



DANONE

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The Premium Review Conference

Paris – Novembre 29th, 2012



Disclaimer

This document contains certain forward-looking statements concerning DANONE. 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 section “Risk Factors” in DANONE’s Annual Report (which is available on www.danone.com). DANONE undertakes no obligation 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.



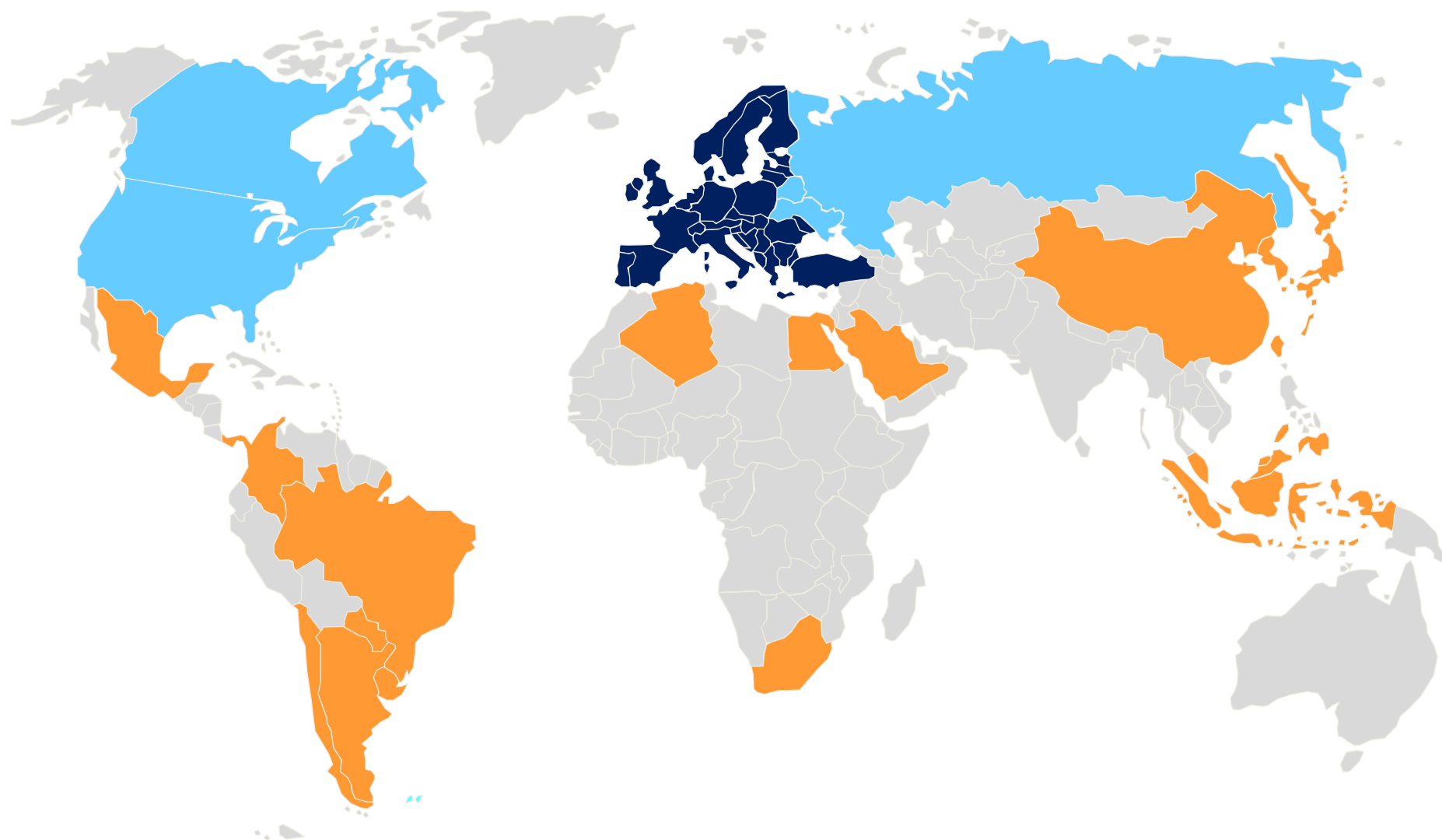
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Danone 2008-2012: A geographical transformation



