



**2017 Third-Quarter Sales**  
Press release – Paris, October 17, 2017

**Acceleration of sales growth by +4.7%<sup>1</sup> in the third quarter 2017**  
**Full-year guidance confirmed in more detail:**  
**Recurring EPS growth to exceed +12% at constant exchange rate**

- Consolidated sales up by +16.6% on a reported basis to €6,454 million
- Accelerated sales growth as expected: +4.7%<sup>2</sup> "like-for-like New Danone"<sup>3</sup>, with volumes up +0.4%
- Very strong performance in Specialized Nutrition; exceptional growth in Early Life Nutrition China
- Strong acceleration in Waters with return to growth in China
- Gradual improvement in EDP Noram; WhiteWave integration on track
- EDP International recovery negatively impacted by adverse market conditions in Brazil
- 2017 guidance confirmed in more detail: recurring EPS growth to exceed +12% at constant exchange rate

Danone today announced third-quarter sales. Consolidated sales were €6,454 million, a +4.7% "like-for-like New Danone" increase, reflecting a +0.4% increase in volume and +4.3% increase in value. Reported sales were up +16.6%. For the first nine months, consolidated sales stood at €18,582 million, up +2.1% on a "like-for-like New Danone" basis while reported sales were up +12.0%. Danone reaffirmed expectations that it will deliver full-year double-digit recurring earnings-per-share growth at constant exchange rates, above +12%.

**2017 Third quarter sales**

€ million except %	Q3 2016	Q3 2017	Reported Change	LFL New Danone <sup>3</sup>	Volume Growth	9M 2016	9M 2017	Reported Change	LFL New Danone <sup>3</sup>	Volume Growth
<b>BY REPORTING LINE</b>										
EDP International	2,055	<b>2,048</b>	-0.3%	<b>-2.3%</b>	-7.4%	6,154	<b>6,340</b>	+3.0%	<b>-1.6%</b>	-6.0%
EDP Noram	627	<b>1,290</b>	+105.7%	<b>-2.2%</b>	-2.7%	1,904	<b>3,281</b>	+72.3%	<b>-2.6%</b>	-1.5%
Specialized Nutrition	1,618	<b>1,844</b>	+13.9%	<b>+17.8%</b>	+9.0%	4,900	<b>5,305</b>	+8.3%	<b>+9.5%</b>	+3.7%
Waters	1,237	<b>1,272</b>	+2.8%	<b>+7.6%</b>	+6.2%	3,630	<b>3,657</b>	+0.7%	<b>+3.2%</b>	+0.4%
<b>BY GEOGRAPHICAL AREA</b>										
Europe & Noram <sup>4</sup>	2,735	<b>3,532</b>	+29.2%	<b>-0.2%</b>	-0.7%	8,294	<b>9,807</b>	+18.2%	<b>-1.4%</b>	-1.0%
Rest of the World	2,802	<b>2,921</b>	+4.3%	<b>+11.1%</b>	+2.0%	8,295	<b>8,775</b>	+5.8%	<b>+6.3%</b>	-1.2%
<b>Total</b>	<b>5,537</b>	<b>6,454</b>	<b>+16.6%</b>	<b>+4.7%</b>	<b>+0.4%</b>	<b>16,589</b>	<b>18,582</b>	<b>+12.0%</b>	<b>+2.1%</b>	<b>-1.3%</b>

<sup>1</sup> Like for Like New Danone – See footnote 3

<sup>2</sup> Including +0.5 percentage point benefit from the end of special treatment of over-inflation in Argentina – see page 6 and 7

<sup>3</sup> All references in this document to "like-for-like New Danone" changes, recurring operating income and margin, recurring net income, recurring income tax rate, recurring EPS, free cash-flow, free cash-flow excl. exceptional items, net financial debt, ROIC and Ebitda correspond to financial indicators not defined in IFRS that are used by Danone. Their definitions, as well as their reconciliation with financial statements, are listed on pages 6 to 9 of the Press Release or on pages 9-10 of the 2017 interim financial report

