

James So, good morning. We'll start punctually. Rather appropriately, we are starting the day with Danone. Some of you will already have had their morning fix of yoghurt at breakfast downstairs and we thank the company for providing its dairy and water products all week. Danone has attended all eight conferences and the CAGE board thanks them sincerely for their support over the years. It is a pleasure to welcome back Cecile for her third appearance and her first fireside chat at the CAGE conference. Putting Cecile through her paces is seven time CAGE member Jeff Stent of Exane BNP Paribas, only seven times, Jeff. Where were you that other year? Anyway, over to you.

Jeff Thank you, James and good morning, Cecile.

Cecile Good morning.

Jeff So, I thought we'd start off gently before we get into the sort of tougher questions. So, reflecting on 2016, it was, yeah, quite an eventful year for Danone. What, if you were to summarise, what really pleased you and what went less well, when you reflect on the year as a whole?

Cecile So, first I would say that 2016 was really a year where we made significant progress in the way we have rebalanced the model and made it more resilient. If you remember, at the investors' seminar we said that the direction and the ambition was defined and that the journey to go there was going through steps. The first one was making sure that growth was going to be profitable. The second was that this would be sustainable before we re-accelerate. So, I think 2016, to that extent, illustrates really the major progresses that we've made, in making sure that growth is profitable, 2.9% growth, 70 bases points of improvement in margin, leading to a 9% EPS growth, I think is really the illustration of all the work that has been done in order to make sure that results are flowing into a consistent profitable model and more resilient model, especially in the context where growth has slowed down. If we go to maybe category by category very quickly, starting with Water, on Water the results are showing that we are building on the category with very strong dynamics where people are really going for healthier hydration options together with strong innovation and activation. So, this was a very good result, very solid in Europe on the back of Volvic and Evian, Innovation and Volvic Juicy, and all the initiatives on kids. It was also very strong in aqua drinks in the rest of the world, continuing to bring mix to the overall category and on Mizone we have many opportunities to discuss, continuing the transition, and making sure that we are focusing on protecting the market share through targeted investments. So, that's for Waters. Then if we go to Dairy maybe. On Dairy there have been significant progress of our platforms, mainly CIS and Noram. Very different market context but on CIS working through the brands and also the portfolio we've been able to increase very significantly the mix, the profitability and continue to grow in a market, which was difficult, so showing a very strong resilience there. Noram, we've been able to continue to gain market share, month after month, quarter after quarter in a category that has grown and is also in a context where it's competitive but we've reached a significant record market share of 37% at the end of the year. So, here again, it's really on the back of all the work that has been done behind the brand and also all the initiative we are taking on our big brand, on non GMOs, on

sugar reduction, that is really building the brands and activating them. Dairy Europe is a disappointment. We were not able to stabilise Europe because Activia didn't provide the results that we initially expected. So, this is still work that needs to be done. We are today re-adjusting many parts of the mix. This will take time but this is definitely not part of the success of 2016. And then in the rest of the world on Dairy, there are very small platforms like Mexico on which we build and there are volatility market, especially Brazil and Argentina, which is more linked to the macro-context and the category than to Danone itself. Then, ELN. ELN we continue to sustain and to build the leadership position that we have in most markets. Two success in ELN given, I mean, in 2016, first one is the acceleration in the building a more sustainable model of growth in China. We've been successful in accelerating and building the direct channel, which is the channel of growth for tomorrow on the back of our strong position on the internet but also on the equity, based on the equity and activation of the brand. Second, for ELN, we've been discussing several times that one of the next elements of growth in Early Life Nutrition would be about tailored nutrition. So, not so much breast milk substitute but really tailored to specific needs. This is a segment on which we have put a lot of focus, which has grown double digit last year and is now around 10% of the sales of early life nutrition. So, outside of the volatility and accelerated regulation change in China, I think we are really building a stronger model for ELN. And lastly, Medical, which quarter after quarter has really proven the resilience of the ability to provide profitable growth in a very strong and balanced manner. So, just to wrap up, 2016 is really a key for the major progresses both in the journey of the model, the way we set it a few years back but also, in our ability to continue to consolidate our position in categories which are healthy and which are supported by very long lasting trend and with higher growth and this is also why 2016 was a key year because we decided to purchase WhiteWave which is really one of the platforms that is an illustration of where we want to play and where we believe growth will come tomorrow.