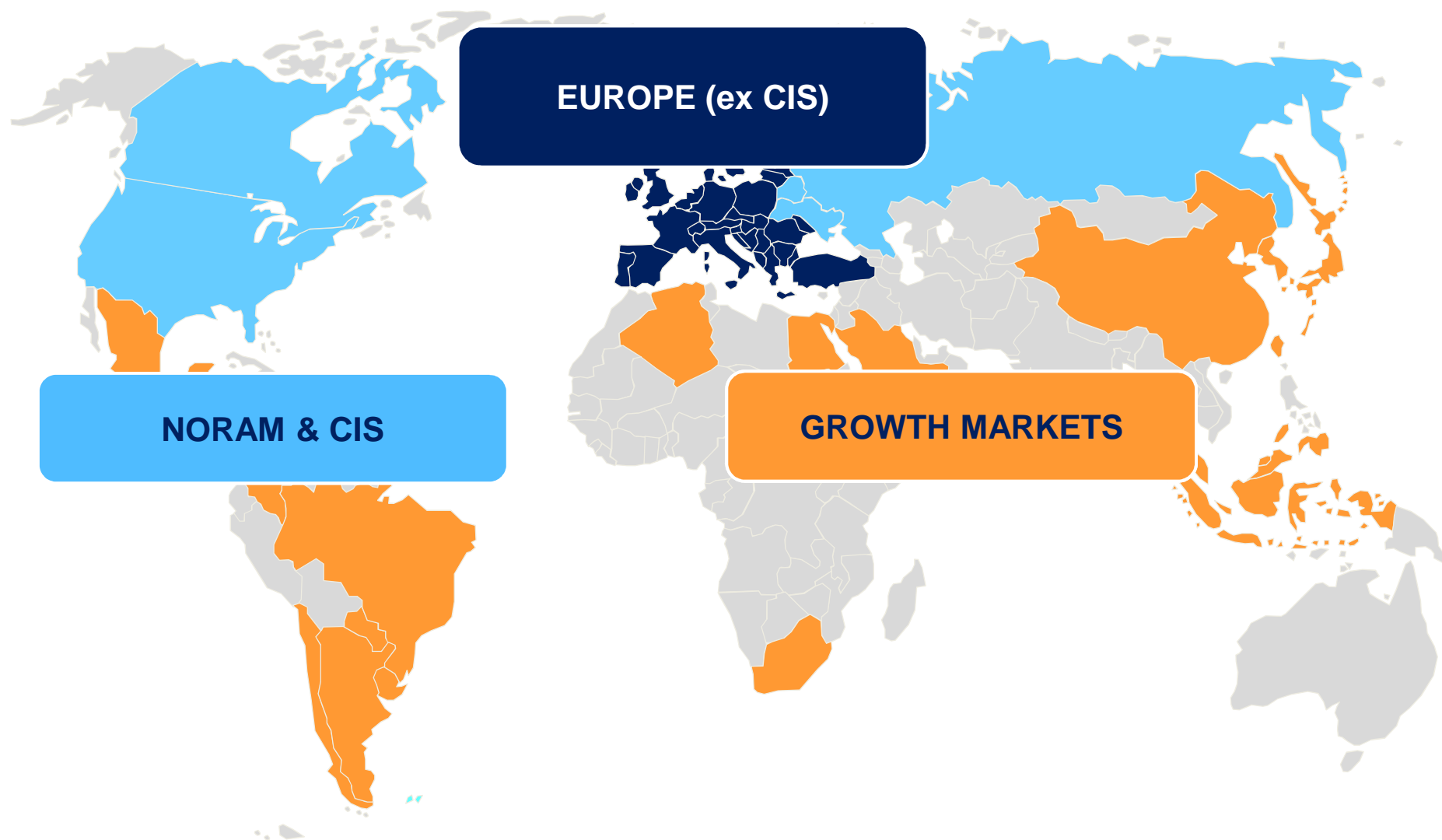
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Our geographies: A different view