<sup>4</sup> North America (Noram): United States and Canada

## CEO Emmanuel Faber's comments

Commenting on the third quarter of 2017, **Emmanuel Faber**, Chief Executive Officer, said:

*"As expected, Danone has posted accelerated sales growth in the third quarter. This reflects the strength of our portfolio of cohesive consumer health-focused brands and a solid execution against our strategy, with a step-up in innovation and activation plans. The increase in like-for-like sales has been underpinned by the allocation of additional resources to serve rising demand in Specialized Nutrition, especially in China. Strong headwinds remain in Brazil which continue to impact EDP International negatively. The integration of WhiteWave is on track and starting to deliver results.*

*Our increased resource-allocation ability, served by an adaptive organization, will enable us to pursue our decoupled growth and efficiency agendas to generate profitable growth in the coming periods. This confirms my confidence in meeting our objectives for the year, delivering solid shareholder returns and positioning the Company for long-term sustainable growth, fully embracing the opportunities of the ongoing Alimentation Revolution".*

## 2017 THIRD QUARTER SALES

In **the third quarter 2017**, consolidated sales stood at €6,454 million, up +4.7% on a "like-for-like New Danone" basis. Growth reflects a 0.4% increase in volume and a 4.3% rise in value. Reported sales were up +16.6%, including (i) the base effect<sup>1</sup> related to the consolidation of WhiteWave from April 12, 2017 (+17.0%); (ii) changes in exchange rates (-3.7%) reflecting notably an unfavorable impact of the US Dollar, the Argentine Peso and the Turkish Lira; (iii) other changes in the scope of consolidation (-1.4%), resulting primarily from the sale of Stonyfield in August 2017, and the deconsolidation of Fresh Dairy Products operations in Columbia and Chile in Q4 2016 and Q1 2017 respectively.

### ESSENTIAL DAIRY AND PLANT-BASED (EDP) INTERNATIONAL

**Essential Dairy & Plant-Based (EDP) International** reported sales down -2.3% in Q3 2017 on a "like-for-like New Danone" basis, reflecting a -7.4% decrease in volumes and a +5.1% increase in value. This was due primarily to a steep double-digit fall in sales in Brazil, which continues to be impacted by adverse market conditions in a fragile economy. Excluding Brazil, the division's sales were broadly flat.

In **Europe** - excluding **Alpro**, sales growth improved slightly compared to Q2 2017 but remained negative. Danone continued to adjust its execution plans around the **Activia** brand, rolling out new packaging. New advertising campaigns were also unveiled in three countries —Spain, France and the UK— to support the distribution of recently launched new products. Early results have been encouraging, with **Activia Wecereal** in France and Italy, and **Activia double zero** in the UK.

The **Alpro** brand continued to deliver strong momentum in Q3, driven by robust growth in non-soy drinks and plant-based alternatives to yogurt, as well as further innovation to extend the brand. Alpro is growing in all nine countries where it is sold.

In **Latin America**, despite a good performance in Mexico, the overall performance was impacted by a steep decline in sales in Brazil, a market that remains fragile. In this country, Danone has entered into a major transformation program aimed at restructuring its product portfolio, its distribution networks, and its organization.

In the **CIS** region, Danone generated solid growth, reflecting its ongoing efforts to enhance brand portfolio valorization and generate positive mix-price effect, offsetting declining volumes in low value-added segments.

While restoring fundamentals to stabilize global brands, Danone continued to successfully expand **young and local-heritage brands**.

<sup>1</sup>WhiteWave base effect corresponds to the contribution of WhiteWave over the period from July 1 to September 30, 2016

## ESSENTIAL DAIRY AND PLANT-BASED (EDP) NORAM

**Essential Dairy & Plant-Based (EDP) Noram** reported sales down -2.2% in Q3 2017 on a "like-for-like New Danone" basis, including a -2.7% decrease in volumes and a +0.5% change in value.