Jeff Thank you. Well, maybe we'll park WhiteWave for the time being, if I may. But, just thinking forward in terms of organisation, you've streamlined the executive board, there's a new sort of regional layer. Why is this better and why do it now? You know, why didn't it sort of harpoon when Emanuel took over etc? You know, why is this the right time for this new organisation?

Cecile So, maybe a few elements. I think a few years back everyone thought that the world would become a very global village. Everyone was going for globalisation in all processes, supply chain and everything. Digital was coming. We see that the world today is not totally going into that direction. We believe that the world is going to be fragmented and as we play in alimentation, alimentation is really where local habits, local culture are deeply rooted and is a a key driver. So, two years ago, when we decided to go for building for Danone backbone, which we called One Danone, which is a mutualisation of the four support functions, HR, finance, ISIT and General Secretary to make it more efficient, we didn't do it globally somewhere in a specific country but we decided to build it in 30 cluster of country where we believe it's the right point of leverage between being close enough to the localities and the reality of the market where we play, and being efficient and able to really develop the cross category efficiencies and growth. So, that

was the first step, which, two years after, we have now completed, and we have now decided to go one step further to make sure that we take this organisation and maximise it to its full potential, which is the business region, we have now homogenised so every One Danone cluster is consistent with the four categories region that it serves and it was very important because for very good reason in terms of business model and the way the growth has developed so far the regions were different. So, there are many things that were more complex to tackle and were less efficient in terms of looking for global and cross-category opportunities, both in efficiency and top line. So, that is done. And then we have decided that at Comex level it would be important to add two key functions, which is really the way we want to monitor the business, which is one on efficiency, which is not only getting the Protein Programme done but which is short, mid and long term efficiencies, the way you use resources and the way you create value through the best use of your resources and it's not only a short term purchase. So, we have created a function at Comex level in order to really make sure that we look at that globally on the company and it's at the right point of attention and that it serves the other function that has been created, which is the growth category officer, which is really about making sure that the marketing model and the transformation of our brands using the tree of alimentation and making sure that digital is at the heart of the brands including also R&D will be also very much more powerful in being at the same point and at the Comex level to make sure that we now tackle the growth in the categories but on top of that we tackle all opportunities that we have to really go and search for the growth. And, at the same time, we have reduced the number of Comex members, which also is a source of savings and efficiency in terms of the debates and decision making. So, that's in a very quick answer what we've done. Organisation is a living body so it's where you need to adapt and you need to make sure that the organisation is adapting as quickly as the way to work otherwise it doesn't work; and we felt that it was now important to go for the next step as well, getting WhiteWave into the portfolio, we have decided to reshuffle the regions and the responsibility in terms of business to make sure that we would have a very focused Noram business unit that would enable both to focus on the growth in that part of the business and secure all the synergies that we want to deliver. So, that's basically the different changes that we've done.

Jeff And you mentioned Project Protein, which is a billion euros, which is quite a big number in most people's benchmark. Where is this coming from and why will it be different to some of the historical productivity programmes at Danone? You know, I know for a long time Danone used to report 500 million of productivity savings but they had tended to sort of disappear or be offset elsewhere. So, how should we think about this one billion of savings?

Cecile So, maybe before I comment on Programme Protein, the 500 million does not disappear. The 500 million of regular productivities I see it in the bridge of the gross margin. They are not fully in the bottom line because you know that we have inflation in our input cost and they come to mitigate the impact. If you look at the bridge that we presented in 2016, this number has increased because it has created the 50 basis points of extra margin. So, it's not something on which we report but it is a number, it's there and it's fully there and it's increasing year after

year and make sure that it increases, and this number is related to everything which is in the product. So, it's all the productivity we make in purchasing our input cost and materials and in the way we are producing. When it comes to Programme Protein, we are tackling what we call SG&A costs, which is everything which is indirect which is not going into the product. So, it's mainly about all the professional fees. It's the media buying cost. It is the logistics cost. It is also about third party manufacturing. So, it's all this part of the cost base that is sitting in selling and general expenses. I think what I described just before in terms of organisation is really now making us ready to make sure that we can start a programme like that and that it will be sustainable. So, it's not a programme where we want to just get the cost out and then because we are not organised for that we can't make it sustainable. So, it was very important to put the organisation in place and now we are going to go full speed on that programme. First year will be about a pilot, three countries and a few what we call smart categories, and then we'll deploy in 2018 in order to reach the full one billion by 2020. So, that's what it is.

