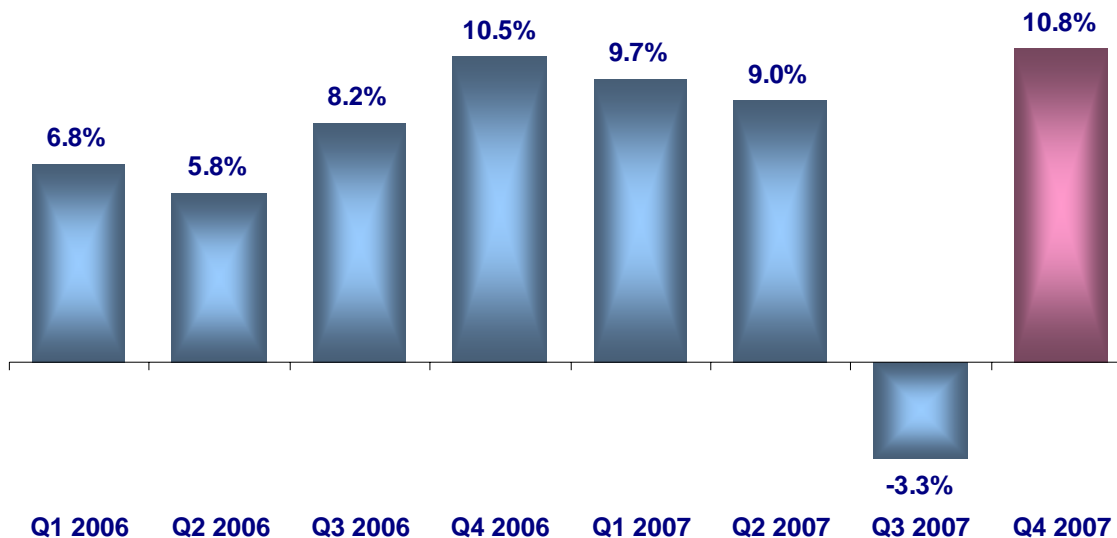


Waters division - key figures



	2007	vs. 2006*	2007 PF at 2008
Net Sales (€ mln)	3,535	+4%	2,958
Trading Operating Income (€ mln)	480	+1bp	425
Trading Operating Income margin	13.6%		14.4%

L-f-L Sales Growth ⁽¹⁾



⁽¹⁾ excl. Wahaha

* On like-for-like basis



Leading water brands throughout the world





Spring water focus: the brand platforms

Relevant rational benefit



Strong emotional benefit

Lightness/
Elimination

Vitality / **Deep**
Hydration

Youth/Body
Renewal

Body
Management





Sustainable development as part of our water business model

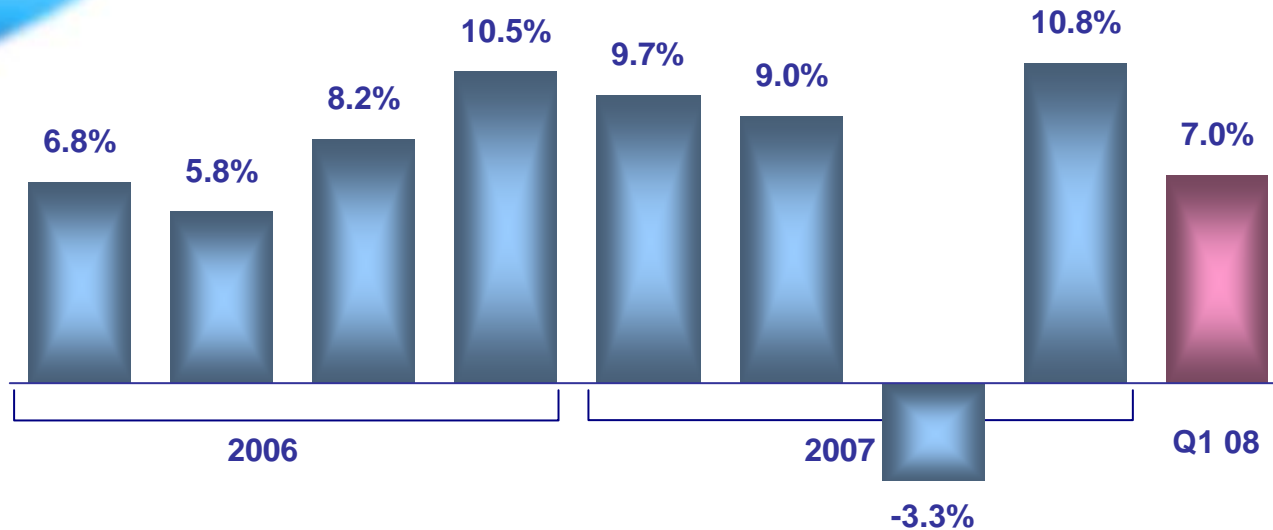
- Further increase rail & boat transport
- Continue to further decrease PET weight / Bottle
- Reduce plastic waste
- Strong know-how on natural sources protection
- Engagement in local communities
- Use of our expertise for Social initiatives around Water