Our geographies: A different view

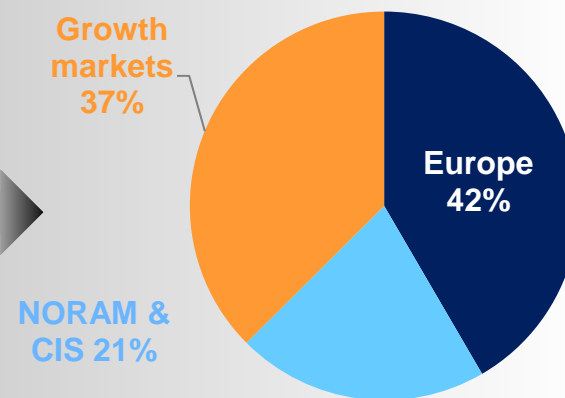
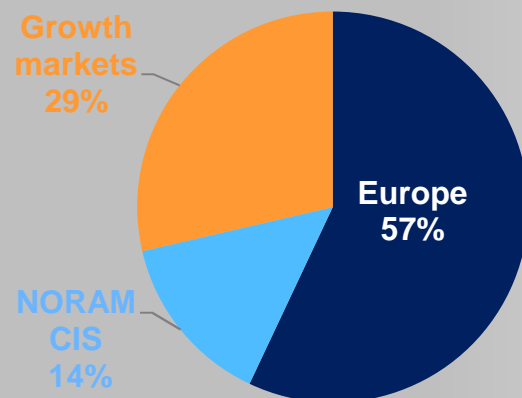


A geographical transformation

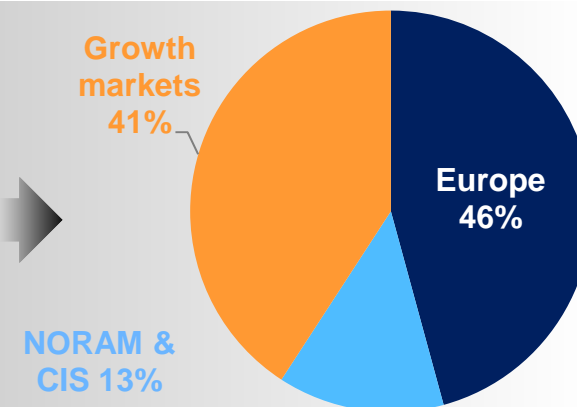
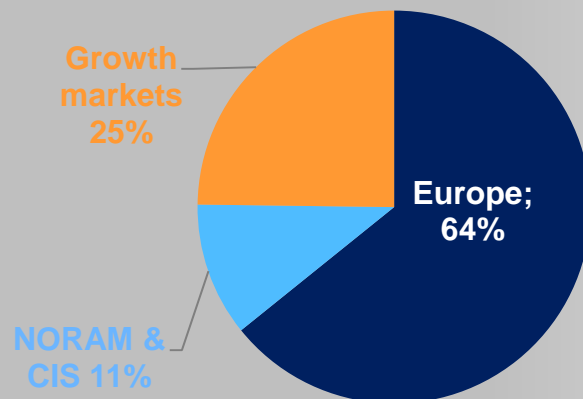
2008