Jeff And you're thinking about sort of restructuring more broadly. We're seeing across the industry now, you know, most companies have what I would describe as a hard restructuring programme, i.e. they're taking charges, they're closing factories, they're reducing headcount. But, when I look at Danone, I can't see obviously much evidence of that. So, why is that? Why is Danone seemingly somewhat different to a lot of your peers in that respect?

Cecile I don't think we are different. If you look at global restructuring, a few years back we had Europe where we delivered 200 million of savings, and what I just described being One Danone, One Danone is a major change in the organisation when we mutualised the function. This is a restructuring and then there is no taboo about restructuring so if you see a specific country, last year we had some in Russia, we had some in Argentina, so we might not publicise about it but it's a constant focus to optimise cost and if we have to tackle some restructuring we do it, we do it if we need it, we do it if we are ready for a global change in the organisation and every time we needed it, we've done it. There is no taboo on that.

Jeff Maybe sort of changing direction a little bit. Danone historically has done an awful lot of work on the sustainability front. I know it's something as an organisation that's incredibly important. In fact, you get paid on the basis partly of what's done on that front. But, I guess if we reflect on the Unilever sort of Kraft Heinz episode, you know, there is suggestion amongst investors that perhaps Unilever was paying too much focus to sustainability and rather less to its shareholders. So, how do you think about that in Danone and has Danone got that balance right, do you think?

Cecile Well, first, I don't think we should oppose the two because there is what you do and the results you deliver and there is how you do it and then there is how sustainable is it? So, I think it's not I am too much sustainable and then this is the reason why I don't deliver my results. Delivering the results is key but sustainability is about business. When you look at the consumers, what they want, what they buy, they are really asking every one of us to be more transparent, to be clear on what we sell in terms of brand, the way we use resources, resources are very scarce. So, it's a responsibility to make sure that we use them and we create value out of using them

properly. So, it's a responsibility and at the end it's very value creation because it's better for the consumer because it's better for the resources and more efficient in the way you use it. You create a vicious circle, which is for the full ecosystem, including for your results. So, for me, it's not one or the other, it's you need to deliver your results, you need to make sure that what you do is helping on your growth on the sustainability of the model, but it's not one or the other. When we go in the US and we decide to remove GMO or to go to the labelling in our key brands, it's really to offer consumers the choice that they want to choose for their brand and this is what they want. When they go for very small brands which are claiming a lot on naturality etc this is what they want. So, you need to be where the consumer is. When we make investments into sugar reduction, it's not against the results. It's both very responsible and it will bring additional profitable growth to the model. So, for me, it's a matter of balance, it's a matter of you need to make sure that you do the best in terms of your growth model and you deliver the best value creation possible but you also need to make sure that this is sustainable and that you can sustain it in time and for that all the initiative around making sure we are efficient and responsible in the way we use human resources, financial resource and natural resource is absolutely part of the solution.

Jeff And, thinking about Kraft Heinz's bid for Unilever, sorry, merger approach I think is the official term, for Unilever more broadly, I guess boards across the consumer staples universe will have been taking a sort of long hard look at themselves and their organisations. So, what, if anything, will Danone be doing differently, you know, sort of post the Kraft Heinz shift?

Cecile We are already going to a new step in our model and what we are going to do is what we said we would do two years ago when we started the journey and now for the next step of the journey, which is in the full year result we said we continue to be in the growth environment that is volatile with some transition in key markets. We continue to be absolutely clear that we shouldn't push for tactical growth and that, what we started two years ago in the way we manage resources in a more disciplined way, we need to continue and that means that for this new part of the journey -- and for this part of the journey, because it's not a new journey, we will decouple what is about mid-term growth, an acceleration of growth, and efficiency on the other side; and that's also why we are announced Programme Protein, which back to what part of your questions before, is not for us only let's put it short term in the margin. It's a real fuel for the right investment opportunity in order to make sure that we accelerate for growth and for the right growth and for the growth that we said we'd go for, which is profitable and which at the end flows through the value creation KPIs that you need. So, today there is no change. We have a direction in which we believe; we want to continue our ambition of strong profitable sustainable growth because this is what we believe is the right direction. We want to make sure we continue the base of the journey at a rhythm that enables to secure each step of it and not make it tactical or short term and then we have to go back. So, every step we take is really in order to secure and every time make sure that we add and not that we are tactical and that we'll create volatility in the performance. So, today how you call it? Merger approach? whatever...

Jeff I would probably call it something in Glaswegian so I'm the wrong person to ask I think, Cecile.

Cecile The move or the attempt has not made us think differently but the way we want to drive our journey.