**Yogurt** demonstrated resilience within the U.S retail channel with further market share gains in the quarter, despite increased competitive activity. Emerging segments such as plant-based yogurts, Greek yogurts, and yogurts tailored toward smart calories and family nutrition posted strong growth.

**Coffee Creamers and Beverages** posted robust growth in the quarter driven by an acceleration of the portfolio's seasonal flavored creamers, plant-based creamers and the continued expansion of *Stok* cold-brew iced coffee beverages. Danone continued to gain market share in the refrigerated Coffee Creamers category. Innovations launched in Q3 2017 are performing ahead of expectations.

**Plant-based Foods and Beverages** delivered positive growth driven by improved plant-based beverage velocities and a very strong sales performance from *Vega* and *So Delicious* frozen desserts. In the U.S. retail channel, plant-based beverages category growth accelerated in Q3 2017, driven by nut-based beverages. Danone's market share in the plant-based beverages category stabilized over the period and the Company remains market leader in this category.

**Premium Dairy** is still pressured by industry oversupply of organic milk in the U.S. driven by historically low conventional milk prices softening demand. The Company is taking steps to reduce its organic milk supply and reallocate it into other emerging areas of the portfolio such as organic yogurts, cheese and creamers. The Company also continues to seek opportunities to spur demand in organic milk by launching innovations such as extended shelf-life gallons, milk with 50% more vitamin-D than other dairy milks, and expanding the distribution of single-serve high protein beverages. Danone remains the market share leader in the organic milk category.

Lastly, Danone has continued to work on the turnaround of **Fresh Foods**.

## SPECIALIZED NUTRITION

**Specialized Nutrition** sales were up +17.8% in Q3 2017 on a "like-for-like New Danone" basis, with a +9.0% change in volume and an +8.8% change in value. This very strong performance reflects accelerating growth in China as well as progress in Danone's strategic priorities, such as the expansion of Tailored Nutrition products, which grew at a mid-teen percentage in Q3. The organization is leveraging an integrated portfolio in "one-allergy", with the allergy segment growing at more than 10% this quarter across a broad set of geographies.

**Early Life Nutrition** generated growth of over 20%, driven by exceptionally high growth of demand for Danone's brands in China (above +50%), where infant formula category has accelerated, helped by rising birth rates, confirming the rebound of the market observed in Q2 2017. This performance also reflects the successful execution of plans to build a sustainable distribution model. Activity included the nationwide launch of *Aptamil Platinum*, which strengthens the positioning of the brand in the ultra-premium segment. The performance was also driven by a favorable year-on-year comparison.

Early Life Nutrition also reported a solid performance across all of its geographical platforms. Latin America performed well, with sales accelerating sharply over Q2 2017. In Europe, sales trends were up, driven by the United Kingdom, Germany, Poland and other key markets. Finally, in North America, the *Happy Family* brand continued to gain market share, posting growth of over 20%.

**Advanced Medical Nutrition** generated high single-digit growth, supported by robust growth platforms in Europe and the rest of the world, and especially in the fast-growing Chinese market, which now accounts for nearly 15% of this business. All segments (pediatrics and adult care) contributed to this overall performance. Advanced Medical Nutrition continued to deliver a solid pipeline of innovation with patient-centered products (e.g. *Neocate Splash* range and *Syneo*).

## WATERS

As anticipated, **Waters** posted a strong acceleration in sales growth in Q3 2017, with "like-for-like New Danone" rising +7.6% (+6.2% increase in volume and +1.4% increase in value). This very good performance reflects both a return to growth in China, following the destocking transition period, and continued growth momentum on all other platforms.

**Plain waters** were up at mid-single digit percentages, supported by positive trends across regions, as well as efficient brand activation plans aimed at building premium and meaningful brands that are part of consumer lives. After six years of construction and transformation, the upgraded *evian* bottling facility was inaugurated in September 2017 as Danone's first production site to achieve carbon neutrality. In parallel, **Aquadrinks** stepped up at double-digit driven by successful innovations such as *Naranjadas* for *Villa del Sur Levite* brand in Argentina and *Sirma* in Turkey.

