



**DANONE**

**Cécile Cabanis, CFO**

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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.*

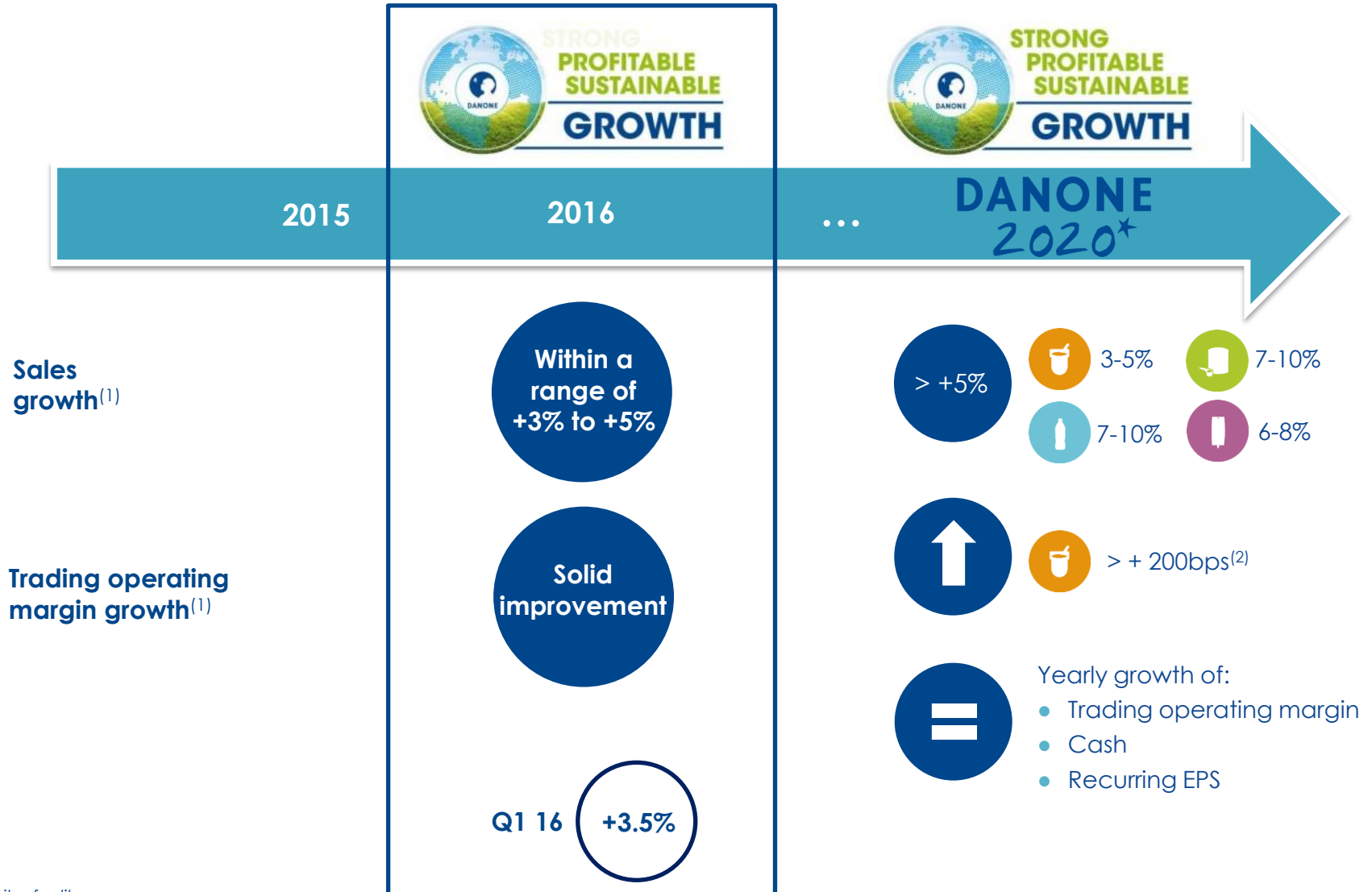
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*Due to rounding, the sum of values presented in this document may differ from totals as reported. Such differences are not material.*

