



DANONE

QUESTIONS & ANSWERS

PAYMENT OF THE 2014 DIVIDEND – OPTION FOR THE PAYMENT IN DANONE SHARES

1. What does the payment of the dividend in shares consist in?

Dividends can be paid in various forms: the most common is the payment in cash, but it can also be done in shares. In this case, shareholders opting for such payment formula will receive a whole number of shares with, as the case may be, a balancing payment in cash.

The choice between these two formulas belongs to each shareholder, as long as he/she is eligible for the payment of the dividend in shares.

The dividend per share approved by the Shareholders' Meeting of April 29, 2015 amounts to €1.50.

2. What is the issuance price of the new shares and how is it calculated?

In accordance with law, the issuance price of these new shares is set at 90% of the average of the opening Company's share prices on Euronext of the 20 trading days preceding the date of the Shareholders' Meeting less the amount of the dividend. This issuance price will be rounded up to the nearest euro cent. Therefore, the issuance price of the new shares is €57.26.

If the amount of the dividend to which a shareholder is entitled does not correspond to a whole number of shares, this shareholder will obtain the number of shares immediately below, and a balancing payment in cash.

3. Under which conditions can you opt for the payment of the dividend in shares?

The option for the payment of the dividend for the fiscal year 2014 in shares is open to all shareholders of Danone, except for those residing in countries where such option would require registration with or approval by local securities regulators.

Shareholders residing outside of France must inquire about and comply with any local restrictions. Shareholders are responsible for determining the conditions and consequences of exercising the option which could apply under local laws; they are advised in particular to consult with their tax advisors.

In deciding for or against the payment of the dividend in shares, shareholders must consider the risks associated with a share investment in the Company.

4. How do you know the number of shares for which you can subscribe?

Shareholders wishing to opt for a payment in shares will receive by postal mail from their financial intermediaries (*i.e.* their banks), as of May 7, 2015, individual election forms (entitled "*avis d'opérations sur titres*") indicating the number of shares to which they can subscribe.

5. Is it possible to opt for a different number of shares from that proposed?

No, shareholders may only choose the number of shares indicated by their financial intermediaries.

Besides, the option is exclusively offered for the payment of the whole amount of the dividend shareholders are entitled to.

Failing to exercise the option for the payment of the dividend in shares, the shareholder will receive the dividend in cash only.

6. Is the dividend paid in shares subject to any particular tax treatment?

No, for shareholders residing in France for tax purposes, the dividend paid in shares is subject to the same tax treatment as the dividend paid in cash.

Shareholders residing outside of France for tax purposes should consult with their tax advisors for any specific information related to their situation.

7. How are paid the social security contributions or the compulsory levy for individual shareholders residing in France for tax purposes?

The social security contributions and the compulsory levy relative to the dividend are paid the same way, whether the dividend is paid in shares or in cash; namely:

- for shareholders with registered shares (pure or administered), the social security contributions and the compulsory levy are collected directly by financial intermediaries, by deduction from the amount of the dividend paid; and
- for shareholders with bearer shares: should consult their financial intermediaries directly, which are the only ones able to inform them on the contributions they must pay.

These contributions on the gross amount of the dividend, for individual shareholders residing in France for tax purposes, amount to a global rate of 36.5% (i.e. 15.5% of social security contributions, and 21% of compulsory levy, which constitutes a down payment on the income tax).

For shareholders having requested a release from the down payment of 21% by their financial intermediaries, the applicable rate is of 15.5% (of social security contributions).

In the case of shareholders receiving the dividend from shares held within a share savings plan ("*Plan d'Epargne en Actions*"); the compulsory levy of 21% does not apply.

Shareholders residing outside of France for tax purposes should consult with their tax advisors for any specific information related to their situation.

8. When do you have to communicate your choice?

Shareholders have to express their choice as soon as they receive the election form from their financial intermediaries, as from May 7, 2015.

Only shareholders wishing to opt in favour of the payment in shares need to communicate their choice, by sending back to their financial intermediaries the election form completed and signed.

Certain financial intermediaries also offer the possibility to answer through their website.

9. What is the deadline for the choice?

The election form must be received by financial intermediaries **on May 21, 2015 at the latest**, whether through Internet or by postal mail (shareholders answering by postal mail shall take into account postal delays).

No Internet or postal election form received after May 21, 2015, whatever the reasons, will be taken into account. In this case, the dividend will automatically be paid in cash.

10. On which date is it necessary to hold DANONE shares in order to receive the 2014 dividend and to opt for a payment in shares?

Holders of DANONE shares on May 6, 2015, at the closing of the trading day ("*record date*"), will be entitled to receive the 2014 dividend. The ex-date will be May 7, 2015 ("*ex-date*") and is the starting point for the option period for the payment of the dividend in shares.

11. When will shareholders opting for the payment in shares have full ownership of these new shares?

The new shares will be delivered on June 3, 2015 to financial intermediaries, which will then credit them on the shareholders' accounts. The shares will be immediately available.

These new shares will bear the same characteristics and entitle to the same rights as the existing shares. They will bear rights as from January 1, 2015, which means that their holders will be entitled to receive the dividend attached to these shares for the 2015 fiscal year (paid in 2016).

12. Can a bank charge fees for the payment of the dividend in shares?

The payment of a dividend, in cash or in shares, to shareholders residing in France does not usually give rise to fees being charged by financial intermediaries. In particular, no fees are charged in relation to the reinvestment of the dividend in shares.

However, a financial intermediary may specify in its contractual financial conditions that fees will be charged in relation to any payment in cash to its clients (such as the payment of a dividend in cash or the balancing payment in cash linked to the payment of a dividend in shares).

13. Does this year's choice account for the Shareholders' future dividends?

The choice made this year only applies to the dividend paid for the 2014 fiscal year.

If an option for the payment of all or part the dividend in shares were to be offered again in the future, Danone's shareholders would be asked to make their choice again.