WATERS*

Healthy underlying trend



- Solid overall performance (+7%) predominantly driven by volumes (6.8%)
- Continued excellent growth in Latin America (+19%) despite social unrest in Argentina
- Steady growth in Asia (+10%) with strong performance of spring water brands
- Europe's modest growth (+1%) impacted by Easter phasing and continued sluggish market in France

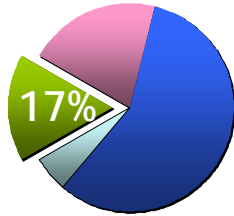


Baby Nutrition Division





Baby Nutrition - key figures



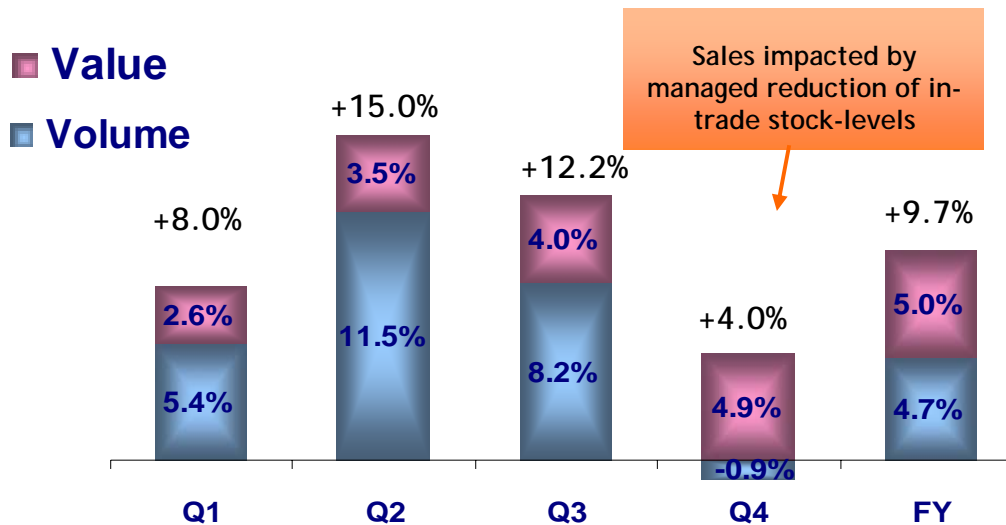
2007 PF*	
Net Sales (€ mln)	2,417
Trading Operating Income (€ mln)	373
Trading Operating Income margin	ca. 15.4%

Net Sales (€ mln)

Trading Operating Income (€ mln)