Jeff Okay. Just sort of coming back to this year, I guess the three areas of the business which are very frequently discussed. So, we think about dairy volumes, Chinese infant and Chinese waters. What are your expectations in those sort of three key areas, you know, near term and as we kind of move through the rest of this year and beyond?

Cecile So, maybe if I start with Dairy. We are basically in a situation that we explained in the full year meaning that given what happened in Europe with the fact that Activia relaunch will take some time, we expect that Europe will continue to be negative for the quarters to come, low to mid digit probably. Overall, Dairy, there is also the volatility that is not new but that has increased in Brazil linked overall to the macro-context, and this is a key country for us in Dairy, so it is weighing on the performance and especially on the volume side. And then, you know because we've discussed that as well, that in the US the overall food category - and probably not only food - but the food category has slowed down and the current context is that it's getting very competitive too. So, in the short term, we will have a slow down of Noram, it doesn't at all question the plans and everything we are doing that is very solid behind the brand. But, it might impact Q1. So, for Dairy, I would repeat what we said in the full year: Q1 will be negative, low digit negative in terms of sales, and we expect that the volume of dairy will be negative in 2017. But, that's not new vs. what we shared in the full year. Then if we move to Water, overall there will be a low start to the year, mainly on two grounds. The first one is the transition of Mizone in China and the second one is Brazil also, because in Brazil we have both Dairy and Water. We have more but the rest of the categories are going well there. And then, medical continued to be strong so there it continues its regular journey of strong growth and it will be the same for the start of the year and for the year. And, finally, on ELN it will be better than the performance in Q4. We said that it will continue to be volatile until the regulation is fully in place and the overall market is settling down. So, here, this is the situation but, again, there is no surprise. This is fully taken into account in the equation. So, overall, there will be a very slow start of the year in terms of growth for the overall company.

Jeff Okay, thank you. And, maybe picking up the point on Chinese infant, the market investors and industry participants, everyone seems to assume that in 2018 once the new regulations are in, life sort of returns to normal, if you like. How can we be confident that that will be the case and perhaps there just won't be new regulations in China and this is going to be a sort of gradual kind of contraction of regulation and restriction over years to come? Why is it just, if you like, a one off reset and it's not going to be a sort of ongoing process?

Cecile I will come back on the fundamentals of the category and why we are certain that there is growth but on your question, on the regulation, I don't know if you remember but when we posted our results in 2014, we said there is this channel, it cannot be sustainable because it's

not controlled, it bears risk, and there is a common interest of the industry and the government to make sure that this gets controlled and regulated. So, a few months, years later, when it actually came, it's not a surprise and it's not we don't put that on the back of suddenly the government wants to make a regulation and we will make another. I think on this industry -- the model of growth was not sustainable. We've been saying that for a long time and this is now getting regulated and for next year in order to make sure that the channel that is not controlled and bears some risks is now not free to operate the way it was. So, I don't think the regulation itself is a barrier to growth. The fundamentals of growth they are here it's about the middle class, which is continuing to expand and which will be probably the major driver of growth. It's about demographics. There is very significant potential of growth in China. So, today, we are fully confident that after this bit of chaotic and volatile transition and shift of channel in the category there will be growth in the category. We need to continue to build the brand and to make sure that we have the right portfolio, the right activation in order to beat the market growth and really continue to bring Danone to a success in China, and there will be space for international brand and for domestic brand as we always said. So, yes, this is a specific time in China and, yes, we are very confident that growth will resume and what we have to do is what we do everyday it is fully focusing on developing the direct part of the business, continuing to develop the right portfolio, especially on tailored nutrition, as I described earlier, which will be a significant part of the growth going forward, and continue to build on the strength of our brand and the strength of the fact that we are number one position on the Internet.

Jeff So, theoretically, 2018 should look significantly better?

Cecile Theoretically , I don't think there is a theory when it comes to China and there are still some question mark on at what speed they will put the regulations. So, today, I cannot answer for sure your point until I know exactly what is the date and how they will implement it for sure. So, that's why short term we are taking a conservative assumption that growth will be disturbed and that there will be volatility among quarter. We need not to panic but to make sure that we are solid, we are developing very strong growth in the direct part of the business and this is where we need to continue to push, not being too much focused on the volatility of the indirect. And then, when everything is fully in place and everything is clear, we will have that conversation.

