Prospectus dated 26 October 2017

DANONE
ONE PLANET. ONE HEALTH

Euro 1,250,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes
Issue Price: 100 per cent.

issued under the Euro 16,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and the relevant implementing measures in France.

Application has been made for approval of this Prospectus to the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive. Application has been made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, appearing on the list of regulated markets issued by the European Commission.

The Euro 1,250,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the "**Notes**") will be issued by Danone ("**Danone**" or the "**Issuer**") on 30 October 2017 (the "**Issue Date**") under its Euro 16,000,000,000 Euro Medium Term Note Programme. Principal and interest and other amounts (including Arrears of Interest and/or Additional Interest Amounts) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations, but shall be subordinated to the *titres participatifs* issued by, and the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of or issued by the Issuer (as all such terms are defined in "Terms and Conditions of the Notes – Status of the Notes – Deeply Subordinated Notes"). See "Terms and Conditions of the Notes – Status of the Notes – Deeply Subordinated Notes" herein.

Unless previously redeemed in accordance with "Terms and Conditions of the Notes – Redemption and Purchase" and subject to the further provisions described in "Terms and Conditions of the Notes – Interest", the Notes shall bear interest on their principal amount:

(i) from, and including, the Issue Date to, but excluding, 23 June 2023 (the "**First Reset Date**"), at a rate of 1.750 per cent. *per annum*;

(ii) from and including the First Reset Date to, but excluding, 23 June 2028 (the "**First Step-up Date**"), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin;

(iii) from and including the First Step-up Date to, but excluding, 23 June 2043 (the "**Second Step-up Date**"), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin; and

(iv) from and including the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin,

provided that the Initial Margin shall be of 1.428 per cent. *per annum*, the First Step-up Margin shall be 0.25 per cent. *per annum* and the Second Step-up Margin shall be of 1.00 per cent. *per annum.*

Each Interest Amount shall be payable annually in arrear on 23 June of each year, commencing on 23 June 2018, provided that there will be a short first coupon for the period from and including the Issue Date to, but excluding, 23 June 2018.

Interest payments under the Notes may be deferred at the option of the Issuer as set out in "Terms and Conditions of the Notes – Interest – Interest Deferral" herein.

The Notes are undated and have no final maturity. The Issuer may, at its option, redeem all, but not some only, of the Notes at their principal amount (together with any accrued interest and Arrears of Interest (including Additional Interest Amounts thereon)) (i) on any date during the period commencing on (and including) 23 March 2023 and ending on (and including) the First Reset Date or (ii) upon any Interest Payment Date thereafter, as set out in "Terms and Conditions of the Notes – Redemption and Purchase – Optional Redemption". In addition, the Issuer may redeem all, but not some only, of the Notes upon the occurrence of a Gross-Up Event, a Tax Deductibility Event, a Withholding Tax Event, an Accounting Event, a Rating Event or a Repurchase Event. See "Terms and Conditions of the Notes – Redemption and Purchase". The Issuer may also, at any time, redeem all, but not some only, of the Notes following the occurrence of a Change of Control Call Event. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption following a Change of Control Call Event". If such Change of Control Call Option is not exercised, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum*.

The Notes will be in bearer dematerialised form (*au porteur*) in the denomination of Euro 100,000 inscribed as from the Issue Date in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes") including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**"). The Notes will at all times be in book entry form (*dématérialisés*) in the books of the Euroclear France Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes are expected to be rated Baa3 by Moody's Investors Service ("**Moody's**") and BBB- by S&P Global Ratings ("**S&P**"). The long term debt of the Issuer is currently rated Baa1 (stable outlook) by Moody's and BBB+ (negative outlook) by S&P. As of the date of this Prospectus, Moody's and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**") and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Prospective investors should carefully review and consider the section of this Prospectus entitled "Risk Factors" prior to purchasing any Notes.

Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner

J.P. Morgan

Global Coordinator and Joint Bookrunner

BNP Paribas

Joint Bookrunners

Citigroup | **Crédit Agricole CIB**

HSBC | **Société Générale Corporate & Investment Banking**

Barclays | **ING** | **MUFG**

Natixis | **NatWest Markets** | **Santander Global Corporate Banking**

The date of this Prospectus is 26 October 2017

*This Prospectus constitutes a prospectus for the purpose of Article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the "***Group***") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

This Prospectus should be read and construed in conjunction with the documents incorporated by reference (see "Documents Incorporated by Reference") and, each of which shall be incorporated in, and form part of, this Prospectus.

*No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of J.P. Morgan Securities plc (the "***Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner***"), BNP Paribas (the "***Global Coordinator and Joint Bookrunner***"), Banco Santander, S.A., Barclays Bank PLC, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., Belgian Branch, MUFG Securities EMEA plc, Natixis, Société Générale and The Royal Bank of Scotland plc (trading as NatWest Markets) (together with the Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner and the Global Coordinator and Joint Bookrunner, the "***Joint Bookrunners***"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that any other information supplied in connection with this Prospectus is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. No Notes may be offered or sold, directly or indirectly, and none of this Prospectus or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Joint Bookrunners have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "***Securities Act***"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("***Regulation S***").*

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for, or purchase, any Notes.

The Joint Bookrunners have not separately verified the information contained in this Prospectus. None of the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other information incorporated by reference in this Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Joint Bookrunners that any recipient of this Prospectus or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Words and expressions defined under "Terms and Conditions of the Notes" shall have the same meaning in this section.

1. RISK FACTORS RELATING TO THE ISSUER

Please refer to (i) pages 24-39 of the 2016 *Document de Référence* and (ii) page 12 of the 2017 Interim Financial Report of Danone, both as defined under "Documents incorporated by reference", which are incorporated by reference in this Prospectus and include the following:

- risks associated with Danone's business sector;
- risks associated with Danone's strategy;
- risks associated with Danone's organization and operation; and
- financial market risks.

2. RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the general risks relating to the Notes and the risks related to this particular structure of the Notes, which are the main risk factors that the Issuer believes are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. Prospective investors should consult their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

GENERAL RISKS RELATING TO THE NOTES

Please refer to pages 3-10 of the Base Prospectus which is incorporated by reference in this Prospectus, provided that references in the section "General Risks relating to the Notes" of the Base Prospectus (i) to the "relevant Final Terms" or the "Base Prospectus" shall be deemed to refer to the "Prospectus" and (ii) to the "Dealers" shall be deemed to refer to the "Joint Bookrunners".

The section "General Risks relating to the Notes" of the Base Prospectus include the following risk factors:

- Independent Review and Advice;
- Modification and waivers;
- No active Secondary/Trading Market for the Notes;
- Provision of Information;
- Potential Conflicts of Interest;
- Exchange Rates risks and exchange controls;
- Legality of Purchase;
- Credit ratings may not reflect all risks;
- Taxation;
- Financial Transaction Tax;
- Market Value of the Notes;
- Credit Risk;
- Change of Law; and
- French Insolvency Law.

RISKS RELATED TO THE STRUCTURE OF THE NOTES

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable.

Prospective purchasers should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes.

The Notes are lowest ranking subordinated obligations of the Issuer

The Issuer's obligations under the Notes are direct, unconditional, unsecured and lowest ranking subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves. In the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency), the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Notes), of lenders in relation to *prêts participatifs* granted to the Issuer and of holders of *titres participatifs* issued by the Issuer, if and to the extent that there is still cash available for those payments. Thus, the Noteholders face a higher recovery risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

The claims of the Noteholders under the Notes are intended to be senior only to claims of shareholders. There are currently no instruments of the Issuer that rank junior to the Notes other than the ordinary shares of the Issuer.

The Notes are undated securities

The Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time, and the Noteholders have no right to require redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time and may not recover their investment in a foreseeable future.