Trading Operating Income margin

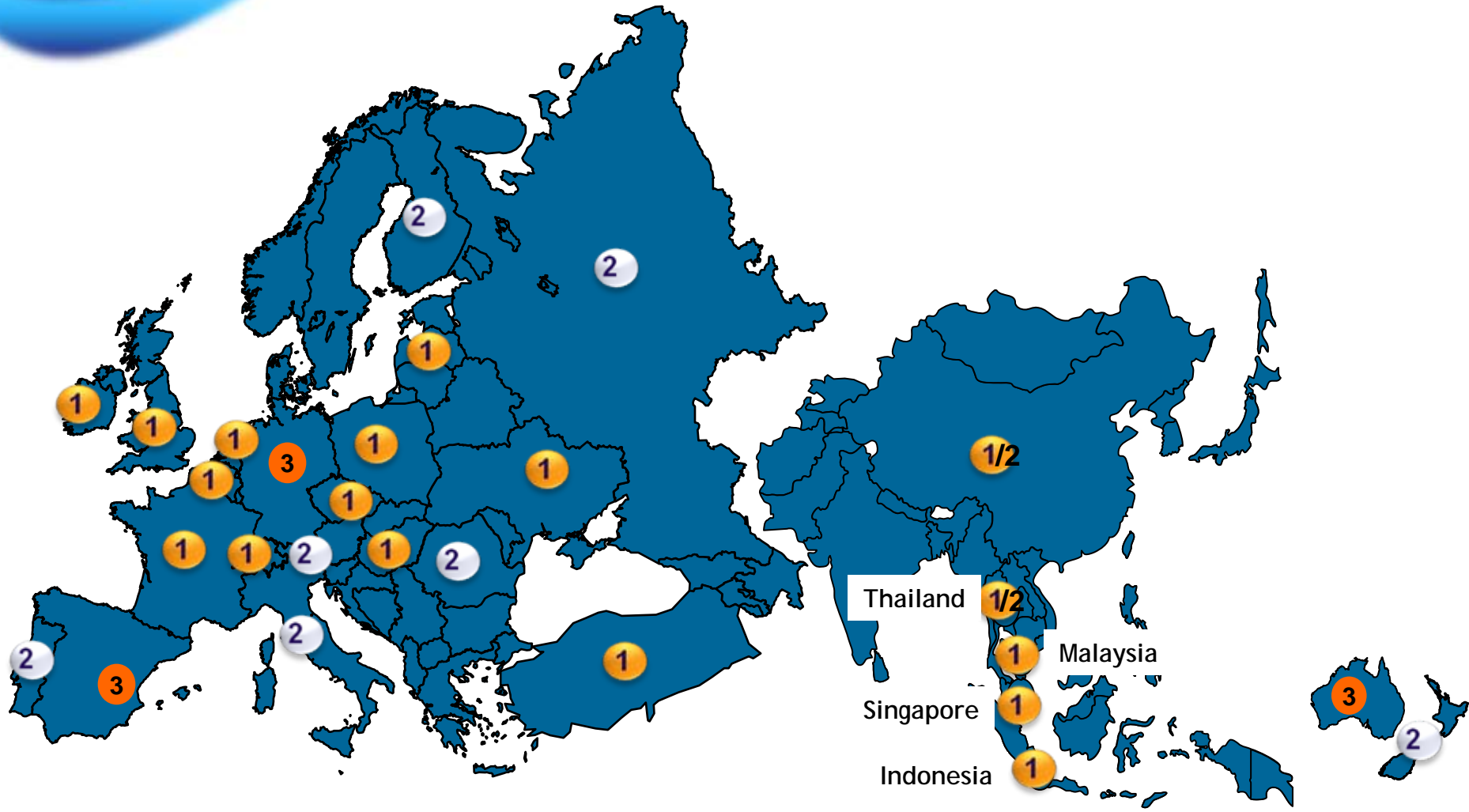
Numico Only
L-f-L Sales Growth



* Central costs allocation is estimated (based on historical keys)



Leading market positions in Europe and Asia





Numico's Baby Nutrition portfolio is highly complementary to Danone's product lines

NUTRICIA



milupa

Mellin
Crescere oggi.

Dumex

Main countries

Netherlands
France

UK
Ireland

Germany
Eastern Europe

Italy

China
Thailand
Malaysia

Products:

Milk

(75% of sale)