In China, Waters reported double-digit growth against a low basis of comparison last year, and benefited from the gradual recovery of its category, and successful brand activation plans to rejuvenate the *Mizone* core brand. Promising results from new products launched at the end of the second quarter, in particular *Mizone Pro*, give Danone confidence in future growth prospects.

## 2017 OUTLOOK

For 2017, Danone expects to deliver double-digit recurring EPS growth of more than 12%, at constant exchange rate (compared to the €3.10 recurring EPS reported in 2016).

This guidance is based on a:

- Moderate "Like-for-like New Danone" sales growth;
- Sustained recurring operating margin improvement on a "like-for-like New Danone" basis.

**Cécile Cabanis**, Chief Financial Officer, said: "Our trading performance in the first nine months illustrates the progress of our growth and efficiency agendas, which enables us to confirm our guidance for 2017".

While there are improving fundamentals in several parts of the business, Danone assumes that economic conditions will remain volatile and uncertain overall, with persistently fragile consumer trends or even deflationary consumer trends in Europe, and specific contextual difficulties in a few major markets, including the CIS and Brazil.

As previously reported, Danone anticipates a year-on-year mid-single digit rise in the costs of its strategic raw materials. In this context, the Company will continue to strengthen the resilience of its model through a range of initiatives aimed at offsetting inflation and limiting its exposure to volatility in some raw materials while ensuring the competitiveness of its products.

More specifically, Danone now anticipates a year-on-year steep rise in milk prices, with variations from one geographical area to the next:

- A mid to high-single digit increase in Europe and the United States, and
- A strong rise in emerging countries, such as the CIS, and Latin America.

Regarding other raw materials, including plastics, sugar and fruits, Danone also anticipates inflationary conditions overall.

Given this outlook, Danone will continue to prioritize initiatives and resources to accelerate growth, improve margins and strengthen its growth model.

"We will continue to be agile and disciplined in our resource-allocation process to ensure short term delivery, transformation for the long term and sustainable value," added **Cécile Cabanis**. "This will be aligned with our continued and disciplined resource allocation to promote strategic growth opportunities over short term tactical allocation".

## 2020 OBJECTIVES

Between 2017 and 2020, Danone will pursue the decoupling of its mid-term growth and short-term efficiency agenda, accelerating growth sequentially and maximizing efficiency immediately, through the 'Protein' efficiency program and the delivery of the synergies post the Whitewave acquisition. This will ensure a safe journey to deliver profitable sustainable growth, a consistent EPS growth and prepare for strong profitable sustainable growth. As part of its journey, Danone will focus on deleveraging its balance sheet and will continue to improve its ROIC.

Danone has set the following 2020 objectives :

- Danone targets overall like-for-like sales growth between 4% and 5%, including the following dynamics:
  - a strong like-for-like sales growth above +5% for EDP NORAM, Specialized Nutrition, Waters and,
  - a like-for-like sales growth of between 3% and 4% for EDP International.
- Danone aims for a recurring operating margin of over 16% in 2020, driven primarily by:
  - a structural improvement of margin in all categories, via more discipline and a stricter resource allocation process to guarantee profitable growth;
  - the Protein program, which will generate over €1 billion savings by 2020, with at least €300 million net of reinvestment falling through into margin expansion by 2020 (€100 million per year from 2018);
  - a \$300 million synergies program generated in 2020 at recurring operating income level through the acquisition of WhiteWave.
- Finally, Danone will continue to focus on growing its free cash flow, which will contribute to financial deleverage with an objective of a ratio of Net debt/EBITDA below 3 in 2020; Danone is committed to reaching a ROIC level around 12% in 2020.

