

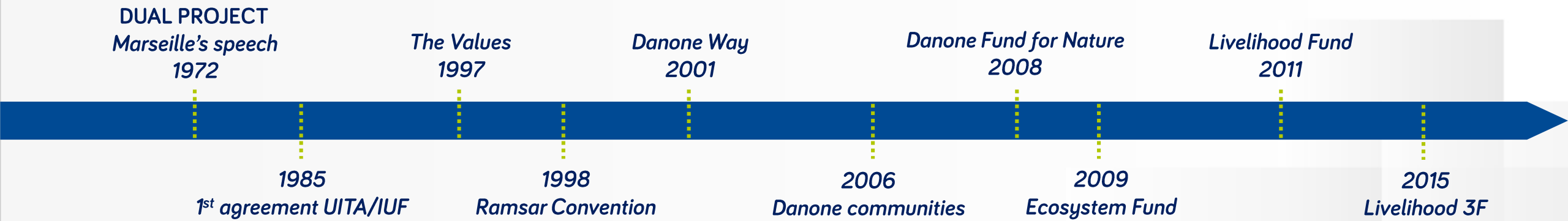


TRANSFORMATION IN MOTION

Emmanuel FABER

DANONE: A HISTORY OF TRANSFORMATION

1960's	1980's	1996-2007	2008-2014	2015
				
BSN: GLASS	FOOD	FOCUS & INTERNATIONALIZATION	ACCELERATED INTERNATIONALIZATION	TOWARDS 2020*



DUAL PROJECT
Marseille's speech
1972

1985
1st agreement UITA/IUF

The Values
1997

1998
Ramsar Convention

Danone Way
2001

2006
Danone communities

Danone Fund for Nature
2008

2009
Ecosystem Fund

Livelihood Fund
2011

2015
Livelihood 3F



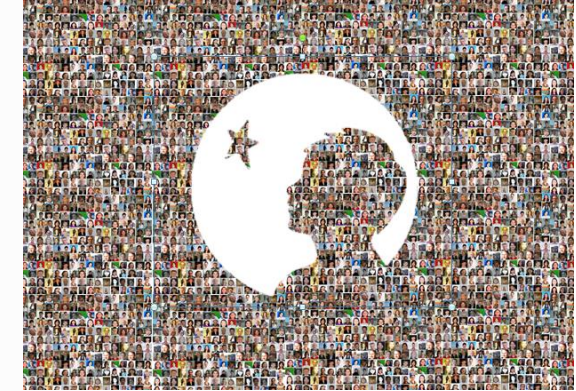
A NEW STEP TO BUILD THE FUTURE

2014

2015



DANONE
Manifesto



September 2014
New governance

December 2014
New Comex team

July 2015
Manifesto roll-out

October 2015
Streams activation



TOWARDS 2020*



Evian 2015

INVESTOR SEMINAR



DANONE

TRANSFORMATION *in Motion*



OUR 2020 AMBITION: STRONG, PROFITABLE, SUSTAINABLE GROWTH



**STRONG
PROFITABLE
SUSTAINABLE**

GROWTH





DANONE *Manifesto*

DANONE
*2020**





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DANONE
2020*



DANONE: A UNIQUE MISSION



ALL TOGETHER BEHIND THE MANIFESTO VISION



2014 Investor Seminar
Danone 2020 introduction



2014 Annual GMs Meeting
Comex together around
the Manifesto vision



Danone Day
sharing with 60,000 Danoners



Manifesto Workshops
clusters co-creating their actions





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DANONE
*2020**



DEMOGRAPHICS AND HEALTH TRENDS TO CREATE NEW GROWTH OPPORTUNITIES

A growing population



7 billion
today



9 billion
in 2050



Balanced diet: a major worldwide challenge

Malnutrition : 1/4 of the population

Overweight : 1/3 of adults

Obesity : 1/10 of adults



OUR CATEGORIES ARE UNIQUELY POSITIONED FOR GROWTH



Stand by Mums to nurture new Lives

No. 2 worldwide
Early life Nutrition

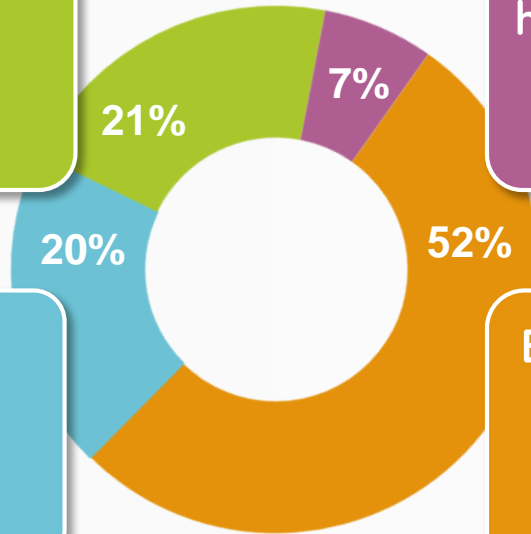
Pioneer nutritional discoveries that help people live longer, healthier lives