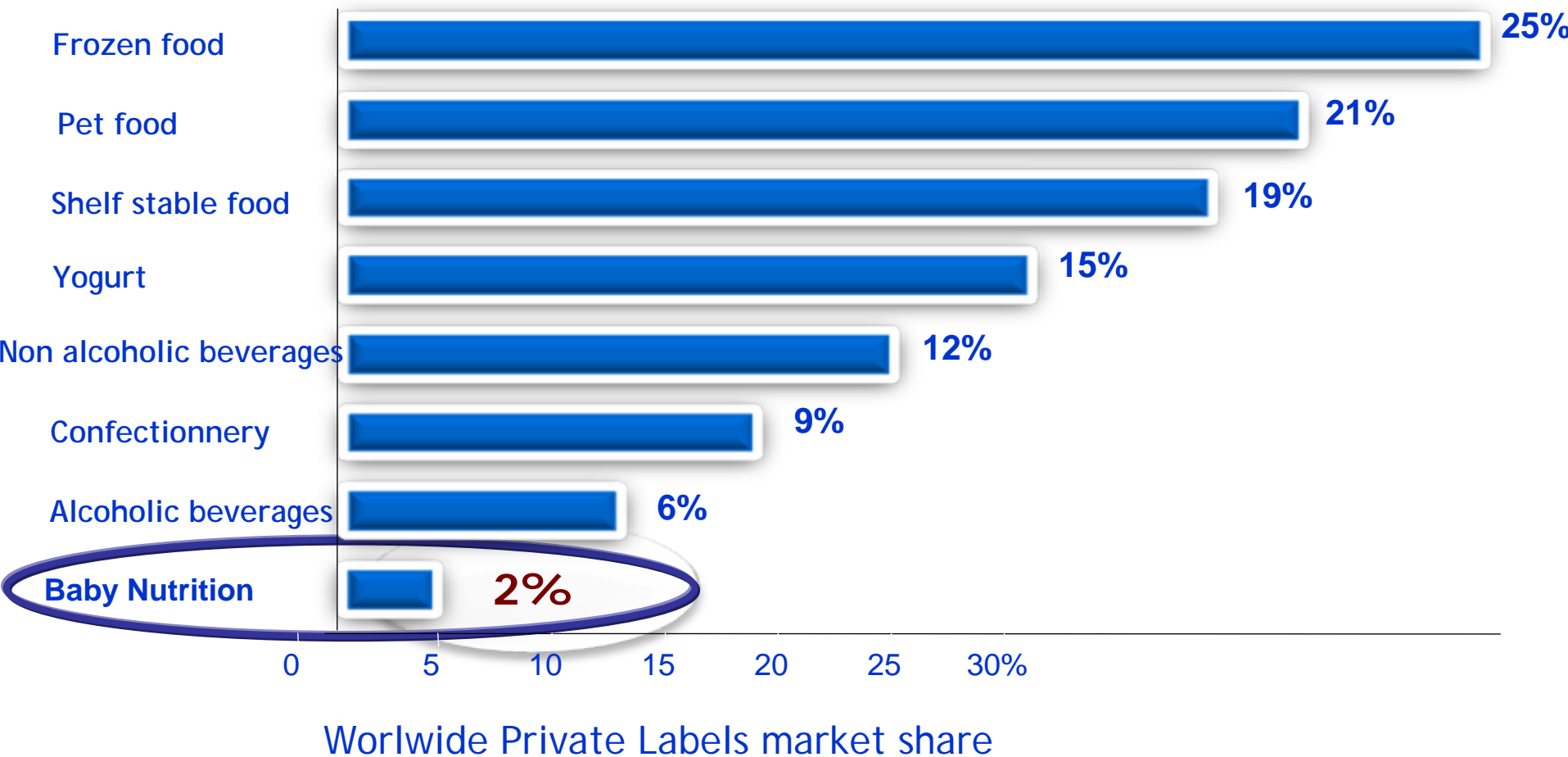
Food

(25% of sale)





The barriers to entry are high....