Deferral of interest payment

On any applicable Interest Payment Date, the Issuer may elect to defer payment, in whole but not in part, of the interest accrued to that date, and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes not paid on an applicable Interest Payment Date will, so long as the same remains outstanding, be deferred and shall constitute Arrears of Interest and, if due for at least a year in accordance with Article 1343-2 of the French *Code civil*, bear interest, and shall be payable as outlined in the "Terms and Conditions of the Notes".

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Early Redemption Risk

The Issuer may redeem all of the Notes (but not some only) (i) as of any date during the period from and including 23 March 2023 to and including the First Reset Date and (ii) upon any Interest Payment Date thereafter, and at any time, following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Rating Event, a Change of Control Call Event or a Repurchase Event, as outlined in the “Terms and Conditions of the Notes”.

In the event of an early redemption following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Change of Control Call Event or a Repurchase Event, such early redemption of the Notes will be made at the principal amount of the Notes together with any accrued interests and Arrears of Interest (including any Additional Interest Amounts thereon), as outlined in the “Terms and Conditions of the Notes”. In the event of an early redemption at the option of the Issuer following the occurrence of a Tax Deductibility Event, an Accounting Event or a Rating Event, such early redemption of the Notes will be made (i) at the Early Redemption Price (together with any accrued interest and Arrears of Interest (including Additional Interest Amounts thereon), where such redemption occurs before the First Reset Date, or (ii) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date, as outlined in the “Terms and Conditions of the Notes”.

The redemption at the option of the Issuer might negatively affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the First Reset Date. The Issuer may also redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed. Potential investors should consider reinvestment risk in light of other investment available at that time.

The Issuer is not required to redeem the Notes in the case of a Withholding Tax Event

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If any payment obligations under the Notes, including the obligations to pay additional amounts under Condition 7, are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Notes. Accordingly, if the Issuer does not redeem the Notes upon the occurrence of a Withholding Tax Event as defined in the Terms and Condition of the Notes, holders of Notes may receive less than the full amount due, and the market value of such Notes will be adversely affected.

There are no events of default or cross default under the Notes

The “Terms and Conditions of the Notes” do not provide for events of default or cross default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No limitation on issuing or guaranteeing debt ranking senior or* pari passu *with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes and changes in rating methodologies may lead to the early redemption of the Notes

The Notes have been assigned a rating by S&P and Moody's. The rating granted by each of S&P and Moody's or any other rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, each of S&P and Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

If as a consequence of a change in the rating methodology of S&P or Moody's or of a rating downgrade of the Issuer from an investment grade to a non-investment grade rating, the Notes are no longer eligible for the same or higher category of equity credit attributed to the Notes at the date of their issue, the Issuer may redeem all of the Notes (but not some only), as provided in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption following a Rating Event".

Liquidity risk

There is currently no secondary market for the Notes. Application has been made for the Notes to be admitted to trading on Euronext Paris. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Fixed Interest Rate Notes

The Notes bear interest at a fixed rate to but excluding the First Reset Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market ("**Market Interest Rate**") typically changes on a daily basis. As the Market Interest Rate changes, the price of such note changes in the opposite direction. If the Market Interest Rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the Market Interest Rate. Holders of Notes should be aware that movements of the Market Interest Rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

Reset of Interest Rate linked to the 5-year Swap Rate

From and including the First Reset Date to but excluding the date on which the Issuer redeems the Notes, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year Swap Rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5-year Swap Rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year Swap Rate is an indication of the future development of the 5-year Swap Rate. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. During each of these periods, the investor is exposed to the risk "Fixed Interest Rate Notes" described above.

Interest Rate Risk

Interest on the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risk Relating to the Change in the Rate of Interest

Following the First Reset Date, the Interest Rate will be reset on each Reset Date. Such Interest Rate will be determined two Business Days before the relevant Reset Date on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus the relevant margin and as such is not pre-defined at the date of issue of the Notes. These mid swap rates are not pre-defined for the lifespan of the Bonds. Higher mid swap rates for Euro swap transactions mean a higher interest and lower mid swap rates for Euro swap transactions with a maturity of five years mean a lower interest. Accordingly, such Interest Rate may be different from the initial Interest Rate and may adversely affect the yield of the Notes.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer	Danone.
Securities	€1,250,000,000 Undated Euro Deeply Subordinated Fixed Rate Resettable Notes (the "**Notes**").
Maturity	Perpetual.
Form and Denomination	The Notes will be issued in dematerialised bearer form (*au porteur*) and in the denomination of €100,000.
Issue Date	30 October 2017.
Status/Ranking	The Notes are Deeply Subordinated Notes issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. The principal and interest and other amounts (including Arrears of Interest and/or Additional Interest Amounts) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations, but shall be subordinated to the *titres participatifs* issued by, and the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of or issued by the Issuer. "**Deeply Subordinated Notes**" means any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations, but junior to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer. "**Deeply Subordinated Obligations**" means any Deeply Subordinated Notes or other Obligations or lowest ranking Obligations (*engagements subordonnés de dernier rang*) of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

"**Obligations**" means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

"**Ordinary Subordinated Obligations**" means any Obligations which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Ordinary Subordinated Obligations, but in priority to the *prêts participatifs* granted to, and the *titres participatifs* issued by, the Issuer and Deeply Subordinated Obligations.

"**Unsubordinated Obligations**" means any Obligations which are unsubordinated.

Interest

Unless previously redeemed in accordance with the Conditions and subject, in particular, but not limited to, the provision relating to interest deferral, the Notes shall bear interest on their principal amount:

- from, and including, the Issue Date to, but excluding, 23 June 2023 (the "**First Reset Date**"), at a rate of 1.750 per cent. *per annum*;
- from and including the First Reset Date to, but excluding, 23 June 2028 (the "**First Step-up Date**"), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin;
- from and including the First Step-up Date to, but excluding, 23 June 2043 (the "**Second Step-up Date**"), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin; and
- from and including the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin.

Each Interest Amount shall be payable annually in arrear on 23 June of each year commencing on 23 June 2018 (each an "**Interest Payment Date**"). There will be a short first coupon for the period from and including the Issue Date to, but excluding, 23 June 2018.

In no event shall the applicable Interest Rate (including, for the sake of clarity, any applicable margin) be less than zero.

"**Initial Margin**" means 1.428 per cent. *per annum*.

"**First Step-up Margin**" means 0.25 per cent. *per annum*.

"**Second Step-up Margin**" means 1.00 per cent. *per annum*.

"**Reset Date**" means the First Reset Date and each 5th anniversary thereof.

"**Reset Period**" means the period from, and including, the First Reset Date to, but excluding, the next Reset Date and subsequently each period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date.

"**Reference Rate**" means the 5-year Swap Rate.

"**5-year Swap Rate**" means, with respect to the Notes, the mid-swap rate for a term of 5 years determined by the Calculation Agent on the day falling two Business Days prior to the first day of the relevant Reset Period.

Rate of Interest following a Change of Control

Further to the occurrence of a Change of Control Call Event (as defined below), if the Change of Control Call Option has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from and including the date of the Call Event Notice (as defined below) to, but excluding, the redemption of the Notes.

Interest Deferral

Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer elects to defer such payment in whole (but not in part), and the Issuer shall not have any obligation to make such payment and any failure to so pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has been deferred on an Interest Payment Date shall constitute "**Arrears of Interest**".

Payment of Arrears of Interest

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole, but not in part, at any time, provided that all

Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in full on whichever is the earliest of:

(i) ten (10) Business Days following a Mandatory Payment Event;

(i) the next Interest Payment Date in respect of which the Issuer does not elect to defer interest accrued in respect of the relevant Interest Period;

(ii) the redemption of the Notes; or

(iii) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the "**Arrears Interest Rate**") and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1343-2 of the French *Code civil* to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest for the purpose only of calculating the Additional Interest Amount accruing thereafter.