# CONTINUING THE TRANSFORMATION TOWARDS OUR 2020 AMBITION



<sup>(1)</sup> Like-for-like

<sup>(2)</sup> Cumulative trading operating margin improvement (2015 - 2020), at constant exchange rates

# REBALANCING THE GROWTH MODEL



# PROGRESSING ON OUR KEY BATTLES



**Sustaining the re-acceleration**



**Returning to growth**



**Pursuing the transition of the Mizone brand**



**Building a sustainable model**



# USA: SUSTAINING THE RE-ACCELERATION



## Clear roadmap to fuel growth

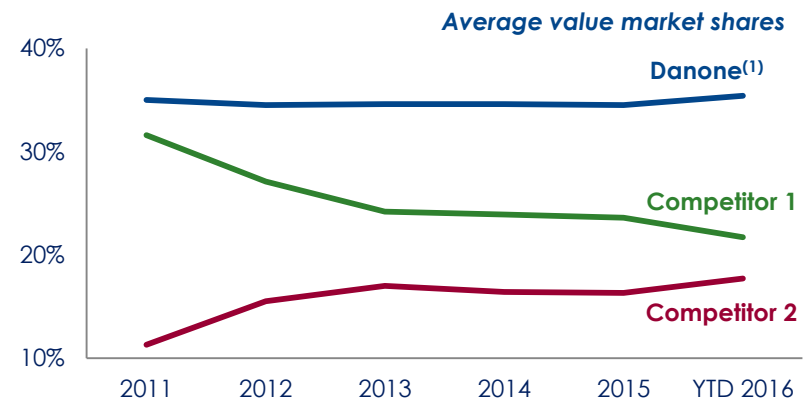
- Increase investments
- Winning the stores
- Accelerate innovations

Strong recovery

Q1 16 sales growth<sup>(1)</sup>

Mid-single digit

Strengthened leadership



<sup>(1)</sup> Danone : including Stonyfield and YoCrunch

Source: IRI Multi Outlet

<sup>(1)</sup> Like-for-like



# EUROPE: RETURNING TO GROWTH



2014

2015

2016

PLAN FOR SAVINGS & ADAPTATION

CONTINUOUS COST OPTIMIZATION



STRUCTURAL PORTFOLIO OPTIMIZATION



MILK MID-TERM / LONG-TERM STRATEGY



PRIORITIZE VALUE-ADDED BRANDS

BRAND REFOCUS



RELAUNCH PLAN

New recipe - New packaging - New emotional space

H1 16

H2 16





# STRONG GROWTH EXCLUDING CHINA, PURSUING THE TRANSITION OF THE MIZONE BRAND



## Leverage our platforms worldwide

- Plain bottled water **Q1 16 > +9%<sup>(1)</sup>**



- Aquadrinks w/o China **Q1 16 > +10 %<sup>(1)</sup>**



## China: transition in line with agenda

- Nurture brand equity
- Leverage innovations
- Adjust distributor inventories
- Adapt the cost base



<sup>(1)</sup> Like-for-like sales growth





# CHINA: BUILDING A SUSTAINABLE MODEL

## Solid underlying market trends



**Mom & Baby specialized stores**

≈ 50% of IMF market



**E-Commerce**

≈ 30% of IMF market



**Modern Trade**

≈ 20% of IMF market



## Strong brand equities



- Leverage the international brands
- Continue to convert indirect to direct sales
- Grow in MBS
- Leverage partnership with Yashili

# CONTINUING TO BUILD A SOLID MODEL IN A CHALLENGING CONTEXT

## Context even more volatile & complex



VOLATILE



UNSTABLE



COMPLEX



AMBIGUOUS

## Efficient model to support our 2020 ambition



BEYOND BUDGET



- Strict discipline in resource allocation
- Perfect execution

## More targeted approach to investment in volatile emerging markets



- Balance the business model and strengthen fundamentals to guaranty long-term prospects
- Re-adjust investment for the short-term

# 2016 GUIDANCE UPGRADE



	PREVIOUS 2016 GUIDANCE	NEW 2016 GUIDANCE
<b>SALES<sup>(1)</sup></b>	Within a range of +3% to +5%	Within a range of +3% to +5%
<b>TRADING OPERATING MARGIN<sup>(1)</sup></b>	Solid improvement	Range of +50 bps to +60 bps

<sup>(1)</sup> Like-for-like growth