No. 1 in Europe
Medical Nutrition



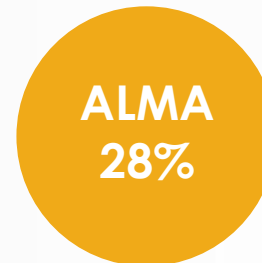
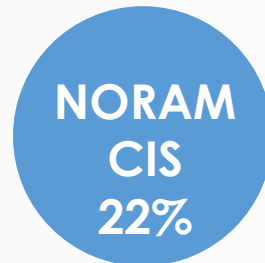
Inspire people towards healthier hydration

No. 2 worldwide Waters



Bring the health of yogurt to as many people as possible

No. 1 worldwide
Fresh Dairy Products



Figures based on FY 2014 results

INVESTOR SEMINAR 2015 - EVIAN

USA+Canada+CIS

AsiapaLatamMiddleEastAfrica



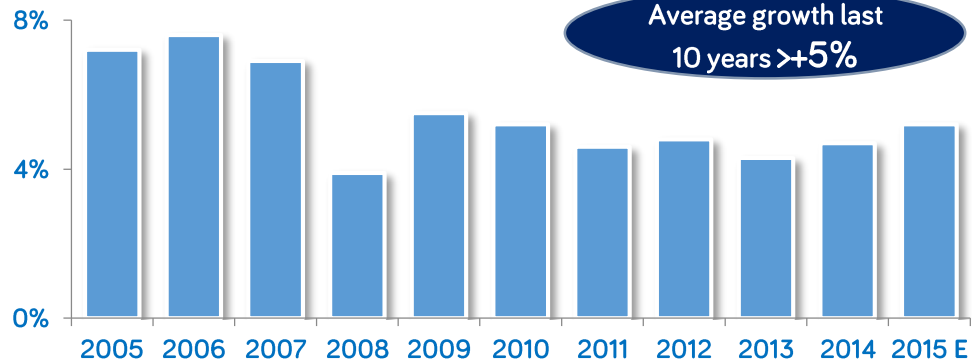
DANONE

FRESH DAIRY PRODUCTS: POTENTIAL FOR FUTURE GROWTH



A 10 year mid-single digit growth category

Yogurt retail volume worldwide growth (tonnes)



Source: Euromonitor

Epidemiology studies prove that yogurt is a healthy diet



Yogurt consumption is associated with:

- Better nutritional intakes
- A healthier dietary pattern
- Reduced weight gain over time
- Lower diabetes risk over time