For the purpose hereof:

"**Equity Securities**" means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

A "**Mandatory Payment Event**" means that:

(i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or

(ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer other than, (i) with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer's group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or the hedging of convertible securities of the Issuer or (ii) the acquisition by the Issuer of any Parity Securities (in whole or in part) in a public tender offer or public exchange offer at a purchase price per Parity Security (including, for the avoidance of doubt, the Notes) below its par value;

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities.

"**Parity Securities**" means, at any time, any Deeply Subordinated Notes and any securities which rank *pari passu* with the Notes. The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under Parity Securities.

"**Subsidiary**" means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

Taxation

All payments of principal, interest and other revenues in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

Additional Amounts	If French law should require that payments of principal, interest or other revenues made by or on behalf of the Issuer in respect of any Notes be subject to deduction or withholding in respect of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note in certain circumstances as more fully described in the Conditions.
Final Redemption	Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.
Optional Redemption at the option of the Issuer	The Issuer will have the right to redeem all of the Notes (but not some only) (i) on any date during the period commencing on (and including) 23 March 2023 and ending on (and including) the First Reset Date, or (ii) upon any Interest Payment Date thereafter. Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).
Early Redemption following a Gross-Up Event or Withholding Tax Event	If by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (a "**Gross-Up Event**"), the Issuer may, at its option, at any time, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes. If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and

payable, notwithstanding the undertaking to pay Additional Amounts (a "**Withholding Tax Event**"), then the Issuer may redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is passed, as soon as practicable thereafter.

Early Redemption following a Tax Deductibility Event

If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, at any time redeem all of the Notes (but not some only) at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Early Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all of the Notes (but not some only) at any time, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the proceeds of the Notes may not or may no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

"**Accounting Event**" means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that as a result of a change in the accounting rules or methodology effective after the Issue Date, the funds raised through the issue of the Notes may not or may no longer be recorded as "equity" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Early Redemption following a Rating Event

If a Rating Event has occurred, then the Issuer may, at its option, redeem all, but not some only, of the Notes at any time, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will no longer be eligible for the same or higher category of equity credit.

For the purpose hereof:

"**Rating Event**" means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after the Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable), as a result of which, but not otherwise, the Notes will no longer be eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that such Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date (or if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time).

Early Redemption following a Change of Control

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may, at its option (a "**Change of Control Call Option**"), at any time, redeem or procure the purchase of all the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

For the purpose hereof:

A "**Change of Control Call Event**" shall be deemed to have occurred at each time (i) a Change of Control occurs and (ii) within the Change of Control Period a Rating Downgrade occurs as a result, in whole or primarily, of that Change of Control or of a Potential Change of Control.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by Danone) that any Relevant Person(s), at any time following the Issue Date of the Notes, acquire(s) Control of Danone unless all or substantially all of the shareholders of the Relevant Person (the "**Relevant Shareholders**") are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of Danone with the Relevant Person holding the same (or substantially the same) pro rata interest in the share capital of Danone as the Relevant Shareholders have, or as the case may be, had in the share capital of Danone and the Relevant Shareholders holding all or substantially all of the share capital and voting rights of the Relevant Person.

"**Relevant Person**" means any person or persons acting in concert (as defined in Article L.233-10 and L.233-10-1 of the French *Code de commerce*) or any person or persons acting on behalf of any such person(s).

"**Control of Danone**" means: the holding or acquisition, directly or indirectly, by any Relevant Person of such number of shares in the capital of Danone carrying more than 50 per cent. of the total voting rights normally exercisable at an ordinary or extraordinary shareholders' general meeting of Danone;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if (i) within the Change of Control Period (a) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) previously assigned to the Issuer by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the

Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency or (b) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Issuer by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency or (c) the Issuer has no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Issuer and, (ii) in making the relevant decision(s) referred to (a) and (b) above, the relevant Rating Agency announces publicly or confirms in writing to Danone, that such decision(s) resulted, in whole or primarily, from the occurrence of the Change of Control or from the occurrence of the Potential Change of Control, provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, Danone shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and shall be read accordingly for the purpose hereof.

"**Rating Agencies**" means S&P Global Ratings, and/or Moody's Investors Service and/or Fitch Ratings and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Issuer at any relevant time (each a "**Rating Agency**").

"**Change of Control Period**" means (i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or (y) the date of the first public announcement by Danone of the relevant Change of Control; in each case (x) and (y), ending on the date which is 120 days thereafter (inclusive) or (ii) the period commencing 180 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

"**Potential Change of Control**" means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of Danone.

Within three (3) Paris business days after receipt of a written official notice or after a public announcement issued by the relevant Rating Agency that a Change of Control Call Event has occurred, the Issuer shall give notice (a "**Call Event Notice**") to the Noteholders specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Notes will take place or the Issuer's election not to redeem the Notes.

If the Issuer elects to redeem the Notes, such redemption or purchase will take place not less than twenty (20), nor more than sixty (60) days after a Call Event Notice is given.

Early Redemption Price	"**Early Redemption Price**" means 101 per cent. of the principal amount of the Notes, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes. "**Early Redemption Date**" means the effective date of redemption of the Notes.
Purchase and Redemption following a Repurchase Event	The Issuer may, at any time, purchase the Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations. In the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased by the Issuer (a "**Repurchase Event**"), the Issuer may, at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).
Negative Pledge	There will be no negative pledge in respect of the Notes.
No Events of Default and no Cross Default	There will be no events of default in respect of the Notes. There will be no cross default under the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest

	thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.
Representation of Noteholders	Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the "**Masse**"). The Masse will be a separate legal entity, and will be acting in part through one representative and in part through a general meeting of the Noteholders. The Issuer is entitled in lieu of holding a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.
Admission to trading	Application will be made for the Notes to be admitted to trading on Euronext Paris. Such admission to trading are expected to occur as of the Issue Date.
Selling Restrictions	There are restrictions on the offer and sale of the Notes and the distribution of offering material.
Ratings	The Notes are expected to be rated Baa3 by Moody's Investors Service ("**Moody's**") and BBB- by S&P Global Ratings ("**S&P**"). The long term debt of the Issuer is currently rated Baa1 (stable outlook) by Moody's and BBB+ (negative outlook) by S&P. As of the date of this Prospectus, Moody's and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**") and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).
Governing law	The Notes will be governed by, and construed in accordance with, French law.

Settlement	Euroclear France.
Fiscal Agent, Principal Paying Agent and Calculation Agent	Citibank, N.A., London Branch.
Paris Paying Agent	Citibank Europe Plc, Paris Branch.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following:

(a) the sections referred to in the table below included in the base prospectus of the Euro 16,000,000,000 Euro Medium Term Note Programme of the Issuer dated 20 October 2017, on which the AMF has granted visa n°17-563 on 20 October 2017 (the "**Base Prospectus**");

(b) the sections referred to in the table below included in the 2015 *Document de Référence* in the French language[1], filed with the AMF on 17 March 2016 under n°16-0156, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2015 (the "**2015 Document de Référence**");

(c) the sections referred to in the table below included in the 2016 *Document de Référence* in the French language[1], filed with the AMF on 17 March 2017 under n°17-0183, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2016 (the "**2016 Document de Référence**"); and

(d) the pages 12 and 16 to 36 of the interim financial report of the Issuer, in French language[1], filed with the AMF on 27 July 2017, for the six-month period ended 30 June 2017 (the "**2017 Interim Financial Report**"),

which shall be deemed to be incorporated by reference, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

This Prospectus and copies of all documents incorporated by reference in this Prospectus shall be published on and may be obtained from the website of the Issuer (www.danone.com).