Jeff I look forward to it. So, if my memory serves me correct, I think around the middle of last year you proposed the small acquisition, a certain US company, and yeah, kind of struck me that we should perhaps discuss that just a little. You know, if I think about milk globally, the animal based milk or cow milk, you know, around the world is generally quite a commoditised category in most countries, why will plant based milk be different from that? You know, why do you see different trajectory going forward for plant based milks versus the sort of animal alternative?

Cecile First, it's a very different product and technology so there is much more barrier in plant based than in milk, because cow milk is cow milk, in plant based you do your own recipe, you do your own blend. The taste is very difficult to get right. So, technology is important. There are some

barriers in the product and it's basically a category which relies a lot on the brands and the way you market the product. So, today, there is some private label but it's around mid-teens digit. We are not expecting that it raises and bringing together WhiteWave through the technology of Danone and continuing to accelerate and build on the marketing model. We are not at all concerned that will be a category that will commoditise. There are many things to do in that category and the underlying fundamentals of the trends and the consumers are also here to show that and, again, it's not... it's a very different product base and recipe than what you find in the milk. There's much more work.

Jeff Okay. And thinking about the cost synergies you've guided to, you know, roughly an aggregate about sort of 5% of sales or so all in, whereas we have Reckitt with Mead Johnson guiding to 7% yet when I think about Danone and WhiteWave, you know, your businesses would seem to have much more in common than Reckitt's does with Mead Johnson. So, you know, to the extent you can comment. I realise you're not in Reckitt but why do we have this? You would expect it to be the other way round, you know, intuitively that you'd be getting more synergy from WhiteWave than Reckitt would from Mead Johnson.

Cecile Well, I don't think the business models and footprint are comparables. So, I would find it difficult to compare. I don't know about Reckitt and Mead. What I can tell on WhiteWave is the total synergies are 300 million typically for 2020. It's 225 million of synergies on costs but it's mostly one country. We are in the US mostly and 80% of the cost synergy is US. So, I don't think you can really compare it with Reckitt and Mead. On top of that, when you look at what we put in top line synergies, we've been very careful to be conservative to make sure that we can over-deliver and not under-deliver because what we have taken is only the countries where both of us have a relevant presence, which would lead to basically mostly the US and a few countries in Europe. But, we have not at all looked at what we could do in China where plant base is a very relevant category. We have not looked at what we could do in Russia where we have a very strong platform and we could imagine that we could bring in some of the categories of WhiteWave. So, I think there are more opportunities behind what we put on the top line part of the synergies and, again, it was a choice to be conservative to make sure that the number we give is fully achievable and is fully defined. So, we know exactly where we're going to find it, the plans are there and we will start as soon as we close the transaction.

Jeff On that point, I think you said that you expected it to complete by the end of March, which isn't that far in the future. So, what are your latest thoughts on completion timing?

Cecile We are finalising the discussion with DOJ and it should come shortly.

Jeff I very much look forward to that. So, maybe leaving WhiteWave, I'm conscious we want to leave some time for Q&A as well. But, just thinking about the sort of 2020 growth objective, growth for the company at present is relatively modest, how can you help us get confidence that you will get to that 2020 objective? What are the few things that need to go right to sort of bridge the gap from where we are at present to where you aspire to be?



Cecile So, 2020 we say it's about accelerating to strong growth. Strong growth we said it's above 5%. Looking at the different categories and coming back to what I commented in your first question around especially 2016, if we look at Waters outside of the transition of Mizone we've grown more than 7%. If you look at medical nutrition we continue to have very strong growth. In early life nutrition, we are really putting the building blocks, I was commenting on tailored nutrition plus we continue to make sure that we develop the direct business model in China and we should then accelerate; and then we are left with Dairy where today one of the steps was to stabilise Europe. It's not that we need Europe at 3% but we need Europe to be stabilised so this is really what we're working on, making sure that we are also continuing to adjust the different elements of the Activia relaunch to stabilise Europe. Also, we don't want to be caught into the speed. We just want to take the right decision at the right time and accelerate when we feel we have everything in place to do so. And then, at the end of the day, that's why we said and that's why we guided on the EPS because, for us, EPS is a very important safety net to make sure that we are putting the right combination of growth margin together to deliver a strong financial performance but that we remain flexible and disciplined in the way we allocate resources, not to be caught into being pushed to allocate short term tactical resources on something which wouldn't be at the end the right thing to do. So, the way we have decoupled growth and efficiency and the way we have said we absolutely need the safety net on EPS to really make sure that we continue to build a model into its resilience and that we continue to be consistent in the way we said we'd build the journey, profitable, profitable, sustainable and acceleration, I think it's really a very important part of the model.