## MAJOR FINANCIAL TRANSACTIONS AND DEVELOPMENTS OVER THE PERIOD

*(Summary of press releases issued in the third quarter of 2017)*

- **On August 2<sup>nd</sup>, 2017**, Danone announced completion of the sale of Stonyfield, one of its U.S. subsidiaries, to Lactalis, for a purchase price of \$875 million, representing 20 times its EBITDA in 2016, following the binding agreement signed on July 1st, 2017 and approved by the U.S. Department of Justice ("DoJ") on July 24th, 2017.

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## FINANCIAL INDICATORS NOT DEFINED IN IFRS

Due to rounding, the sum of values presented may differ from totals as reported. Such differences are not material. See Methodology note on page 12.

### **Financial indicators not defined in IFRS**

These indicators are calculated as follows:

**Like-for-like changes** in sales and recurring operating margin reflect Danone's organic performance and essentially exclude the impact of:

- changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of previous-year scope;
- changes in applicable accounting principles;
- changes in exchange rates, (i) with both previous-year and current-year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current year), and (ii) correcting differences caused by the exceptional volatility of inflation in countries that are structurally subject to hyperinflation, which would otherwise distort any interpretation of Danone's organic performance.

Since inflation in Argentina—already structurally high—accelerated further in 2014, in particular following the sharp, steep devaluation of the peso in January, using an identical exchange rate to compare 2014 figures with those for the prior year did not accurately reflect Danone's organic performance in that country. As a result, the Company fine-tuned the definition of like-for-like changes to include in its exchange-rate impact the differences caused by the exceptional volatility in structurally hyperinflationary countries. Danone has been applying this methodology, which was applicable only to Argentina, starting from the release of 2014 full-year results. This methodology led to (i) limiting the inflation of price and cost of goods sold per kilo to their average level over three years and (ii) capping Recurring operating margin at its prior-year level; this methodology has been applied to each division operating in Argentina. With respect to 2014, adjustment for the full year was recorded in the fourth quarter of 2014.

As a reminder, this special treatment of over-inflation in Argentina and its end have no impact on IFRS reported figures.

### **End of the special treatment of over-inflation in Argentina:**

In light of the normalization of the economic and monetary situation in Argentina observed since the beginning of 2017 and confirmed in Q3 2017, it is no longer required to limit the inflation of price and to cap recurring operating margin in that country, as described above. As a result, when reporting third-quarter 2017 sales, Danone has ended its special treatment of over-inflation in Argentina with effect from January 1, 2017.

On the first half of the year 2017, this treatment had:

- a negative effect on "Like-for-like New Danone" sales growth of -0.3% (-0.2% and -0.4% on Q1 2017 and Q2 2017 respectively)
- a positive effect of +0.3% on the change in exchange rate
- no impact on the "Like-for-like New Danone" recurring operating margin improvement.

The following table details Like-for-like New Danone changes for Q1, Q2, and H1 2017 and reminds corresponding figures with the treatment of over-inflation in Argentina as published previously.

Changes in sales	Like-for-like New Danone as published, taking into account the treatment of over-inflation in Argentina			Like-for-like New Danone		
	Q1 2017	Q2 2017	H1 2017	Q1 2017	Q2 2017	H1 2017
<b>BY REPORTING LINE</b>						
EDP International	-2.2%	-1.8%	-2.0%	-1.7%	-0.8%	-1.2%
EDP Noram <sup>(1)</sup>	-2.8%	-2.9%	-2.9%	-2.8%	-2.9%	-2.9%
Specialized Nutrition	+5.2%	+5.5%	+5.4%	+5.2%	+5.6%	+5.4%
Waters	+1.7%	+0.3%	+0.8%	+1.8%	+0.3%	+0.9%
<b>BY GEOGRAPHICAL AREA</b>						
Europe & Noram <sup>(2)</sup>	-3.0%	-1.5%	-2.1%	-3.0%	-1.5%	-2.1%
Rest of the World	+4.4%	+2.3%	+3.3%	+4.9%	+3.1%	+4.0%
<b>Total</b>	<b>+0.7%</b>	<b>+0.2%</b>	<b>+0.4%</b>	<b>+0.9%</b>	<b>+0.6%</b>	<b>+0.7%</b>