H1 2012

Sales



EBIT



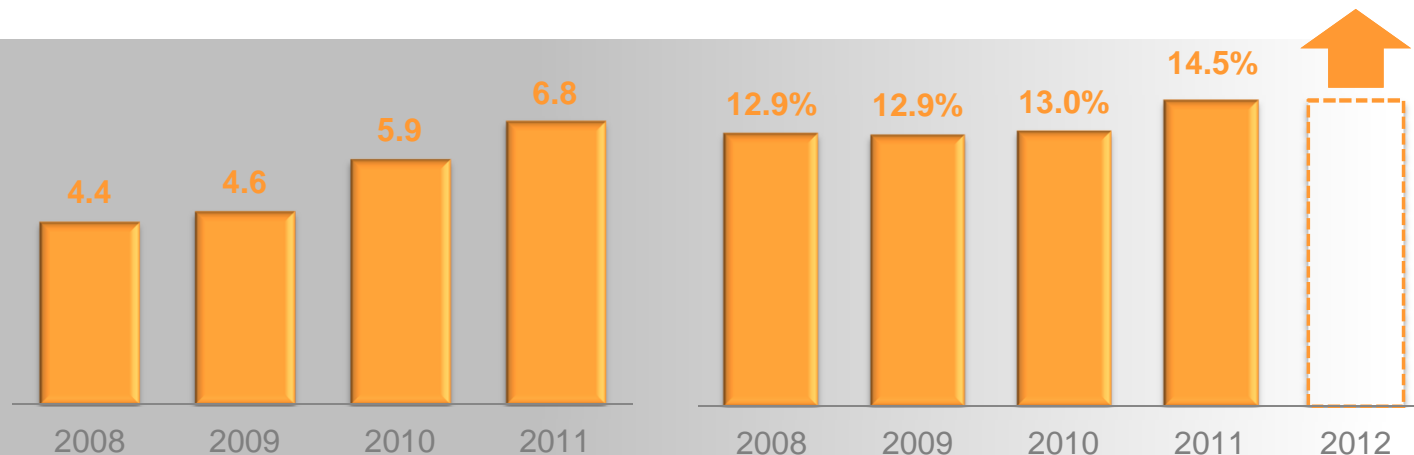


2008 - 2012: Growth markets / NORAM & CIS

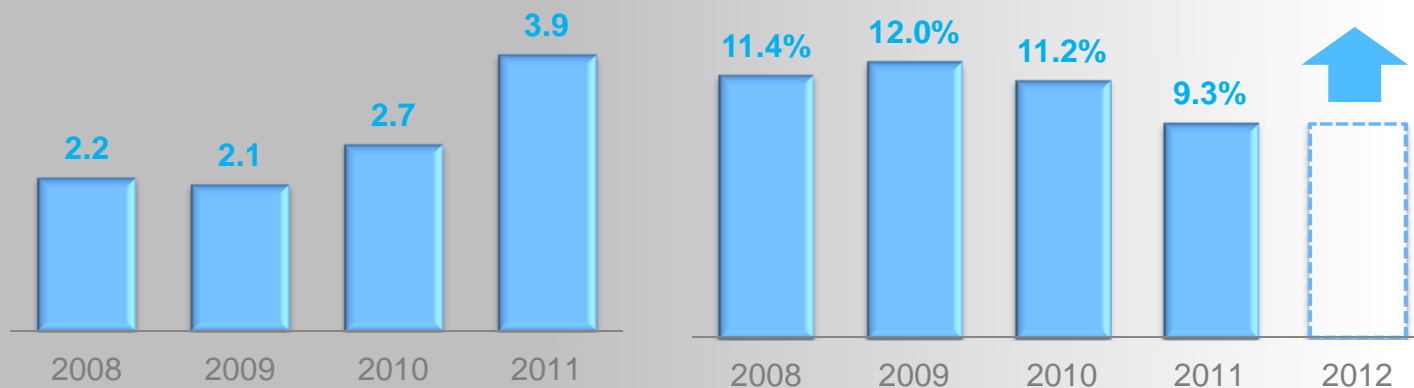
Sales (€ bn)