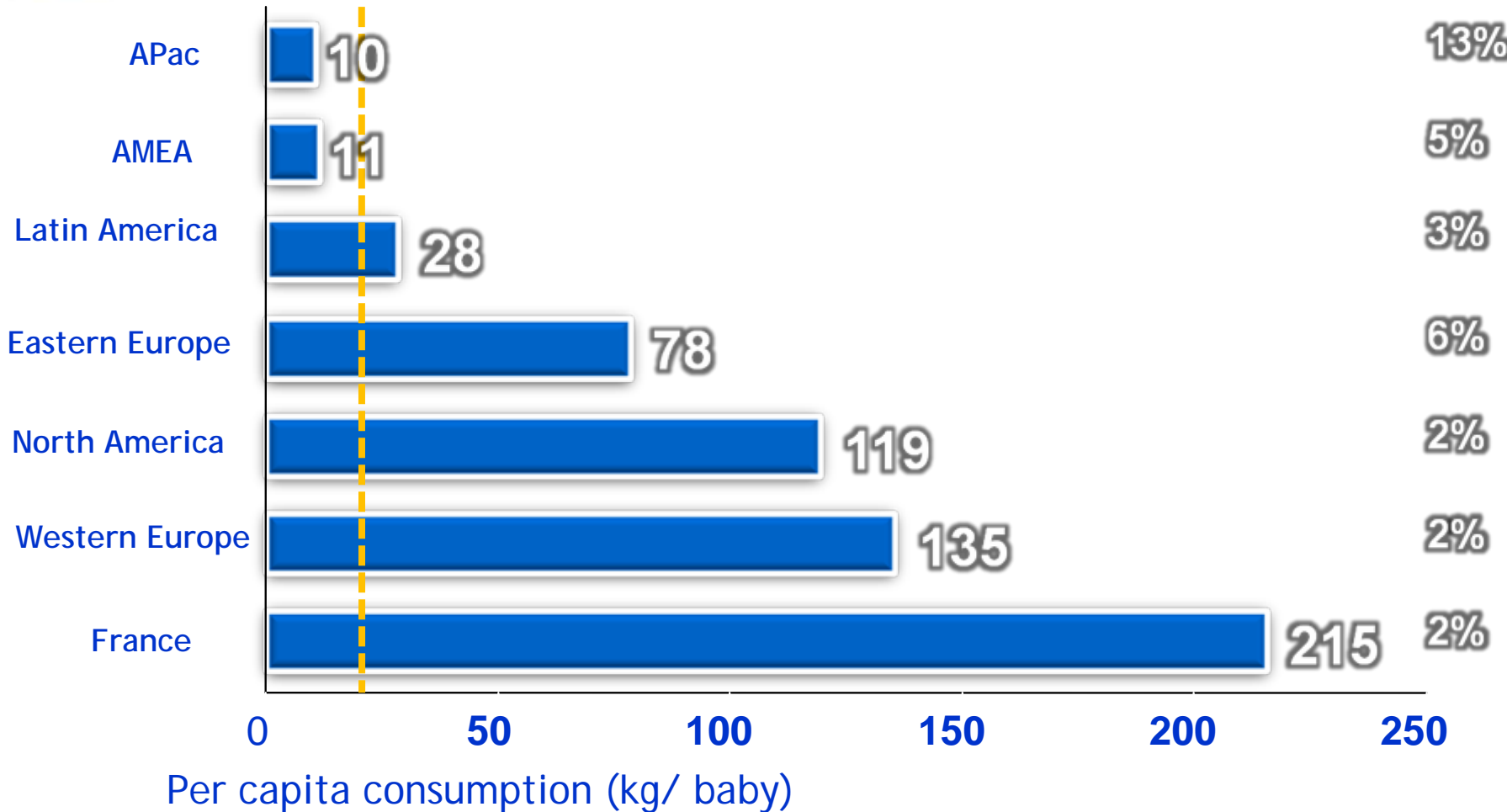




...and the category offers significant growth potential

WW average 20kg

CAGR 06-11





Babies and toddlers nutrition today: a major growth opportunity

French example

% of food intake

6 - 15 months

16 - 36 months

Home made food

Adult food

Baby food

Breastfeeding

10

42

45

3

9

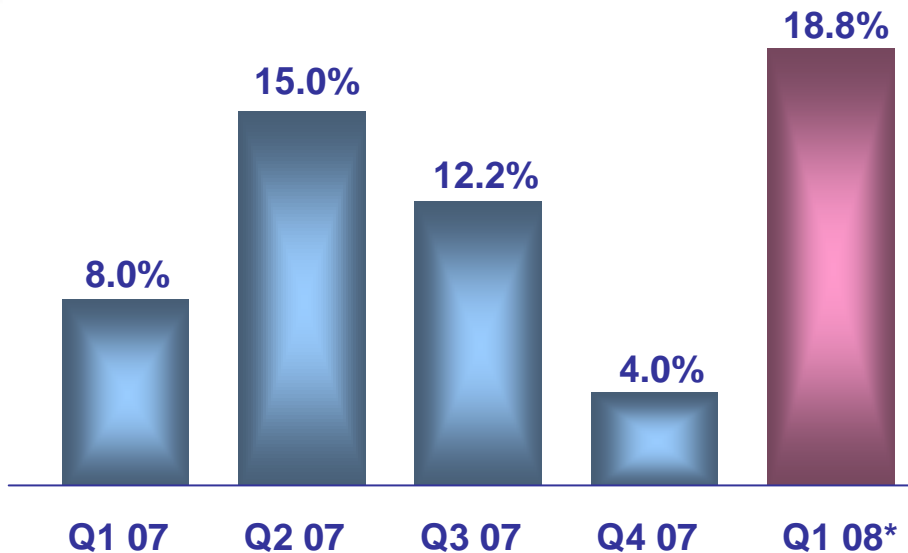
82

9



BABY NUTRITION

Continuation of strong growth track-record



- Very strong performance on the back of rather favourable comparables
- Broad-based growth across all categories and geographies
- Strong value effect (+12.5%) due to price increases taken as of Q3 07
- Resilient volume performance at +6.3% shows the strength of our brands and the loyalty of our consumers