Source: Epidemiology studies on yogurt covering 170,000 people



FRESH DAIRY PRODUCTS: AN UNPARALLELED POSITION TO BUILD THE FUTURE



Danone World Market Share in 2014 =
26%



Competitors #2 & #3 = 5%



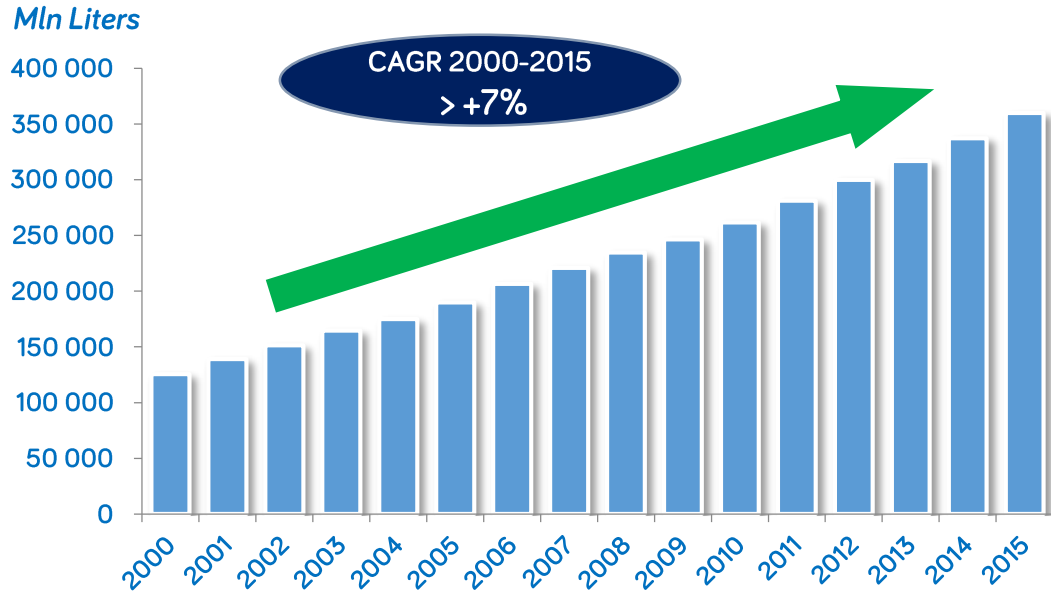
84% of Danone Sales from countries where we are #1
(vs. 78% in 2011)



WATERS: AN EXTENDED TERRITORY OF GROWTH

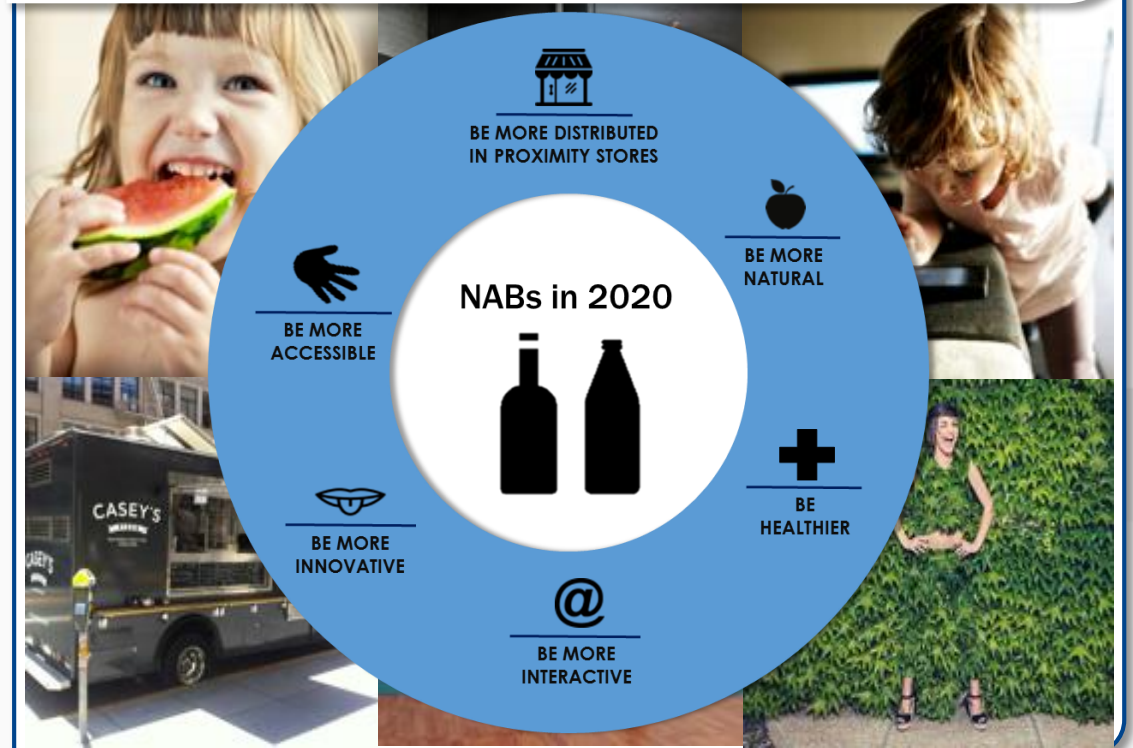


Bottled Water: a continued growing segment



Source: Canadean, Total Water format including Bottled Water (<10l) + Jugs/HOD Water (>10l)