Changes in recurring operating margin	Like-for-like New Danone as published, taking into account the treatment of over-inflation in Argentina		Like-for-like New Danone	
	H1 2017		H1 2017	
<b>BY REPORTING LINE</b>				
EDP International	-33 bps		-13 bps	
EDP Noram	-67 bps		-67 bps	
Specialized Nutrition	+320 bps		+316 bps	
Waters	+37 bps		+15 bps	
<b>BY GEOGRAPHICAL AREA</b>				
Europe & Noram	+24 bps		+25 bps	
Rest of the World	+175 bps		+175 bps	
<b>Total</b>	<b>+91 bps</b>		<b>+91 bps</b>	

**“Like-for-like New Danone” changes (or “Like-for-like including WhiteWave starting April 2017” changes)** in sales and recurring operating margin reflect the organic performance of Danone and WhiteWave combined. This indicator corresponds to like-for-like changes for Danone and WhiteWave combined, considering the activity of WhiteWave as a whole by integrating its companies during the fiscal years prior to and following their acquisition in April 2017:

- from April 1 to December 31 for periods compared until 2017 included;
- from January 1 to December 31 for periods compared in 2018.

Financial data related to periods prior to the closing date and used to calculate “like-for-like New Danone” changes are extracted from the historical income statements of, respectively, Danone (prepared in euros under IFRS) and WhiteWave (prepared in US dollars under US-GAAP). However, to ensure comparability with the income statement of Danone and WhiteWave combined, the following adjustments are performed:

- WhiteWave's income statements for periods prior to the closing date have been restated to reconcile them with Danone's accounting principles;
- the effect on the income statement of the purchase price allocation of WhiteWave is also reflected in periods prior to the acquisition.

<sup>1</sup> North America (Noram): United States and Canada



**Recurring operating income** is defined as Danone's operating income excluding Other operating income and expenses. Other operating income and expenses is defined under Recommendation 2013-03 of the French ANC (format of consolidated financial statements for companies reporting under international reporting standards), and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to its recurring activities. These mainly include capital gains and losses on disposals of fully consolidated companies, impairment charges on goodwill, significant costs related to strategic restructuring and major external growth transactions, and costs related to major crisis and major litigations. Furthermore, in connection with IFRS 3 (Revised) and IAS 27 (Revised) relating to business combinations, the Company also classifies in Other operating income and expenses (i) acquisition costs related to business combinations, (ii) revaluation profit or loss accounted for following a loss of control, (iii) changes in earn-outs relating to business combinations and subsequent to acquisition date.

**Recurring operating margin** is defined as Recurring operating income over Sales ratio.

**Non-recurring results from associates** include significant items that, because of their exceptional nature, cannot be viewed as inherent to the recurring activity of those companies and distort the reading of their performance. They include primarily (i) capital gains and losses on disposal and impairment of Investments in associates, and (ii) when material, non-recurring items as defined by Danone included in the net income from associates.

**Recurring income tax rate** measures the income tax rate related to Danone's recurring performance and corresponds to the ratio Tax income and expenses related to recurring income and expenses over Total Recurring net income.

**Recurring net income** (or Recurring net income – Group Share) corresponds to the Group share in the consolidated recurring net income. The recurring net income measures Danone's recurring performance and excludes significant items that, because of their exceptional nature, cannot be viewed as inherent to its recurring performance. Such non-recurring income and expenses mainly include other income and expenses, non-recurring results from associates, capital gains and losses on disposals and impairments of Other non-fully-consolidated entities and tax income and expenses related to non-recurring income and expenses. Such income and expenses excluded from Net income are defined as Non-recurring net income and expenses.

**Recurring EPS** (or Recurring net income – Group Share, per share after dilution) is defined as Recurring net income over Diluted number of shares ratio.