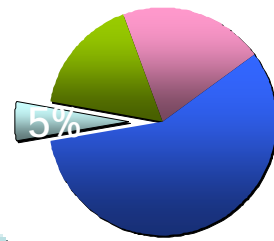


Medical Nutrition Division





Medical Nutrition - key figures



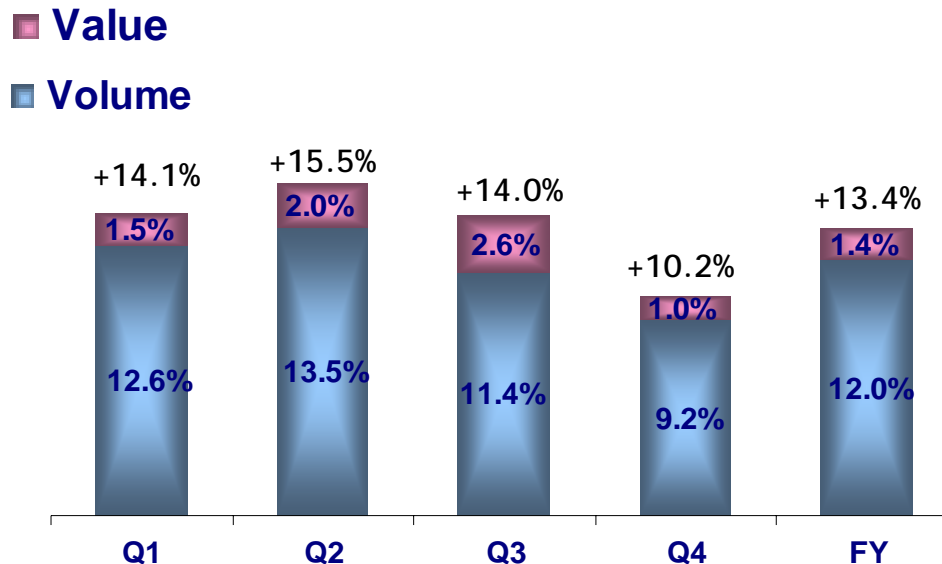
Net Sales (€ mln)

Trading Operating Income (€ mln)

Trading Operating Income margin

2007 PF*
793
173
ca. 21.8%

L-f-L Sales Growth



* Central costs allocation is estimated (based on historical keys)



Medical Nutrition - Leading market player in every market where we are present





Medical Nutrition consists of two distinct businesses...

**Medical
Nutrition**

**Nutrition for people who
cannot eat or are sick**

**Disease
Targeted
Nutrition**

**Nutrition to alleviate disease
Symptoms or delay
the progression of a disease**



Medical Nutrition treats malnutrition for various conditions

● Dementia

● Inability to eat (stroke)