Jeff The good news, Cecile, is I'm finished. The bad news is Regis is about to start and take some questions.

Regis So, happy to get questions indeed. We have ten minutes left, James. Is that correct?

James Yeah.

Regis Mr Warren?

Warren Morning, Cecile. It's Warren Ackerman here. Can I ask a question on dairy, please? There are three sort of key geographies of Europe, the US and I guess Russia, I suppose Brazil as well but on Europe you've had an issue with the Activia relaunch and you said that you're going to change the marketing mix to try and improve local execution. Can you maybe elaborate on what plans you've got to do that and then on the US, we saw yesterday General Mills reporting down double digit on Yoplait and the category struggling. You're taking a load of market share but is the category slowdown a concern and then on Russia, can you maybe just update us on where we are with Uni Milk and improving the mix? Thanks.

Cecile Okay. So, first on Activia, maybe in order to give you some background, basically, Activia was a very significant change and transformation of the brand and the equity. The different objective part of it was to modernise the brand and to be able to attract younger generations to the brand, which is something that worked because we were able to attract millenials and new

generations to the brand. But, in doing so, we have lost some of our core consumer because the transformation was important and probably too stretched for some of them. So, this is where we need to rework. On top of it, there were 2 other things, is that we were really focusing on the model and the equity and the message and probably haven't enough worked on basic activation in the market, which is something we are refocusing on now, and the second is that on the pack there are some executional topics that we need to fix and we are fixing now, especially if you look at the visibility of the flavour, it's not good and some people were getting the wrong product. So, some of them left the brand for that reason. So, we are correcting that. So, it's really a mix of quick fix and very executional corrective actions and then there is a longer journey to make sure that we embark all the consumer base into the transformation on top of getting new consumer. So, that's basically where we are on Activia. Now, I know that we are talking a lot about Activia. We've been very clear that we need to stabilise Activia and that's what we do. But, Europe, it's not only Activia. There are many local brands that are working well where we need to accelerate so we also need to make sure that we are not only focusing on fixing Activia but we are continuing on accelerating on different platform in indulgence, different brands and continue to roll out there because growth will not or stabilisation will not come only from Activia but there are millions of initiative that we need to continue to do and that will definitely participate in that. In the US, yes, the category has slowed down. As you said, you've seen the results of General Mills. We've been able throughout 2016 to grow and to grow market share. The start of the year is tougher because within that context of the category there has been some price, short term price initiative taken by some of the competitors which are disrupting the market but here, again, we have very good brands, very good plan ... we are working very well with the retailers so we don't think that there is a structural problem in that category. But, there is definitely a short term slowdown of the category. And, Russia, it was three questions, actually. Russia, it's a very good illustration of what we can do in terms of both making sure that we have the right portfolio of brands. We've been able to adapt the portfolio of brand to make it more resilient to the Russian context and continue to grow while improving the mix, while significantly improving the growth margin and the margin. When we purchased Uni Milk a few years back the margin was very low in Uni Milk. We are now nearly at the average of the dairy division so the work that has been done is very important and we need to make sure that we continue to sustain Russia and to take the learnings of what has been done in Russia to deploy it in that market.

Regis Thanks, Cecile. Yes, question, please?

Q With Reckitt buying Mead with a clear objective of growing market share and input formula in China, what impact do you think that is going to have on the market? Are you going to adjust your strategies in any way to counter Reckitt?

Cecile So, on Reckitt and Mead, I don't think we will address our strategies especially in China because in China we have a very focused strategy on making sure that we push on the direct model. We are gaining market share in MBS. We are accelerating very much on that part of the channel and

will continue to push for that. So, we are not today contemplating to have to adjust our strategy, our model, because of the Reckitt Mead acquisition.

Q I was wondering if you could comment specifically on the date you expect the deal with WhiteWave to close?

Cecile Yes. I answered. You have to take my answer because I will still say the same. But, basically, we are now in the finalisation of the process with DOJ so it should come shortly.

Regis Thanks. Perhaps a final one.

Q Where is the focus on the discussions with DOJ at the moment? Is it more in terms of horizontal issues or a new supply agreement for milk?

Cecile I would be very happy if I could comment but I'm not at liberty to comment the content of the discussion. The only thing I can is that whatever the outcome of the discussion there will be no value creation leakage to the transaction and I think this is again what is important.

Regis Thank you. I think we're going to stop there. Thank you, James. Thank you all for your interest and wishing you a very good day. Thank you very much.

Thank you.