The cross-reference tables below set out the relevant page references for the information incorporated herein by reference, any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Prospectus and is not relevant for investors:

Prospectus Regulation – Annex IX		2016 Document de Référence	2015 Document de Référence	2017 Interim Financial Report
A9.2	**STATUTORY AUDITORS**			
A9.2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together	Pages 6 to 7		

[1] For information purposes only, the English language translations of (i) the 2015 Document de Référence, (ii) the 2016 Document de Référence and (iii) the 2017 Interim Financial Report are available on the website of the Issuer (www.danone.com). For ease of reference, the page numbering of the English language translations of the documents incorporated by reference is identical to the French versions. These English language translations are not incorporated by reference herein.

Prospectus Regulation – Annex IX		2016 Document de Référence	2015 Document de Référence	2017 Interim Financial Report
	with their membership in a professional body).			
A9.2.2	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.			
A9.3	**RISK FACTORS**			
A9.3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 24 to 39		Page 12
A9.4	**INFORMATION ABOUT THE ISSUER**			
A9.4.1	**History and development of the Issuer:**			
A9.4.1.1	the legal and commercial name of the Issuer;	Page 6		
A9.4.1.2	the place of registration of the Issuer and its registration number;	Page 6		
A9.4.1.3	the date of incorporation and the length of fife of the Issuer, except where indefinite; and	Page 6		
A9.4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office.	Page 6		
A9.5	**BUSINESS OVERVIEW**			
A9.5.1	**Principal activities:**			
A9.5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed; and	Pages 13 to 17		Pages 13 to 15

Prospectus Regulation – Annex IX		2016 Document de Référence	2015 Document de Référence	2017 Interim Financial Report
A9.5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Page 8 (20th and 21th references of the table of paragraph 1.2)		
A9.6	**ORGANISATIONAL STRUCTURE**			
A9.6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 22 to 23 and pages 132 to 134		
A9.9	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**			
A9.9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	(a) Pages 203-206, 221 and 224-233 (b) Not applicable		
A9.9.2	**Administrative, Management, and Supervisory bodies conflicts of interests** Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	Pages 207 to 210		
A9.10	**MAJOR SHAREHOLDERS**			
A9.10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the	Pages 300-302		

Prospectus Regulation – Annex IX		2016 Document de Référence	2015 Document de Référence	2017 Interim Financial Report
	measures in place to ensure that such control is not abused.			
A9.10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	Page 305		
A9.11	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**			
A9.11.1	**<u>Historical Financial Information</u>** Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.	Pages 68 to 137	Pages 72 to 143	Pages 16-36
	(a) balance sheet;	Pages 70-71	Pages 74 and 75	Pages 18-19
	(b) income statement;	Pages 68 and 69	Pages 72 and 73	Pages 16-17
	(c) cash flow statement; and	Page 72	Page 76	Page 20
	(d) accounting policies and explanatory notes	Pages 75 to 135	Pages 79 to 141	Pages 23-35
A9.11.3	**<u>Auditing of historical annual financial information</u>**	Pages 136 and 137	Pages 142 and 143	Page 36 (review report)
A9.11.5	**<u>Legal and arbitration proceedings</u>** Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 46 and 130	Pages 49 and 136	Page 34

Prospectus Regulation – Annex IX		2016 Document de Référence	2015 Document de Référence	2017 Interim Financial Report
A9.12	**MATERIAL CONTRACTS**			
A9.12	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 46	Pages 49 and 297-303	

WhiteWave acquisition: unaudited pro forma consolidated information

Prospectus Regulation – Annex II			2016 Document de Référence
A2.1	A description of the transaction, the businesses or entities involved and the period to which it refers		
	(a)	the purpose to which it has been prepared;	Pages 62 - 63
	(b)	the fact that it has been prepared for illustrative purposes only;	Page 63
	(c)	the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.	Page 63
A2.3	(d) (e) (f) (g)	Historical unadjusted information; pro forma adjustments; resulting pro forma financial information; and Sources of the pro forma financial information.	Pages 63 - 64
A2.4	(h) (i)	Basis upon which the pro forma information is prepared. Source of each item of information and adjustment.	Page 63
A2.7	Report of the auditors stating that: (j) (k)	 the pro forma financial information has been properly compiled on the basis stated; and basis is consistent with the accounting policies of the issuer.	Page 65

Base Prospectus	
Risk Factors relating to the Issuer	Not applicable
General Risks relating to the Notes	Pages 3-10
Risk Factors related to the structure of a particular issue of Notes	Not applicable
Forward-Looking Statements	Not applicable
Important Notice	Not applicable
General Description of the Programme	Not applicable
Supplement to the Base Prospectus	Not applicable
Terms and Conditions of the Notes	Not applicable
Temporary Global Certificates issued in respect of Materialised Bearer Notes	Not applicable
Use of Proceeds	Not applicable
Recent Developments	Not applicable
Taxation	Not applicable
Subscription and Sale	Pages 81-85
Pro-Forma of the Guarantee	Not applicable
Form of Final Terms	Not applicable
General Information	Not applicable
Person Responsible for the Information given in Base Prospectus	Not applicable

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue of the €1,250,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the "**Notes**") of Danone (the "**Issuer**" or "**Danone**") has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 18 October 2017 and a decision of the Finance and Treasury Director (*Directrice Financement et Trésorerie*) of the Issuer dated 23 October 2017.

An amended and restated agency agreement dated 20 October 2017 (as amended or supplemented from time to time, the "**Amended and Restated Agency Agreement**") has been agreed between Danone, Citibank, N.A., London Branch as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**", each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Amended and Restated Agency Agreement, and are collectively referred to as the "**Agents**". References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below and references to "**day**" or "**days**" are, unless the context otherwise specifies, to the calendar days.

1 Form, Denomination and Title

The Notes are issued on 30 October 2017 (the "**Issue Date**") in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the "**Code**") by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**"), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**").

Title to the Notes shall be evidenced by entries in the accounts of Account Holders and will pass upon, and transfer of the Notes may only be effected through, registration of the transfer in such accounts.

2 Status of the Notes

2.1 Deeply Subordinated Notes

The Notes are Deeply Subordinated Notes issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*.

The principal and interest and other amounts (including Arrears of Interest (as defined below) and/or Additional Interest Amounts (as defined below)) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations, but shall be subordinated to the *titres participatifs* issued by, and the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of or issued by the Issuer.

"**Deeply Subordinated Notes**" means any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations, but junior to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer.

"**Deeply Subordinated Obligations**" means any Deeply Subordinated Notes or other Obligations or lowest ranking Obligations (*engagements subordonnés de dernier rang*) of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

"**Obligations**" means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

"**Ordinary Subordinated Obligations**" means any Obligations which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Ordinary Subordinated Obligations, but in priority to the *prêts participatifs* granted to, and the *titres participatifs* issued by, the Issuer and Deeply Subordinated Obligations.

"**Unsubordinated Obligations**" means any Obligations which are unsubordinated.

2.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency), the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- unsubordinated creditors of the Issuer;
- ordinary subordinated creditors of the Issuer;
- lenders in relation to *prêts participatifs* granted to the Issuer;
- holders of *titres participatifs* issued by the Issuer; and
- deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Notes).

In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payments to holders of Equity Securities.

In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with any present or future Deeply Subordinated Notes (including the Notes) shall be terminated.

"Equity Securities" means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

3 Negative Pledge

There will be no negative pledge in respect of the Notes.

4 Interest

4.1 General

Unless previously redeemed in accordance with the Conditions and subject to the further provisions of this Condition (in particular, but not limited to Condition 4.6), the Notes shall bear interest on their principal amount:

(i) from, and including, the Issue Date to, but excluding, 23 June 2023 (the "**First Reset Date**"), at a rate of 1.750 per cent. *per annum* (the "**First Interest Rate**");

(ii) from and including the First Reset Date to, but excluding, 23 June 2028 (the "**First Step-up Date**"), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin (the "**Second Interest Rate**");

(iii) from and including the First Step-up Date to, but excluding, 23 June 2043 (the "**Second Step-up Date**"), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin (the "**Third Interest Rate**"); and

(iv) from and including the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin (the "**Fourth Interest Rate**").