Trading operating margin

**Growth
markets**



**NORAM
& CIS**



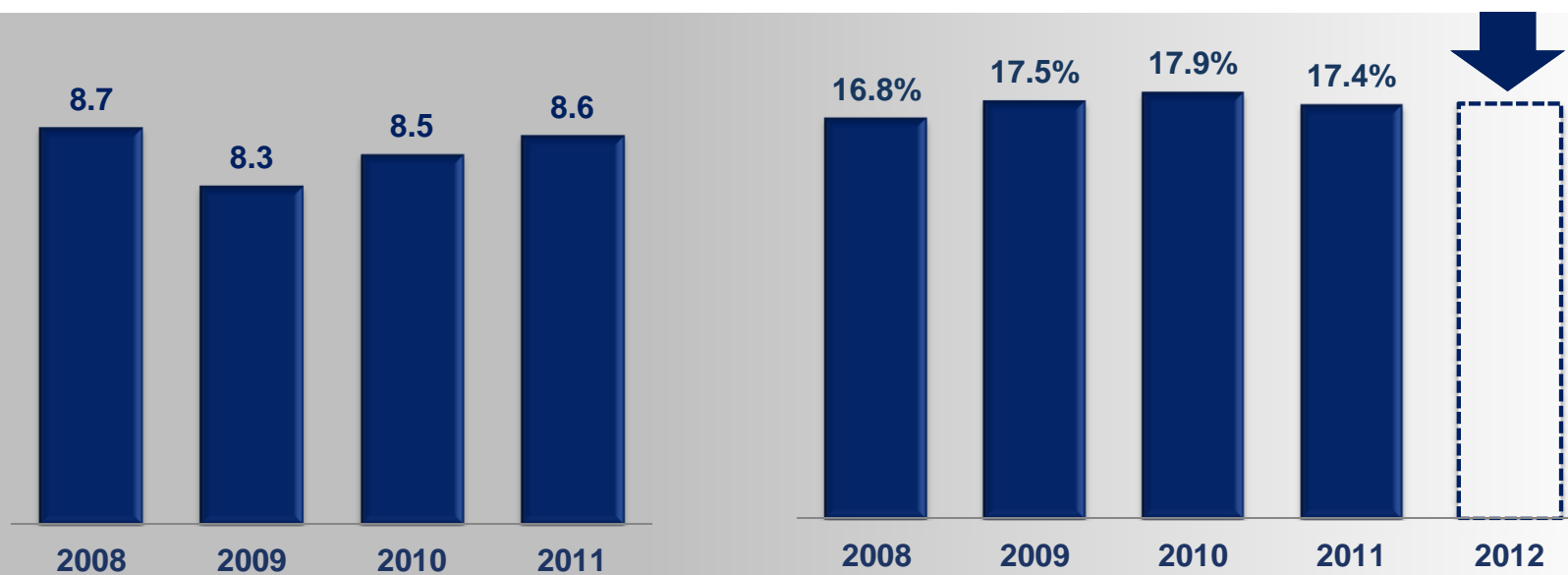


2008 - 2012: Europe (ex CIS)

Sales (€ bn)

Trading operating margin

Europe
(ex CIS)





Resulting Group equation

FY 2011	% Group Sales	LFL Growth	LFL margin change
GROWTH MARKETS	35%	+ 19%	+ [100-150]
NORAM & CIS	20%	+ 5%	+ [50-100]
EUROPE (ex CIS)	45%	+ 2%	- [50-100]
TOTAL	100%	+ 7.8%	+ 20 bps



Increasingly contrasted equations

2012	<u>% Group Sales</u>	<u>9M12 LFL growth</u>	<u>H112 LFL margin change</u>
GROWTH MARKETS	37%	+ 16%	+ [50-100]
NORAM & CIS	21%	+ 5%	+ [100-150]
EUROPE (ex CIS)	42%	- 2%	- [200-250]
TOTAL	100%	+ 5.6%	- 60 bps