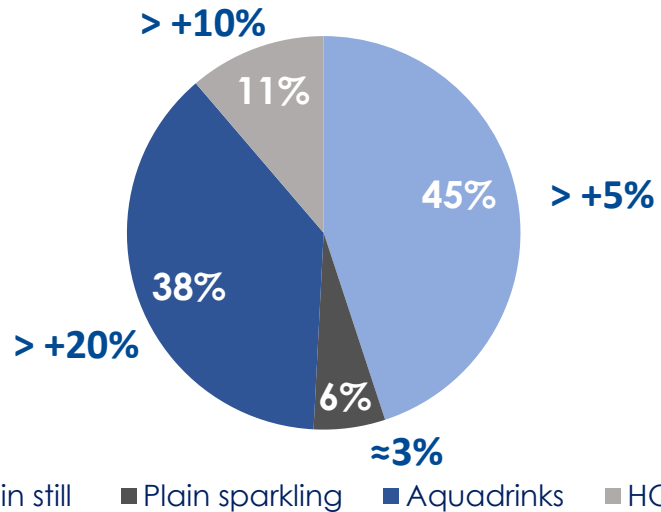
A changing category with new opportunities for growth to come



WATERS: A RELEVANT PORTFOLIO TO SUPPORT HEALTHIER HYDRATION

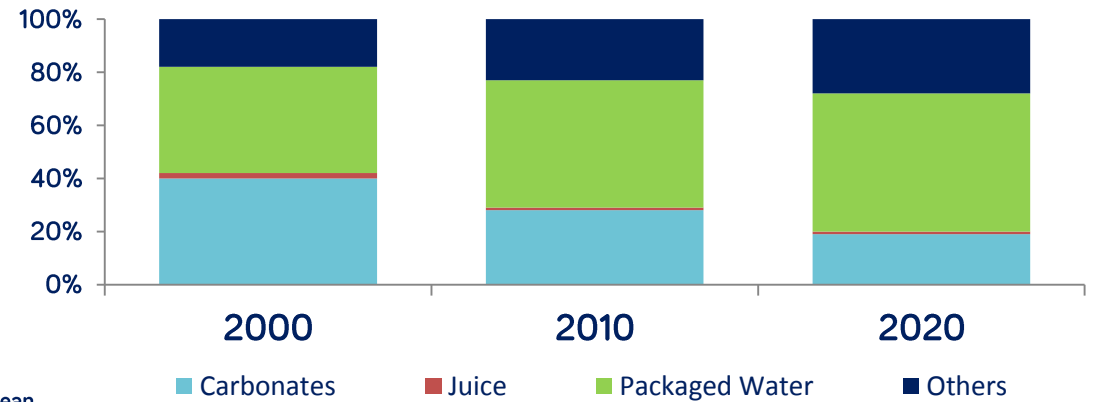


A well balanced portfolio



2014 total Waters sales split & growth

Weight evolution of NABs segments in emerging markets



Source: Canadean

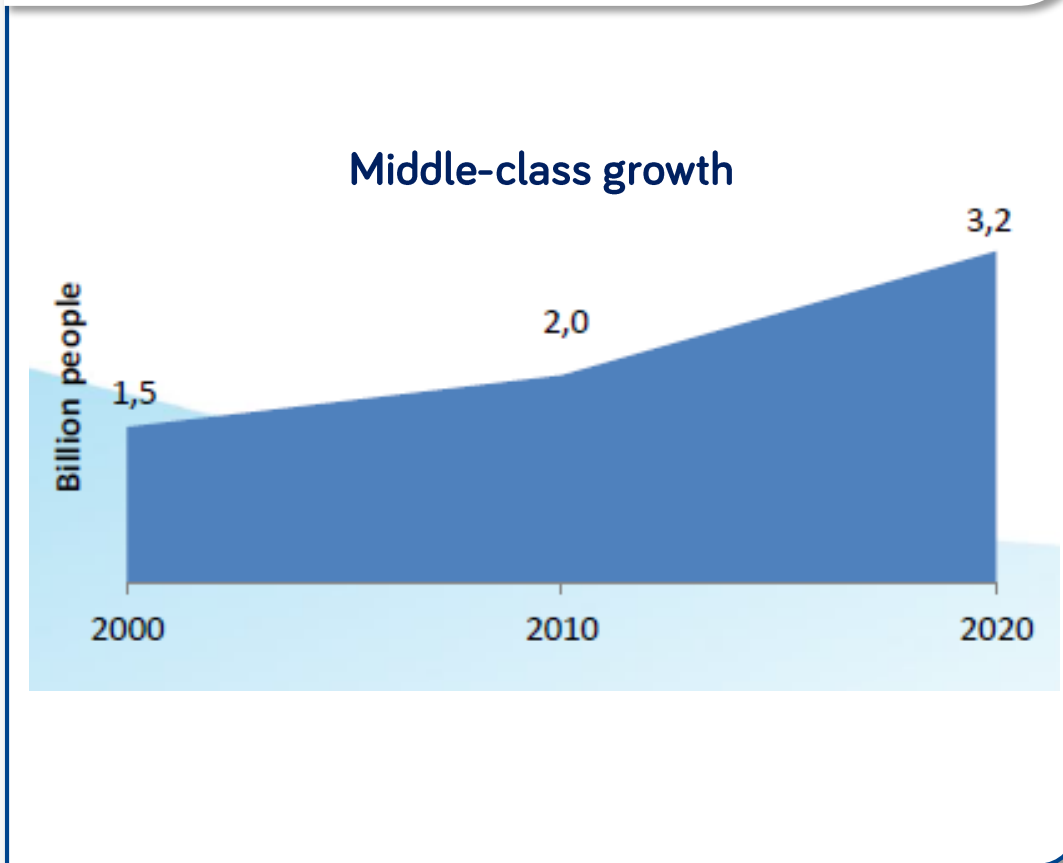
Innovations to support our growth



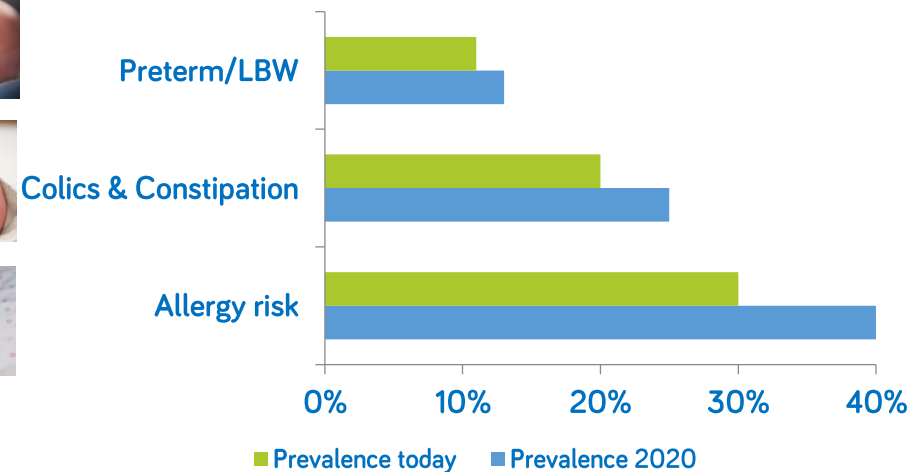
EARLY LIFE NUTRITION: DEMOGRAPHIC PATTERNS AND HEALTH TRENDS CREATE NEW NEEDS



Middle class emergence & gender equality



Health issues growing for babies



x2

Hospital admissions for severe allergic reactions over the last decade in developed countries



EARLY LIFE NUTRITION: SCIENCE AND STRONG BRANDS TO SUPPORT 1,000 DAYS WHO TARGETS



A unique and relevant portfolio

Milk



Tailored Nutrition



Wet & Dry Food



A key focus on R&D and scientific expertise

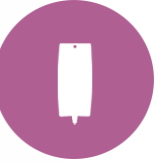
Leveraging a new global research centre in Utrecht