Each Interest Amount shall be payable annually in arrear on 23 June of each year, commencing on 23 June 2018 (each an "**Interest Payment Date**"). There will be a short first coupon for the period from and including the Issue Date to, but excluding, 23 June 2018.

In no event shall the applicable Interest Rate (including, for the sake of clarity, any applicable margin) be less than zero.

For the purpose hereof:

"**Business Day**" means any day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

"**Initial Margin**" means 1.428 per cent. *per annum*.

"**First Step-up Margin**" means 0.25 per cent. *per annum.*

"**Second Step-up Margin**" means 1.00 per cent. *per annum.*

"**Reset Date**" means the First Reset Date and each 5th anniversary thereof.

"**Reset Period**" means the period from, and including, the First Reset Date to, but excluding, the next Reset Date and subsequently each period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date.

"**Reference Bank Rate**" means the percentage rate determined on the basis of the 5-year Swap Rate Quotations provided by at least five leading swap dealers in the interbank market (the "**Reference Banks**") to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time), on the relevant Interest Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent.

"**Reference Rate**" means the relevant 5-year Swap Rate determined by the Calculation Agent on the day falling two Business Days prior to the first day of the relevant Reset Period (each an "**Interest Determination Date**").

"**5-year Swap Rate**" means the mid-swap rate for a term of 5 years as displayed on Reuters screen "**ICESWAP2**" as at 11:00 a.m. (Central European time) (the "**Screen Page**"). In the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Swap Rate will be the Reference Bank Rate on such Interest Determination Date.

The "**5-year Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the first day of the relevant Reset Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

"**TARGET 2 Settlement Day**" means any day on which the TARGET 2 System is operating.

"**TARGET 2 System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor thereto.

"**Interest Rate**" means the First Interest Rate, the Second Interest Rate, the Third Interest Rate or the Fourth Interest Rate (all as defined above), as applicable.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount (as defined in Condition 4.3 below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount (as defined in Condition 4.3 below) payable per Note to be notified to the Issuer, each of the Paying Agents and, if required by the rules of the regulated market of Euronext in Paris ("**Euronext Paris**") or any other stock exchange on which the Notes are listed from time to time, to such stock exchange, and to holders of Notes (the "**Noteholders**" and each a "**Noteholder**") in accordance with Condition 10 without undue delay, but, in any case, not later than on the fourth Business Day after its determination.

4.2 Rate of Interest following a Change of Control Call Event

Further to the occurrence of a Change of Control Call Event described in Condition 5.6 below, if the Change of Control Call Option has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from and including the date of the Call Event Notice (as defined in Condition 5.6 below) to, but excluding, the redemption of the Notes.

4.3 Calculation of the Interest Amount

The amount of interest (the "**Interest Amount**") payable on each Note and on each Interest Payment Date will be the product of the principal amount of such Note and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

"**Actual/Actual (ICMA)**" means:

- if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of days in the relevant period divided by the number of days in the Interest Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of days of the relevant period falling in the Interest Period in which it begins divided by the total number of days in such Interest Period and (b) the number of days of the relevant period falling in the next Interest Period divided by the total number of days in such next Interest Period (including the first such day but excluding the last).

"**Interest Period**" means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date (or the first Interest Payment Date, as the case may be).

4.4 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

4.5 Calculation Agent

The Amended and Restated Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert in the performance of its duties and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

4.6 Interest Deferral

(a) *Optional Interest Payment*

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, by giving notice to the Noteholders in accordance with sub-paragraph (c) below, elects to defer such payment in whole (but not in part), and the Issuer shall not have any obligation to make such payment and any failure to so pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute "**Arrears of Interest**" and shall be payable as outlined below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole, but not in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in full on whichever is the earliest of:

(i) ten (10) Business Days following a Mandatory Payment Event;

(ii) the next Interest Payment Date in respect of which the Issuer does not elect to defer interest accrued in respect of the relevant Interest Period;

(iii) the redemption of the Notes; or

(iv) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason, as contemplated under Condition 8.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the "**Arrears Interest Rate**") and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this paragraph (b) and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1343-2 of the French *Code civil* to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

For the purpose hereof:

A "**Mandatory Payment Event**" means that:

(i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or

(ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer other than, (i) with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer's group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or the hedging of convertible securities of the Issuer or (ii) the acquisition by the Issuer of any Parity Securities (in whole or in part) in a public tender offer or public exchange offer at a purchase price per Parity Security (including, for the avoidance of doubt, the Notes) below its par value;

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities.

"**Parity Securities**" means, at any time, any Deeply Subordinated Notes, and any securities which rank *pari passu* with the Notes. The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under Parity Securities.

"**Subsidiary**" means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

(c) *Notice of Deferral and Payment of Arrears of Interests*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 10, and the Paying Agents and the Calculation Agent at least five (5) Business Days in Paris and London, but no more than thirty (30) Business Days in Paris and London, prior to such Interest Payment Date or date. So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

5 Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

5.1 Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

5.2 Optional Redemption

The Issuer will have the right to redeem all of the Notes (but not some only) (i) on any date during the period commencing on (and including) 23 March 2023 and ending on (and including) the First Reset Date, or (ii) upon any Interest Payment Date thereafter, subject, in each case, to having given not more than sixty (60) nor less than twenty (20), days' prior notice to the Noteholders (which notice shall be irrevocable). Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

5.3 Redemption for Taxation Reasons

(i) If by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below (a "**Gross-Up Event**"), the Issuer may, at its option, at any time, subject to having given not more than sixty (60) nor less than twenty (20) days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below (a "**Withholding Tax Event**"), the Issuer may upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10 redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is passed, as soon as practicable thereafter.

(iii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, at any time (subject to having given not more than sixty (60) nor less than twenty (20) days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 10), redeem all of the Notes (but not some only) at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date; provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Prior to the giving of any such notice of redemption in this Condition 5.3, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met.

5.4 Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all of the Notes (but not some only) at any time, subject to the Issuer having given the Noteholders not less than twenty (20), or more than sixty (60), days' prior notice (which notice shall be irrevocable) in accordance with Condition 10, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the proceeds of the Notes may not or may no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, (i) a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) a copy of the letter or report referred to in the definition "Accounting Event".

"**Accounting Event**" means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that, as a result of a change in the accounting rules or methodology effective after the Issue Date, the funds raised through the issue of the Notes may not or may no longer be recorded as ''equity" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

5.5 Redemption following a Rating Event

If a Rating Event has occurred, then the Issuer may, at its option, subject to having given not less than twenty (20) nor more than sixty (60) days' notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes at any time, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the First Reset Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the First Reset Date; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will no longer be eligible for the same or higher category of equity credit.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, (i) a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) evidence of the written confirmation or copy of the publication referred to in the definition of "Rating Event".

For the purpose of this Condition 5.5:

"**Rating Event**" means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after the Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable), as a result of which, but not otherwise, the Notes will no longer be eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that such Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date (or if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time).

5.6 Redemption following a Change of Control Call Event

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may, at its option (a "**Change of Control Call Option**"), at any time, redeem or procure the purchase of all the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

For the purpose of this Condition 5.6:

A "**Change of Control Call Event**" shall be deemed to have occurred at each time (i) a Change of Control occurs and (ii) within the Change of Control Period a Rating Downgrade occurs as a result, in whole or primarily, of that Change of Control or of a Potential Change of Control.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by Danone) that any Relevant Person(s), at any time following the Issue Date of the Notes, acquire(s)

Control of Danone unless all or substantially all of the shareholders of the Relevant Person (the "**Relevant Shareholders**") are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of Danone with the Relevant Person holding the same (or substantially the same) pro rata interest in the share capital of Danone as the Relevant Shareholders have, or as the case may be, had in the share capital of Danone and the Relevant Shareholders holding all or substantially all of the share capital and voting rights of the Relevant Person.