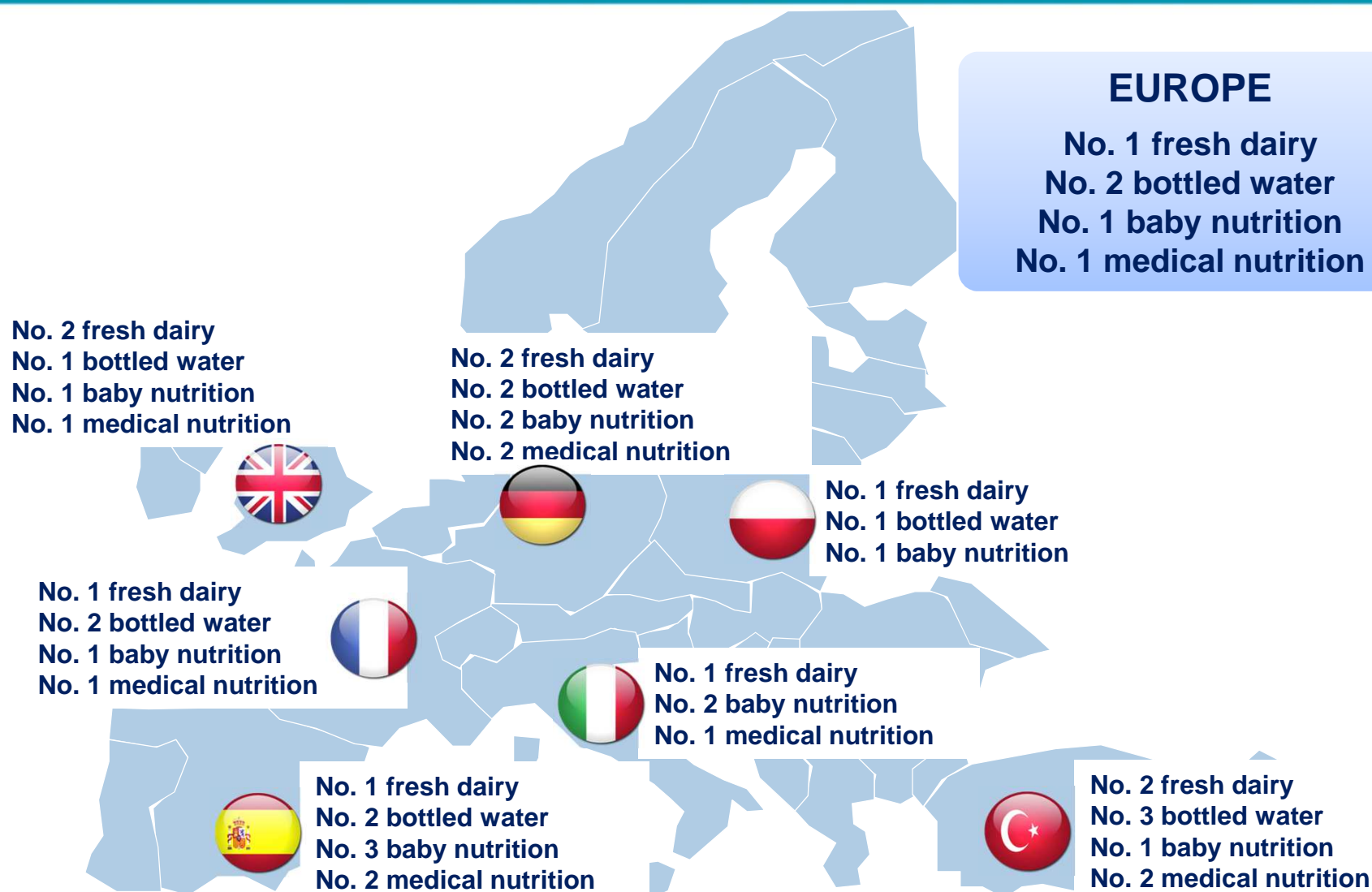
Europe: Adjusting the model





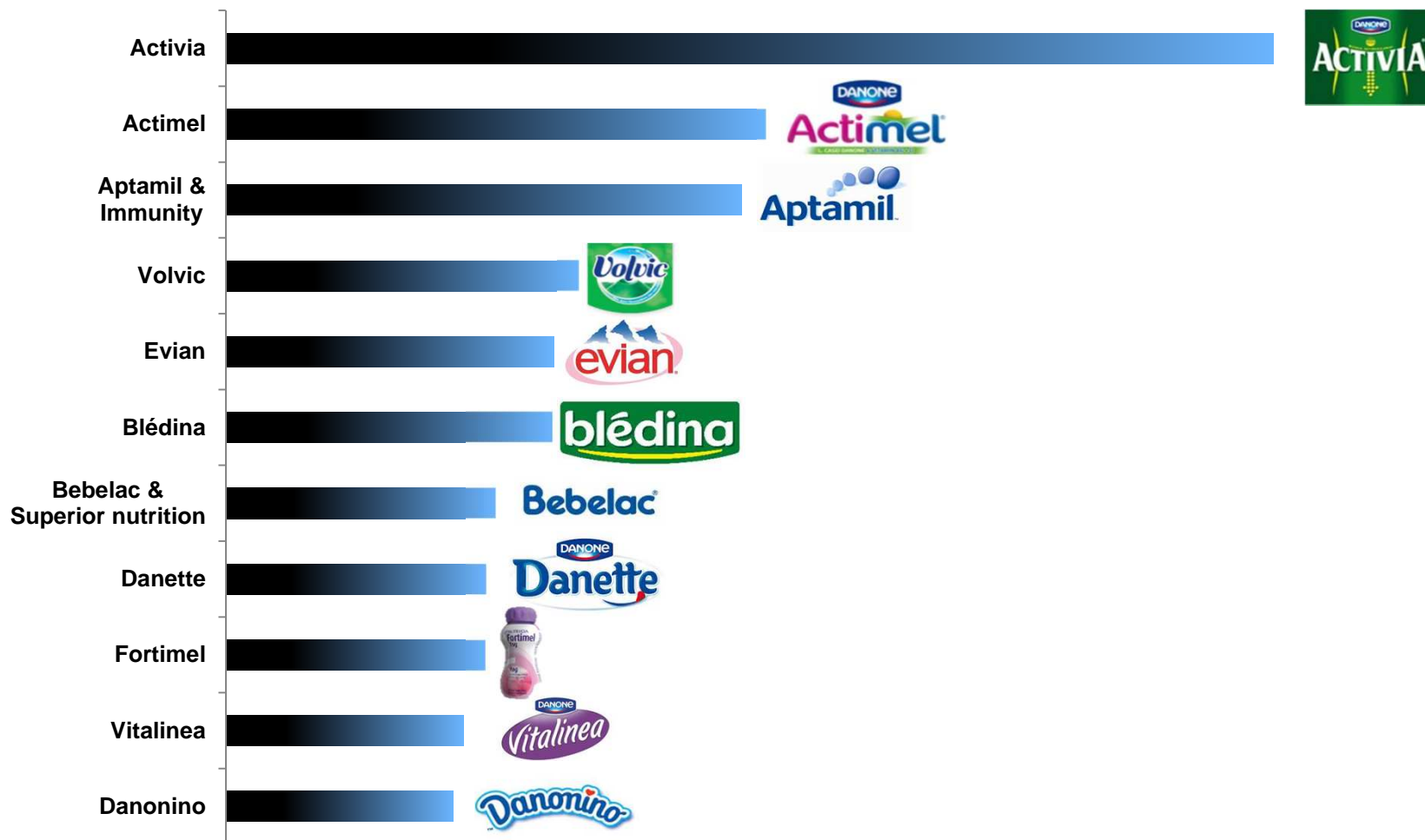
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Europe: A unique portfolio of strong positions