Science-based innovations for allergy & specials

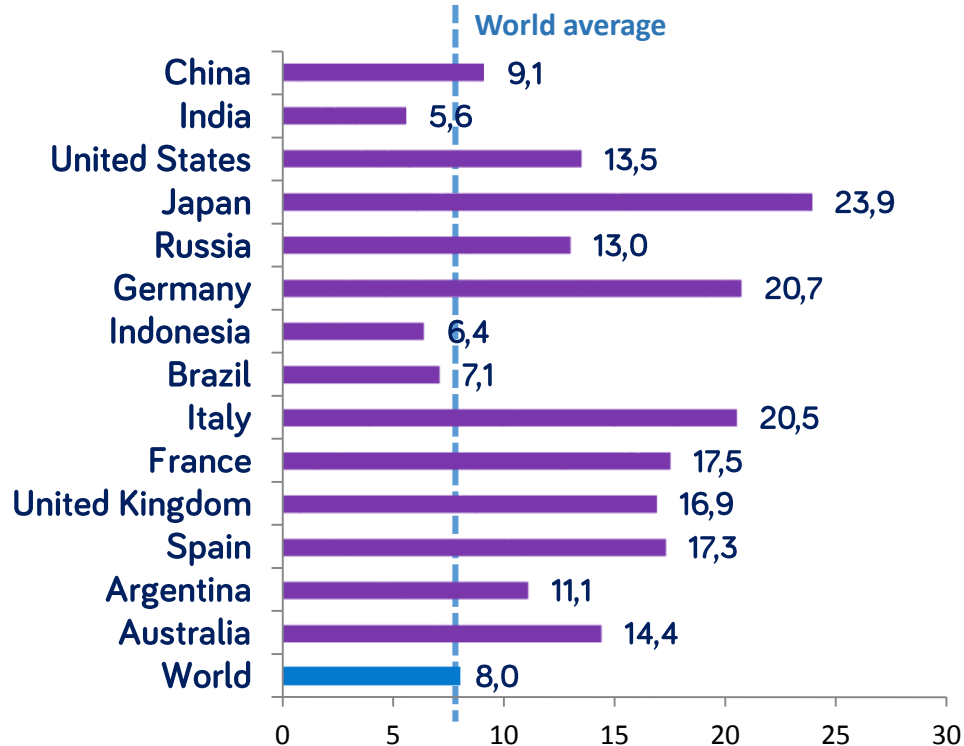


MEDICAL NUTRITION: ADDRESS NEW HEALTH PRIORITIES



An ageing population:
Over-65s +2.7%/year worldwide

Over 65s as percent of total population



Source: US Census Bureau; Kalorama Information

Higher incidence of
chronic diseases



Shift from in-patient
hospital care to
home care



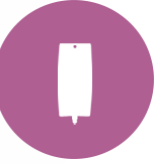
Increased life
expectancy



Government
involvement



MEDICAL NUTRITION: UNIQUE AND BROAD PORTFOLIO PROVIDING BENEFITS ACROSS THE LIFESPAN



Paediatric care

Enhanced Recovery

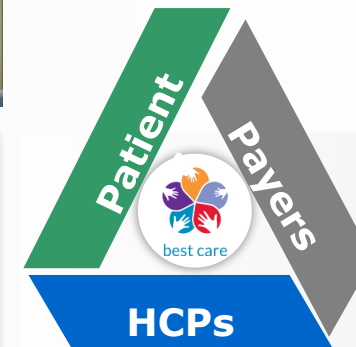
Metabolic Control

Elderly care

STRONG LEADER IN WESTERN EUROPE



BRAND LOYALTY THROUGH COMMUNITY MANAGEMENT



AFRICA: OUR NEW FRONTIER

 **1 in 4** of the world's children is born in Africa

 By 2035, Africa will have a larger working age population than China