"**Relevant Person**" means any person or persons acting in concert (as defined in Article L.233-10 and L.233-10-1 of the French *Code de commerce*) or any person or persons acting on behalf of any such person(s).

"**Control of Danone**" means the holding or acquisition, directly or indirectly, by any Relevant Person of such number of shares in the capital of Danone carrying more than 50 per cent. of the total voting rights normally exercisable at an ordinary or extraordinary shareholders' general meeting of Danone;

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if:

(i) within the Change of Control Period:

(A) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) previously assigned to the Issuer by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

(B) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Issuer by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

(C) the Issuer has no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Issuer; and

(ii) in making the relevant decision(s) referred to (A) and (B) above, the relevant Rating Agency announces publicly or confirms in writing to Danone, that such decision(s) resulted, in whole or primarily, from the occurrence of the Change of Control or from the occurrence of the Potential Change of Control, provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, Danone shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.6 shall be read accordingly.

"**Rating Agencies**" means S&P Global Ratings, and/or Moody's Investors Service and/or Fitch Ratings and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Issuer at any relevant time (each a "**Rating Agency**").

"**Change of Control Period**" means:

(i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or (y) the date of the first public announcement by Danone of the relevant Change of Control; in each case (x) and (y), ending on the date which is 120 days thereafter (inclusive); or

(ii) the period commencing 180 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

"**Potential Change of Control**" means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of Danone.

Within three (3) Paris business days after receipt of a written official notice or after a public announcement issued by the relevant Rating Agency that a Change of Control Call Event has occurred, the Issuer shall give notice (a "**Call Event Notice**") to the Noteholders in accordance with Condition 10 specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Notes will take place or the Issuer's election not to redeem the Notes.

If the Issuer elects to redeem the Notes, such redemption or purchase will take place not less than twenty (20), nor more than sixty (60) days after a Call Event Notice is given.

5.7 Purchase and Redemption following a Repurchase Event

The Issuer may, at any time, purchase the Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

In the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased by the Issuer (a "**Repurchase Event**"), the Issuer may at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), subject to the Issuer having given the Noteholders not less than twenty (20), or more than sixty (60), days' prior notice (which notice shall be irrevocable) in accordance with Condition 10.

5.8 Cancellation

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with rights to interest and any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5.9 Definitions

For the purposes of these Conditions:

"**Early Redemption Price**" means 101 per cent. of the principal amount of the Notes together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

"**Early Redemption Date**" means the effective date of redemption of the Notes made in accordance with this Condition.

6 Payments

6.1 Method of Payment

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by transfer to a eurodenominated account of the relevant Account Holder. All payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2 Payments on Business Days

If any due date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

6.3 Fiscal Agent, Paying Agent and Calculation Agent

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent

Citibank, N.A., London Branch
13th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Paris Paying Agent

Citibank Europe Plc, Paris Branch
1-5, rue Paul Cézanne
75008 Paris
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, so long as the Notes are admitting to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

7 Taxation

All payments of principal, interest and other revenues in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If French law should require that payments of principal, interest and other revenues in respect of any Notes by or on behalf of the Issuer be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder (including a beneficial owner (*ayant droit*)) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or interest coupon by reason of his having some connection with France other than the mere holding of the Note or interest coupon.

As used in these Conditions, "**Relevant Date**" in respect of any Note or interest amount means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 5, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 4 and (iii) "**principal**" and/or "**interest**" shall be deemed to include any Additional Amounts that may be payable under this Condition.

Each Noteholder shall be responsible for supplying to the Paying Agent via the clearing systems, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of Annexe III to the French *Code général des impôts*.

8 No Events of Default and no Cross Default

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

9 Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, the second sentence of Article L.228-65 II, R.228-61, R.228-63, R.228-69, R.228-79 and R.236-11 subject to the following provisions:

9.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

9.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

(i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors and its employees as well as their ascendants, descendants and spouses; or

(ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors their statutory auditors and their employees as well as their ascendants, descendants and spouses; or

(iii) companies holding ten (10) per cent. or more of the share capital of the Issuer and companies having ten (10) per cent. or more of their share capital held by the Issuer; or

(iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and the alternate Representative are the following:

Initial Representative:
MCM AVOCAT
Selarl d'avocats interbarreaux inscrite au Barreau de Paris
10, rue de Sèze
75009 Paris
France
Represented by Maître Antoine Lachenaud, *Co-gérant – associé*

Alternate Representative:
Maître Philippe Maisonneuve
Avocat
10, rue de Sèze
75009 Paris
France

In connection with its functions or duties, the Representative will be entitled to a remuneration of €350 (VAT excluded) per year payable on the Issue Date and on each anniversary thereafter.

In the event of death, retirement, dissolution or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

9.3 Powers of the Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

9.4 General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 10 not less than fifteen (15) days prior to the date of the General Meeting on first convocation, and five (5) days on second convocation. Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*.

Each Note carries the right to one vote.

9.5 Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the initial Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings and Written Resolutions once approved must be published in accordance with the provisions set forth in Condition 10.

9.6 Written Resolutions

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a resolution in writing (a "**Written Resolution**"). Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 10 not less than fifteen (15) days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

A Written Resolution will be approved if (i) Noteholders expressing their approval or rejection of such proposed Written Resolution hold at least one fifth of the principal amount of the Notes then outstanding and (ii) Noteholders expressing their approval hold at least 66.6 per cent. of such quorum. Each Note carries the right to one vote.

9.7 Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the fifteen (15) day period preceding the holding of each General Meeting and Written Resolution Date, and, in the case of an adjourned General Meeting, 5-day period preceding the holding of such adjourned General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting or in the Written Resolution.

9.8 Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

For the avoidance of doubt, in this Condition 9, the term "outstanding" shall not include those Notes subscribed or purchased by the Issuer in accordance with applicable laws and regulations that are held by it and not cancelled.

10 Notices

(a) Notice to the Noteholders shall be valid if published so long as the Notes are admitted to trading on Euronext Paris, at the option of the Issuer, (i) in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), (ii) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF.

(b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

(c) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 10(a) and (b) above; except that so long as the Notes are admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France.

(d) Notices relating to the convocation, decision(s) of the General Meetings and Written Resolutions pursuant to Condition 9 shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer (www.danone.com).

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall be prescribed and become void unless made within five (5) years (in the case of principal or interest) from the due date for payment thereof.

12 Further Issues

The Issuer may, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for principal amount thereon and for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

13 No Hardship (*Imprévision*)

Article 1195 of the French *Code civil* shall not apply to these Conditions.

14 Governing Law and Jurisdiction

(a) **Governing Law**: The Notes are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction**: Any claim against the Issuer in connection with any Notes may be brought before any competent court located in Paris.

The following paragraphs in italics do not form part of the Conditions:

Unless (a) the rating assigned by Standard & Poor's to the Issuer is at least "BBB+" (or such similar nomenclature then used by Standard & Poor's) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Notes are not assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which Standard & Poor's would assign equity content under its prevailing methodology, the Issuer intends (without thereby assuming a legal or contractual obligation), during the period from and including the Issue Date to but excluding the Second Step-up Date, in the event of:

(i) an early redemption of the Notes pursuant to Condition 5.2; or

(ii) a repurchase of the Notes of more than (a) 10 per cent. of the aggregate principal amount of the relevant Notes originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the relevant Notes originally issued in any period of 10 consecutive years,

to redeem or repurchase such Notes only to the extent that such part of the aggregate principal amount of the relevant Notes to be redeemed or repurchased as was characterised as equity by Standard & Poor's at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer or any of its Subsidiaries during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any of its Subsidiaries to third party purchasers (other than subsidiaries of the Issuer) of securities as is characterised by Standard & Poor's, at the time of sale or issuance, as equity.