● Surgery

● Swallowing disorders

● Cancer

● Diabetes





Disease Targeted Nutrition

- Severe Cow's Milk Allergies
- Metabolic Diseases
- Paediatrics
- Epilepsy





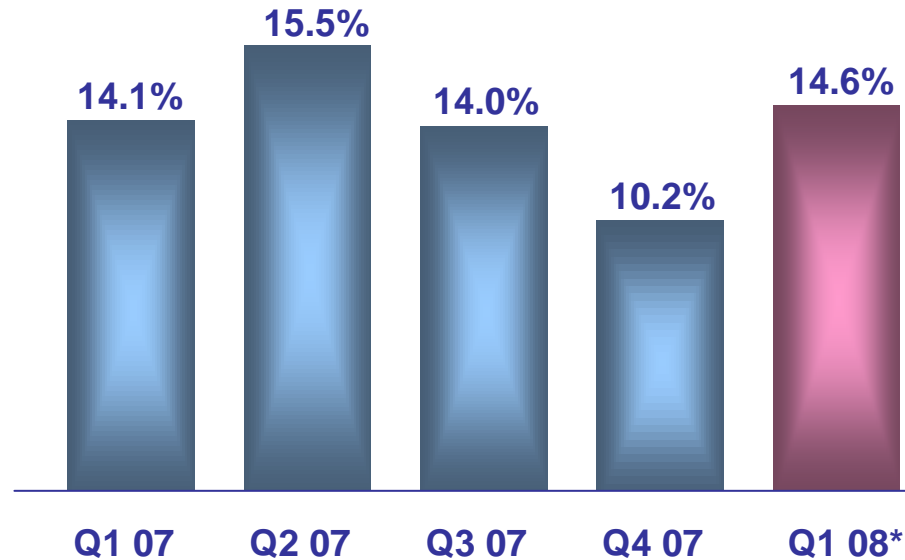
...with a number of LT growth drivers

- Ageing population
- Lifestyle diseases exploding
- Growing role of Nutrition in disease management and prevention
- Industry in its infancy and growing at a fast rate



MEDICAL NUTRITION

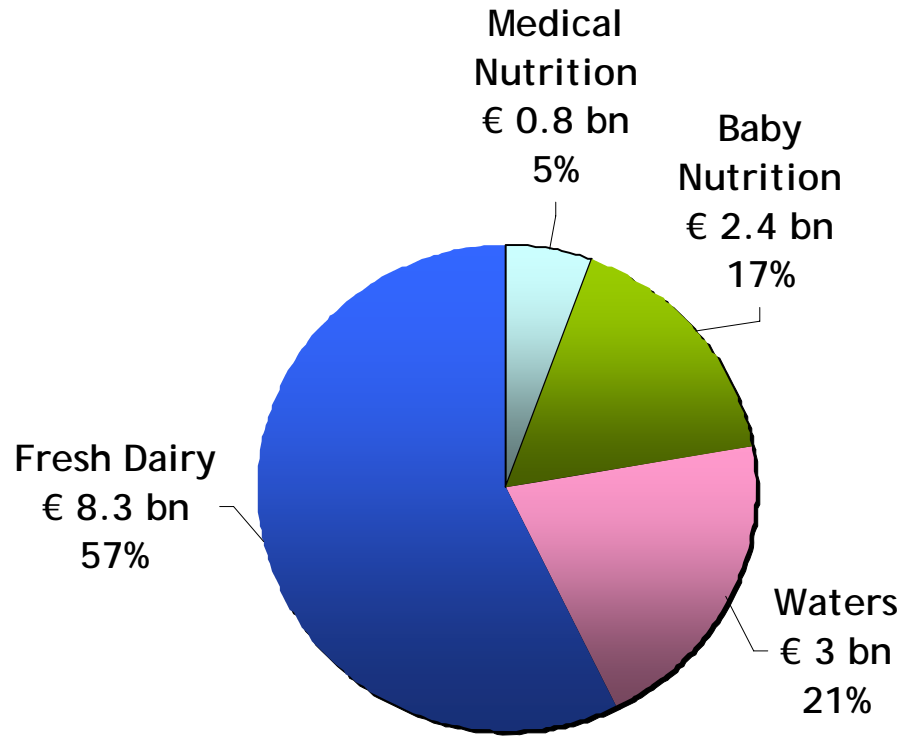
Continued strong performance across the board



- Continuation of the solid growth track-record
- Strong growth supported by all geographies and Southern Europe in particular
- All categories contributed to the growth, specifically "disease targeted nutrition"



The New Danone



Sales

€ 14 468 mln

EBIT Margin

14.6%



New targets reflect the New Danone

Medium Term Target

Target 2008

Sales growth

+8% to +10%

+8% to +10%

Trading Op.Profit*
(EBIT) growth

Faster than
sales growth

Faster than
sales growth

EBIT margin

improving

>+30bp

Underlying EPS
growth

>+15%

* On like-for-like basis



The New Danone

**A unique food company
focused 100% on Health**