**Free cash-flow** represents cash-flows provided or used by operating activities less capital expenditure net of disposals and, in connection with IFRS 3 (Revised), relating to business combinations, excluding (i) acquisition costs related to business combinations, and (ii) earn-outs related to business combinations and paid subsequently to acquisition date.

**Free cash-flow excluding exceptional items** represents free cash-flow before cash-flows related to initiatives deployed within the framework of the plan to generate savings and adapt Danone's organization in Europe.

**Net financial debt** represents the net debt portion bearing interest. It corresponds to current and non-current financial debt (i) excluding Liabilities related to put options granted to non-controlling interests and (ii) net of Cash and cash equivalents, Short term investments and Derivatives – assets managing net debt.

## **Methodology note**

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Unless otherwise indicated, amounts are expressed in millions of euros and rounded to the nearest million. In general, figures presented in this press release are rounded to the nearest full unit. As a result, the sum of rounded amounts may show non-material differences with the total as reported. Note that ratios and differences are calculated based on underlying amounts and not on the basis of rounded amounts.



## 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,” “believe,” “forecast,” “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, statements regarding Danone’s operation of its business and the future operation, direction and success of Danone’s business including that of WhiteWave.

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 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 shares.

The presentation to analysts and investors, chaired by CFO Cécile Cabanis, will be broadcast live today from **9.00 a.m.** (Paris time) on Danone’s website ([www.danone.com](http://www.danone.com)).

Related slides will also be available on the website, in the Investors’ section.

**APPENDIX – Sales by reporting line and by geographical area (€ million)**

	First quarter		Second quarter		Third quarter	
	2016	2017	2016	2017	2016	2017
<b>BY REPORTING LINE</b>						
EDP International	2,025	2,082	2,075	2,209	2,055	2,048
EDP Noram	651	658	626	1,333	627	1,290
Specialized Nutrition	1,610	1,699	1,672	1,762	1,618	1,844
Waters	1,020	1,024	1,373	1,360	1,237	1,272
<b>BY GEOGRAPHICAL AREA</b>						
Europe & Noram	2,737	2,656	2,822	3,619	2,735	3,532
Rest of the World	2,569	2,809	2,924	3,045	2,802	2,921
<b>Total</b>	<b>5,306</b>	<b>5,464</b>	<b>5,746</b>	<b>6,664</b>	<b>5,537</b>	<b>6,454</b>

	First quarter 2017		Second quarter 2017		Third quarter 2017	
	Reported change	« Like-for-like New Danone » change <sup>1</sup>	Reported change	« Like-for-like New Danone » change <sup>1</sup>	Reported change	« Like-for-like New Danone » change <sup>1</sup>
<b>BY REPORTING LINE</b>						
EDP International	+2.8%	-1.7%	+6.5%	-0.8%	-0.3%	-2.3%
EDP Noram	+1.1%	-2.8%	+112.9%	-2.9%	+105.7%	-2.2%
Specialized Nutrition	+5.6%	+5.2%	+5.4%	+5.6%	+13.9%	+17.8%
Waters	+0.4%	+1.8%	-0.9%	+0.3%	+2.8%	+7.6%
<b>BY GEOGRAPHICAL AREA</b>						
Europe & Noram	-3.0%	-3.0%	+28.3%	-1.5%	+29.2%	-0.2%
Rest of the World	+9.3%	+4.9%	+4.1%	+3.1%	+4.3%	+11.1%
<b>Total</b>	<b>+3.0%</b>	<b>+0.9%</b>	<b>+16.0%</b>	<b>+0.6%</b>	<b>+16.6%</b>	<b>+4.7%</b>

<sup>1</sup> Danone has decided to end the special treatment of over-inflation that was applied in Argentina since 2014 when calculating like-for-like changes, as the normalization of the economic and monetary situation in the country no longer requires such a special treatment. As a reminder, this treatment had an impact on "Like-for-like change" and "Change in exchange rate" indicators only, with no effect on IFRS reported figures. See details page 6