The Issuer intends (without thereby assuming a legal or contractual obligation) that for so long as the Notes remain outstanding, if (i) a Change of Control Call Event occurs and (ii) the Issuer elects to redeem the Notes pursuant to Condition 5.6, it will launch a tender offer for all outstanding unsubordinated debt securities (which do not already contain a contractual right of the holders of such debt securities for such securities to be redeemed or repurchased as a result of the events giving rise to the Change of Control Call Event) at a price equal to not less than their aggregate principal amount plus accrued and unpaid interest as soon as reasonably practicable following such event. The Issuer also intends (without thereby assuming a legal or contractual obligation) to launch such tender offer in such a way as to ensure that the repurchase of any unsubordinated debt securities tendered to it will be effected prior to any redemption of the Notes pursuant to Condition 5.6.

Terms used but not defined in the preceding sentences shall have the meaning set out under "Terms and Conditions of the Notes".

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes.

RECENT DEVELOPMENTS

Press release – 3 July 2017 - Danone announces sale of Stonyfield to Lactalis for $875 million

Paris, France — July 3rd, 2017 — Danone has entered into a binding agreement with Lactalis to sell Stonyfield, one of its U.S. dairy subsidiaries, for a purchase price of $875 million, representing 20 times its EBITDA in 2016.

Stonyfield generated approximately $370 million in turnover in 2016.

The divestiture is part of the agreement reached on March 31st, 2017 with the U.S. Department of Justice ("DOJ") in connection with Danone's recently closed acquisition of WhiteWave.

The closing of the divestiture is subject to customary conditions, including final approval by the DOJ, and is expected in the third quarter of this year.

Press release – 2 August 2017 - Danone Completes Sale of Stonyfield

Paris, France — 2 August 2017 — Danone announces completion on 1st August 2017 of the sale of Stonyfield, one of its U.S. subsidiaries, to Lactalis, following the binding agreement signed on 1st July 2017 and approved by the U.S. Department of Justice ("DoJ") on 24 July 2017.

The divestiture was part of the agreement reached on 31 March 2017 with the DoJ in connection with Danone's recently closed acquisition of WhiteWave.

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

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

[1] Like for Like New Danone – See footnote 3

[2] Including +0.5 percentage point benefit from the end of special treatment of over-inflation in Argentina – see below section "End of the special treatment of over-inflation in Argentina"

[3]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 below in section "Financial indicators not defined in IFRS" or on pages 9-10 of the 2017 Interim Financial Report incorporated by reference in this Prospectus

[4] 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[1] 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**.

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.

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[1] WhiteWave base effect corresponds to the contribution of WhiteWave over the period from July 1 to September 30, 2016

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 2nd, 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 below.

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*
BY REPORTING LINE						
EDP International	**-2.2%**	**-1.8%**	**-2.0%**	**-1.7%**	**-0.8%**	**-1.2%**
EDP Noram[1]	**-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%**
BY GEOGRAPHICAL AREA						
Europe & Noram[1]	**-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%**
Total	**+0.7%**	**+0.2%**	**+0.4%**	**+0.9%**	**+0.6%**	**+0.7%**

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*
BY REPORTING LINE		
EDP International	**-33 bps**	**-13 bps**
EDP Noram	**-67 bps**	**-67 bps**
Specialized Nutrition	**+320 bps**	**+316 bps**
Waters	**+37 bps**	**+15 bps**
BY GEOGRAPHICAL AREA		
Europe & Noram	**+24 bps**	**+25 bps**
Rest of the World	**+175 bps**	**+175 bps**
Total	**+91 bps**	**+91 bps**

[1] North America (Noram): United States and Canada

***"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.

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

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).

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.

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

	First quarter 2016	First quarter 2017	Second quarter 2016	Second quarter 2017	Third quarter 2016	Third quarter 2017
BY REPORTING LINE						
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
BY GEOGRAPHICAL AREA						
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
Total	**5,306**	**5,464**	**5,746**	**6,664**	**5,537**	**6,454**

	First quarter 2017		Second quarter 2017		Third quarter 2017	
	Reported change	*« Like-for-like New Danone » change*[1]	*Reported change*	*« Like-for-like New Danone » change*[1]	*Reported change*	*« Like-for-like New Danone » change*[1]
BY REPORTING LINE						
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%
BY GEOGRAPHICAL AREA						
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%
Total	**+3.0%**	**+0.9%**	**+16.0%**	**+0.6%**	**+16.6%**	**+4.7%**

[1] 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 above in section "Financial indicators not defined in IFRS"

Press release – 18 October 2017 – Danone strengthens Corporate Governance and Management Organization

Emmanuel Faber appointed Chairman and Chief Executive Officer

Franck Riboud appointed Honorary Chairman

Enhanced Board Leadership Structure

With the transitional period of enhanced Chairmanship coming to an end this year as previously announced, Danone's Board of Directors has unanimously voted to combine the functions of Chairman and Chief Executive Officer. **Emmanuel Faber**, who has served as CEO since 2014, **has been appointed Chairman and CEO of Danone**, effective 1 December 2017.

Mr. Faber will succeed **Franck Riboud** as Chairman. Mr. Riboud will become **Honorary Chairman of Danone** and will continue to serve as a Director of the company and a member of the Strategic Committee of the Board. Current Director Benoît Potier, Chairman and CEO of Air Liquide, will succeed Mr. Riboud as Chairman of the Strategic Committee.

In addition, on the scheduled expiration of his term in April 2018, current Lead Independent Director Jean Laurent, 73, will not stand for re-election. The Nomination and Compensation Committee is in the final stages of identifying Mr. Laurent's successor. Danone also intends to expand the duties and responsibilities of the Lead Independent Director in order to further reinforce its balanced Board leadership structure. These changes are part of the Board's ongoing and proactive focus on its composition and refreshment, with the aim of continuing to have the most relevant international and consumer sector expertise on the Board to ensure impactful contributions, while meeting the highest independence and diversity criteria.

Franck Riboud said: "*Today's announcement reflects the culmination of a planned leadership transition process that I initiated for Danone's top management three years ago and that has allowed the company, under Emmanuel Faber's leadership, to enter a new development phase. Combining the Chairman and CEO roles will solidify this momentum, creating a direct bridge between the Board and management that will enable the company to continue to execute on its strategy, speak with a unified voice and make decisions in an agile and transparent manner. Emmanuel's experience, record of accomplishment and deep knowledge of our business make him an ideal choice to serve as Chairman, and I have full trust that he will provide strong and stable leadership as Danone continues to evolve. I am proud and privileged to have chaired the Board for the past 23 years of growth and I am confident about the future of this truly unique and world-class company.*"

Emmanuel Faber added: "*I am honoured to serve as Chairman and would like to warmly thank my fellow Directors for the trust they are showing me. I would also like to wholeheartedly thank Franck Riboud for the visionary leadership he has provided to Danone during his Chairmanship and throughout his distinguished career at the company. With the full support of the Board, we will continue to create shareholder value by remaining focused on our 2020 objectives and driving strong, sustainable, profitable growth across our categories. This will require the engagement and energy of our leadership team and of our more than 100 000 employees. The strength of Danone lies in our shared conviction that our business creates value for our shareholders while having a positive impact for all of our stakeholders.*"

Further streamlined Executive Committee

Danone has also announced enhancements to its Executive Committee structure in order to promote efficient and agile decision-making against a backdrop of fast-moving industry trends.

