



Press release – Paris, February 28, 2021

## Portfolio review

### **Conversion of Danone's 9.8% indirect stake in Chinese partner Mengniu into a direct holding as a first step to disposal**

As part of its ongoing portfolio review, Danone announces it has reached an agreement with COFCO Dairy Investments Limited ("CDI"), to convert Danone's stake in China Mengniu Dairy Company Limited ("Mengniu"), currently held indirectly, into a direct holding. Listed on the Hong Kong Stock Exchange with a current market capitalization of approximately €18 billion<sup>(1)</sup>, Mengniu is a leading Chinese manufacturing and distribution company of dairy products, in which Danone first became a shareholder in 2013. This conversion is the first step towards facilitating Danone's disposal of its stake in Mengniu.

This conversion process remains subject to regulatory approval and once completed, will result in Danone owning a direct 9.8% stake in Mengniu. A divestiture of Danone's stake in Mengniu could then follow in 2021 through one or several transactions, depending on market conditions.

Danone's indirect stake in Mengniu's share capital currently represents a book value of approximately €850 million and had in 2019 a contribution to recurring income from associates of €57m.

Subject to completion, and in line with the Danone's disciplined capital allocation, the majority of the expected proceeds will be returned to shareholders through a share buyback program.

Beyond this transaction, China remains highly strategic for Danone. The company has a strong commitment to the country through its several categories, operations and employees.

*(1) Based on market data and exchange rates as of February 26, 2021*



## FORWARD-LOOKING STATEMENTS

*This press release contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as "estimate", "expect", "anticipate", "project", "plan", "intend", "objective", "believe", "forecast", "guidance", "foresee", "likely", "may", "should", "goal", "target", "might", "will", "could", "predict", "continue", "convinced" and "confident," the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, predictions of future activities, operations, direction, performance and results of 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 "Risk Factor" section of Danone's Universal Registration Document (the current version of which is available on [www.danone.com](http://www.danone.com)).*

*Subject to regulatory requirements, Danone does not undertake 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 securities.*

### **About Danone ([www.danone.com](http://www.danone.com))**

Danone is a leading multi-local food and beverage company building on health-focused and fast-growing categories in 3 businesses: Essential Dairy & Plant-Based products, Waters and Specialized Nutrition. With its 'One Planet. One Health' frame of action, which considers the health of people and the planet as intimately interconnected, Danone aims to inspire healthier and more sustainable eating and drinking practices. To accelerate this food revolution and create superior, sustainable, profitable value for all its stakeholders, Danone has defined nine 2030 Goals, and paved the way as the first listed company to adopt the "Entreprise à Mission" status in France. With a purpose to bring health through food to as many people as possible, and corresponding social, societal and environmental objectives set out in its articles of association, Danone commits to operating in an efficient, responsible and inclusive manner, in line with the Sustainable Development Goals (SDGs) of the United Nations. By 2025, Danone aims to become one of the first multinational companies to obtain B Corp™ certification. With more than 100,000 employees, and products sold in over 120 markets, Danone generated €23.6 billion in sales in 2020. Danone's portfolio includes leading international brands (Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic, among others) as well as strong local and regional brands (including AQUA, Blédina, Bonafont, Cow & Gate, Horizon Organic, Mizone, Oikos, Prostokvashino, Silk, Vega). Listed on Euronext Paris and present on the OTCQX market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading sustainability indexes including the ones managed by Vigeo Eiris and Sustainalytics, as well as the Ethibel Sustainability Index, the MSCI ESG Indexes, the FTSE4Good Index Series, Bloomberg Gender Equality Index, and the Access to Nutrition Index.