1.2 birth every second in Africa, for a birthrate of 35.4 per 1,000

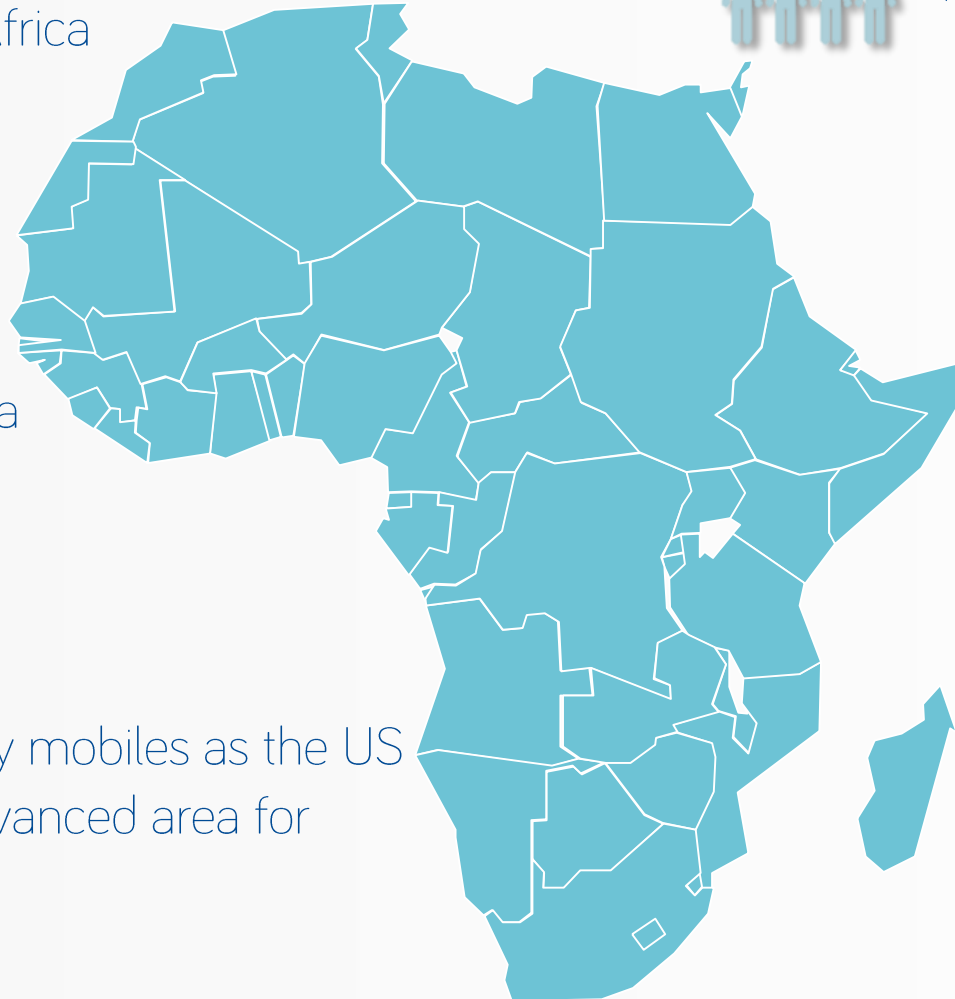
 **15**

40% of Africans are under 15

 **Twice** as many mobiles as the US and the most advanced area for mobile money



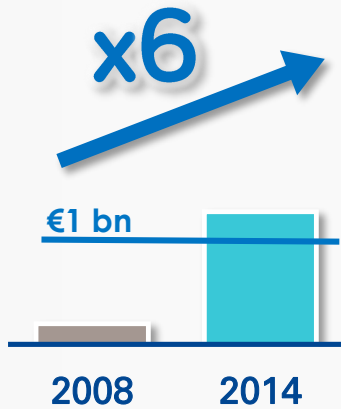
15 of the fastest growing cities in the world between 2015-2020



AFRICA: MEET SPECIFIC NEEDS AND DEVELOP NEW SOURCES OF GROWTH



2008



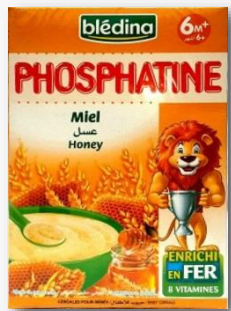
2015

Presence in more than 40 countries



Nourish a healthy future for Africa

- Capture new opportunities
- Strong brands & new technologies to support innovations
- Local sourcing and production





DANONE *Manifesto*

DANONE
*2020**



DANONE

2020*

There are 3 streams that will ensure Danone's relevance to the challenges of our time :