The new streamlined Executive Committee will consist of three business and two functional leaders under the leadership of Emmanuel Faber:

- **Francisco (Paco) Camacho** will serve as **Executive Vice President (EVP), Essential Dairy and Plant-Based** (EDP) to lead the worldwide EDP business, including DanoneWave in North America, with the aim of strengthening a unified category approach across all regions and accelerating the global roll-out of our new plant-based portfolio.
- **Henri Bruxelles** will join the Executive Committee as **EVP, Waters and Africa**. Mr. Bruxelles was most recently RVP Waters for Latin America.
- **Bridgette Heller, EVP, Early Life Nutrition and Advanced Medical Nutrition**, will assume responsibility for Access and Danone Communities in addition to her current responsibilities. She also becomes co-leader of the Protein program together with Cécile Cabanis.
- **Cécile Cabanis, EVP, CFO,** will add Cycles, Procurement and Nature Sustainability to her scope of responsibility and will become **EVP, Chief Financial Officer, IS/IT, Cycles & Procurement**.
- **Bertrand Austruy** will continue in the role of **EVP, Human Resources & General Secretary** and lead the Danone Business Services (One Danone).

TAXATION

The following is a general description of certain French withholding tax considerations relating to the Notes that may be relevant to Noteholders who do not concurrently hold shares of the Issuer. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the current legislation, published case law and other published guidelines and regulations as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (potentially with retroactive effect). In particular, the description below may be affected by the Finance Acts for 2018 which are to be voted (in particular the introduction of a flat tax on savings income and the increase of the French social contributions (CSG)). This description is for general information only and does not purport to be comprehensive.

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts* interest and other revenues on the Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis*, 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. subject to the more favourable provisions of a tax treaty, if applicable.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and therefore the withholding tax of Article 119 *bis*, 2 of the French *Code général des impôts* which may be levied as a result of the Deductibility Exclusion), will apply in respect of a particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of the Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French tax administrative guidelines (BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80, BOI-INT-DG-20-50-20140211 n°550 and n°990 and BOI-IR-DOMIC-10-20-20-60-20160320, no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are, *inter alia*:

(i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(ii) admitted, at the time of their issue, to the operations of a central depositary or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes, which will be admitted to trading on Euronext Paris, and cleared through Euroclear France, will fall under the Exception. Accordingly, payments of interest and other revenues under the Notes by the Issuer are not subject to the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor to the Deductibility Exclusion (and therefore the withholding tax of Article 119 *bis*, 2 of the French *Code général des impôts* which may be levied as a result of the Deductibility Exclusion).

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, where the paying agent (*établissement payeur*) is established in France, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to French tax resident individuals.

SUBSCRIPTION AND SALE

Please refer to "Subscription and Sale" on pages 81-85 of the Base Prospectus which is incorporated by reference in this Prospectus, provided that references in the section "Subscription and Sale" of the Base Prospectus to the "relevant Final Terms" and the "Dealers" shall be deemed to refer to the "Prospectus" and to the "Joint Bookrunners" respectively.

Subscription Agreement

J.P. Morgan Securities plc (the "**Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner**"), BNP Paribas (the "**Global Coordinator and Joint Bookrunner**"), Banco Santander, S.A., Barclays Bank PLC, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N.V., Belgian Branch, MUFG Securities EMEA plc, Natixis, Société Générale and The Royal Bank of Scotland plc (trading as NatWest Markets) (together with the Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner and the Global Coordinator and Joint Bookrunner, the "**Joint Bookrunners**") have, pursuant to the Amended and Restated Dealer Agreement dated 20 October 2017 and a Subscription Agreement dated 26 October 2017, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at an issue price equal to 100 per cent. of the principal amount of the Notes, less any applicable commission.

GENERAL INFORMATION

(1) Admission to trading

Application has been made to the AMF to approve this document as a prospectus. Application has also been made for Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC appearing on the list of regulated markets issued by the European Commission (an "**EEA Regulated Market**").

The estimated costs for the admission to trading are Euro 18,200.

(2) Corporate authorisations

The issue of the Notes has been authorised by a decision of Mrs. Florence Saliba, *Directrice Financement et Trésorerie* of the Issuer, dated 23 October 2017, pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 18 October 2017.

(3) No significant change in the financial or trading position

Except as disclosed in the section "Recent Developments" of the Base Prospectus, there has been no significant change in the financial or trading position of Danone or the Group since 30 June 2017.

(4) No material adverse change

Except as disclosed in the section "Recent Developments" of the Base Prospectus, there has been no material adverse change in the prospects of Danone of the Group since 31 December 2016.

(5) Legal and arbitration proceedings

Except as disclosed in this Prospectus, Danone is not or has not been involved in any litigation or arbitration proceedings (including any such proceeding which are pending or threatened of which Danone is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Danone or the Group.

(6) Clearing

The Notes will be inscribed in the books of Euroclear France (acting as central depositary). The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

The Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code for the Notes is 170928245 and the International Securities Identification Number (ISIN) is FR0013292828.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

(7) Documents available

For so long as the Notes issued are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Issuer, or otherwise, using any kinds of communication means, permitted by law, at the choice of the Issuer, free of charge:

(i) the *statuts* of the Issuer;

(i) the documents incorporated by reference in this Prospectus, which comprise the Base Prospectus, the 2017 Interim Financial Report, the 2016 Document de Référence and the 2015 Document de Référence; and

(ii) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

For so long as Notes are outstanding, this Prospectus and the documents incorporated by reference in this Prospectus will be available on the websites of the Issuer (www.danone.com) and, except, in respect of the 2017 Interim Financial Report, of the AMF (www.amf-france.org).

Copies of the latest annual report and non-consolidated and consolidated accounts of Danone (in English and French) (in each case as soon as they are published) may be obtained, and copies of the Amended and Restated Agency Agreement will be available for inspection, at the specified office of the Issuer during normal business hours, so long as any of the Notes is outstanding.

(8) Regulation S

The Notes issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act ("**Regulation S**").

(9) Statutory auditors

PricewaterhouseCoopers Audit and Ernst & Young et Autres have audited and rendered an unqualified audit report on the consolidated financial statements of Danone for the year ended 31 December 2015 prepared in accordance with IFRS as adopted by the European Union. PricewaterhouseCoopers Audit and Ernst & Young Audit have audited and rendered an unqualified audit report on the consolidated financial statements of Danone for the year ended 31 December 2016 prepared in accordance with IFRS as adopted by the European Union. PricewaterhouseCoopers Audit, Ernst & Young et Autres and Ernst & Young Audit are regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(10) Yield

The yield in respect of the Notes is 1.751 per cent. *per annum* from the Issue Date up to the First Reset Date and is calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.

(11) Conflicts of interest

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

(12) Stabilisation

In connection with the issue of the Notes, J.P. Morgan Securities plc will act as stabilising manager (the "**Stabilising Manager**"). The Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

(13) In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Danone
17, Boulevard Haussmann
75009 Paris
France

Duly represented by:

Florence Saliba

VP Financing & Treasury
authorised signatory
on 26 October 2017

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* ("**AMF**") has granted to this Prospectus the visa n°17-567 on 26 October 2017. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

Registered Office of the Issuer

DANONE

17, Boulevard Haussmann

75009 Paris

France

Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner

J.P. Morgan Securities plc

Global Coordinator and Joint Bookrunner

BNP Paribas

Joint Bookrunners

Banco Santander, S.A.

Barclays Bank PLC

Citigroup Global Markets Limited

Crédit Agricole Corporate and Investment Bank

HSBC Bank plc

ING Bank N.V., Belgian Branch

MUFG Securities EMEA plc

Natixis

Société Générale

The Royal Bank of Scotland plc (trading as NatWest Markets)

Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent

Citibank, N.A., London Branch
13th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Paris Paying Agent

Citibank Europe Plc, Paris Branch
1-5, rue Paul Cézanne
75008 Paris
France

Statutory Auditors Danone

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young Audit
Tour First, 1, place des Saisons
92400 Courbevoie – Paris – La Défense 1
France

Legal Advisers
As to French law

To the Issuer

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75008 Paris
France

To the Joint Bookrunners

Linklaters LLP
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France