



Press release – Paris, February 14, 2018

Danone enters a new phase in its strategic partnership with Yakult

Danone announces today a new phase in its partnership with Yakult, thus strengthening their long-term strategic collaboration in probiotics, while optimizing its capital allocation.

Intensified collaboration to promote and develop probiotics activities

Danone announces that it has signed an amended Memorandum of Understanding with Yakult Honsha Co, Ltd. ("Yakult"), a global leader in probiotic beverages, headquartered and listed in Japan. Building on a formal collaboration existing since 2004, the companies are confirming their commitment to a long-term strategic relationship and shared vision to promote probiotics as part of a balanced diet.

Danone and Yakult will intensify their joint efforts to promote probiotics through the jointly created Global Probiotics Council. The parties also intend to expand the *Ishoku Dogen* program which aims at deepening the understanding of the link between diet and health.

From a commercial perspective, the partners will study the feasibility of new collaboration projects such as the distribution of Yakult's products by Danone in European markets where the brand is not currently engaged in substantial business, with Spain as an initial test market.

Reduced stake in Yakult in line with capital allocation priorities

In accordance with its continued focus on disciplined capital allocation, Danone announces in parallel its intention to sell part of its 21.29% stake in Yakult.

The intended divestiture will be carried out through a market transaction launched today by Yakult and expected to settle in March. Yakult has also announced today a JPY 36 billion share buyback program in which Danone will participate.

Danone targets a shareholding of approximately 7% of Yakult's total outstanding shares following the completion of the transaction, subject to market conditions. With this, Danone is expected to remain Yakult's largest shareholder and will continue to sit on Yakult's Board of Directors.

Further announcements with regard to the resulting stake and proceeds received will be made by Danone at completion of the transactions.

About Danone (www.danone.com)

Dedicated to bringing health through food to as many people as possible, Danone is a leading global food company built on four business lines: Essential Dairy and Plant-Based Products, Early Life Nutrition, Waters and Medical Nutrition. Through its mission and dual commitment to business success and social progress, the company aims to build a healthier future, thanks to better health, better lives and a better world, for all its stakeholders—its more than 100,000 employees, consumers, customers, suppliers, shareholders and all the communities with which it engages. With products being present in over 130 markets, Danone generated sales of approximately €22 billion in 2016. Danone's brand portfolio includes both international brands (Activia, Actimel, Alpro, Danette, Danonino, Danio, evian, Volvic, Nutrilon/Aptamil, Nutricia) and local brands (Aqua, Blédina, Cow & Gate, Bonafont, 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 social responsibility indexes including the Dow Jones Sustainability Indexes, Vigeo, the Ethibel Sustainability Index, MSCI Global Sustainability, MSCI Global SRI Indexes and the FTSE4Good Index.

Forward looking statement

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, the expected benefits of the transaction, and the future operation, direction and success of Danone's business.

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).

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.