ALIMENTATION

beyond selling food and beverage products

- ALIMENTATION ESSENTIALS
- COMMUNITY ENGAGEMENT
- MANIFESTO IN ACTION INCUBATORS
- DANONE CITY UNITS



FOOD & WATER CYCLE

beyond buying materials

- MILK CYCLE
- WATER CYCLE
- PLASTIC CYCLE



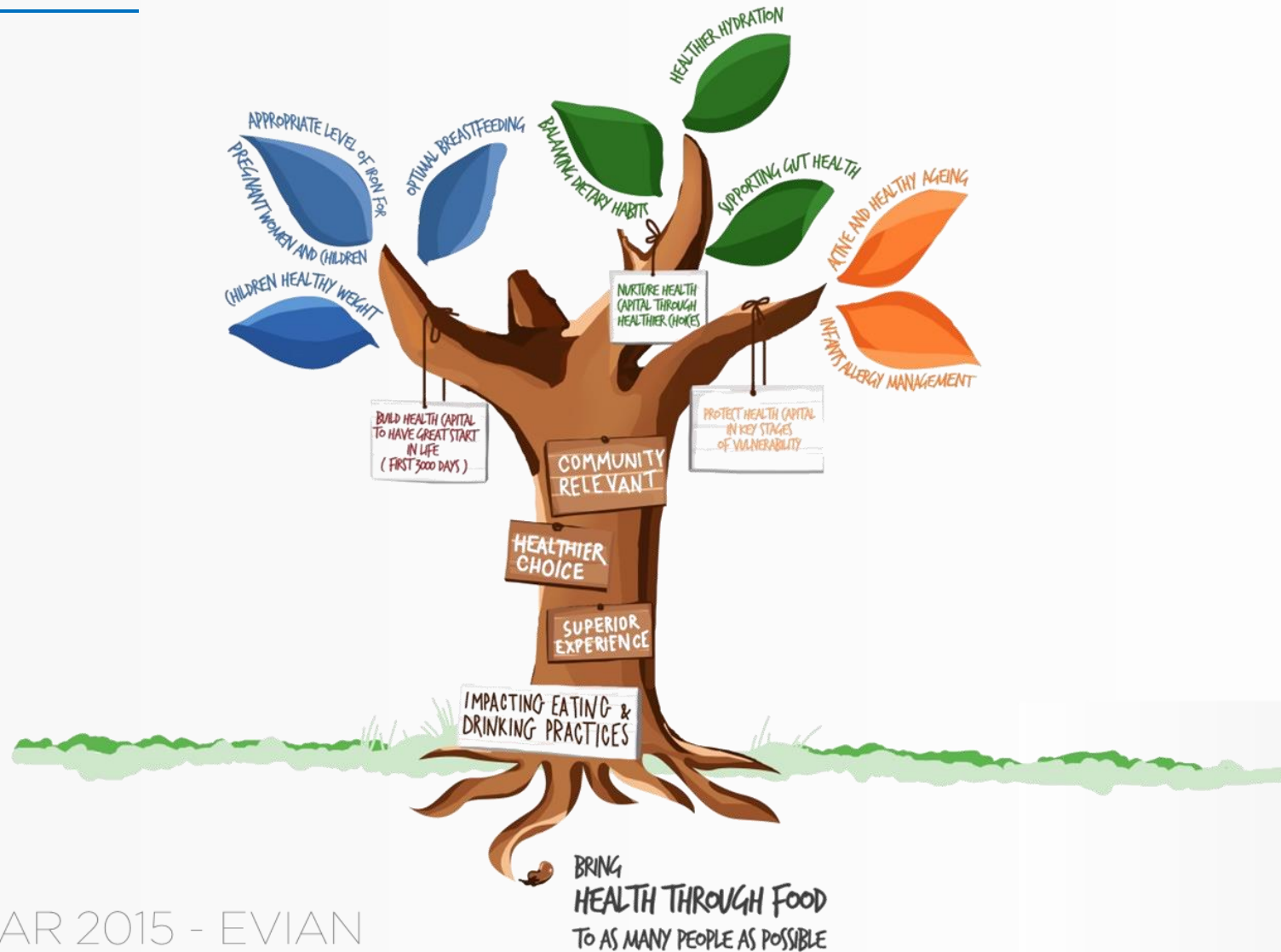
PEOPLE AND ORGANIZATION

beyond traditional organization structure and process

- 100,000 TALENTS
- ONE DANONE ORGANIZATION
- BEYOND BUDGET



ALIMENTATION: NURTURE GROWTH THROUGH NEW OPPORTUNITIES



ALIMENTATION: NURTURE GROWTH THROUGH NEW OPPORTUNITIES

mia
MANIFESTO//NATION
INCUBATOR



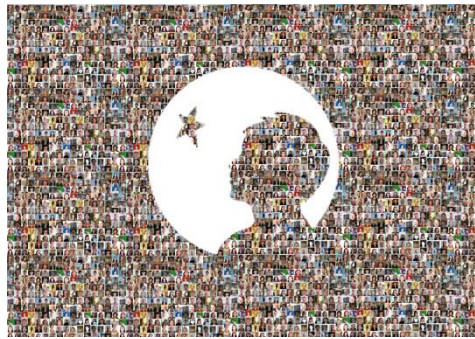
- Foster breakthrough organic growth through innovative solutions
- Deploy disruptive businesses
- Develop new ways of working in innovation
- Attract talents in the field

FOOD & WATER CYCLE: PROTECT AND VALORIZE OUR ESSENTIAL RESOURCES



PEOPLE & ORGANIZATION: A MORE ROBUST ORGANIZATION TO SUPPORT EXCELLENCE IN EXECUTION

100,000 TALENTS



- Fuel the growth with local talents
- Develop adaptative Leaders with evolving capabilities



- More efficiency
- More focus on business and activation
- Scale and transversality



BEYOND BUDGET

- New mindset & process to animate the performance
- Short & long-term value creation reconciliation
- Agility and anticipation

SUSTAINABLE VALUE CREATION



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