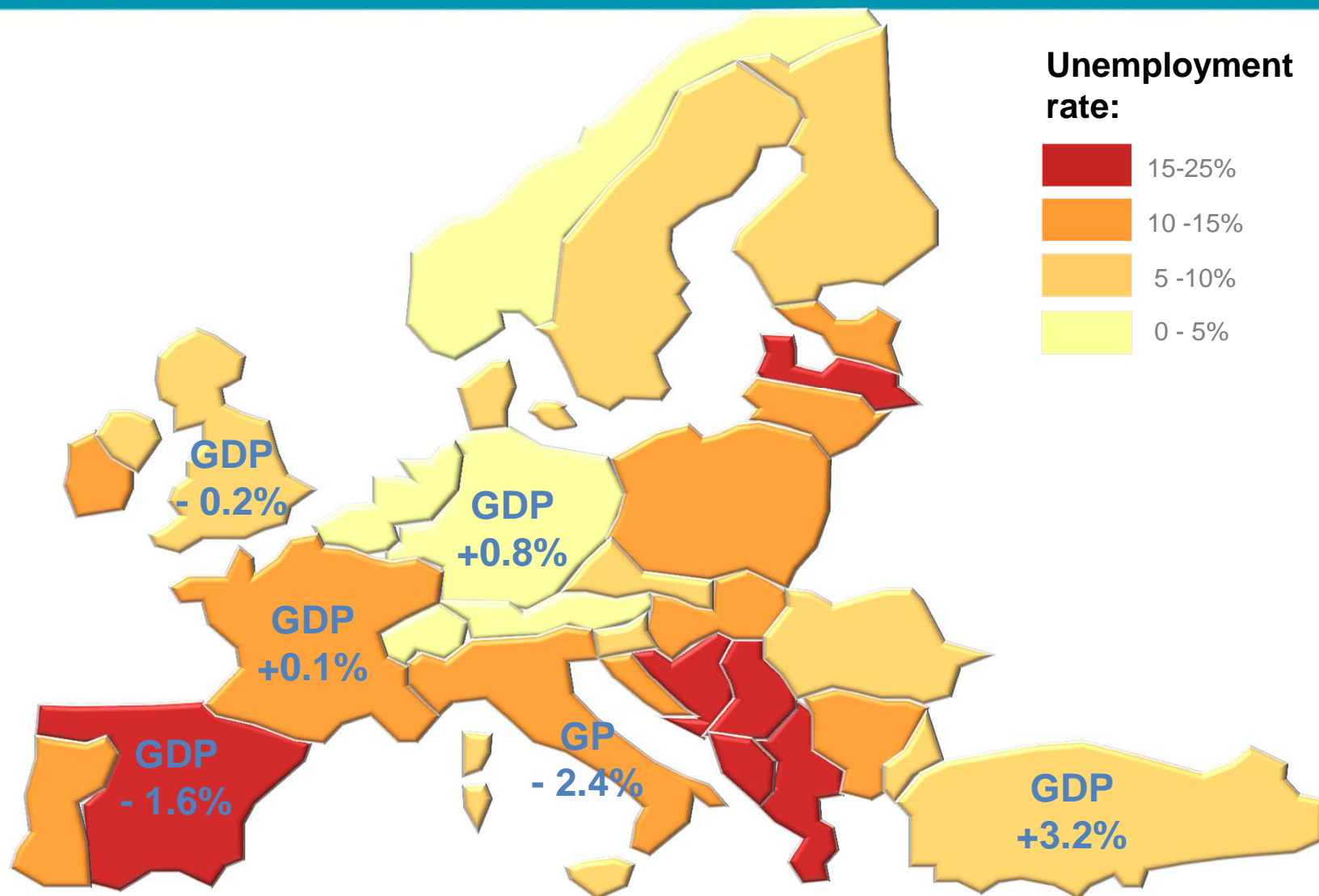




Europe: Strong brand platforms



Difficult but contrasted Macro Environment





Difficult Tax Environment

VAT increases

Spain 2010

+ 1 pt

Spain 2012

+ 2 pts

Italy 2013*

+ 1 pt

Tax increases

France package
(2013)

+ € 30 bn

Spain package
(2012 - 2014)

+ € 34 bn

Italy package
(2013)

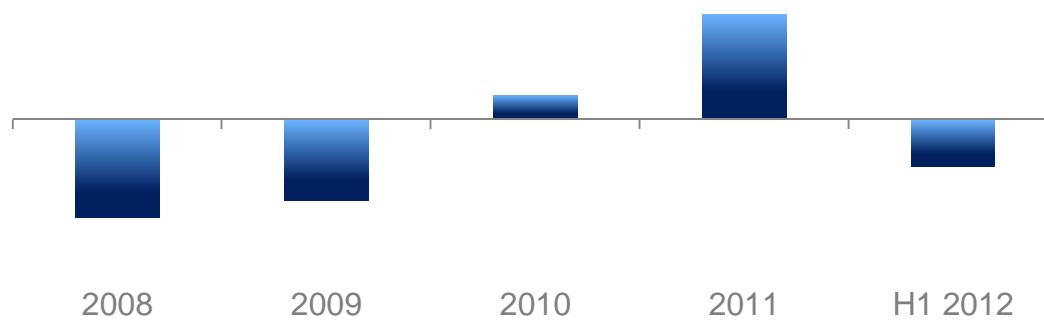
+ € 12 bn

* Under discussion

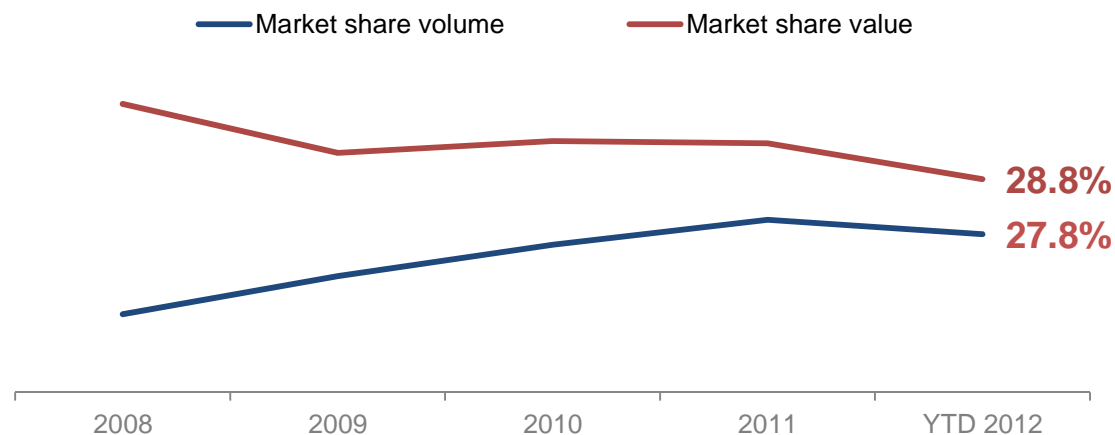
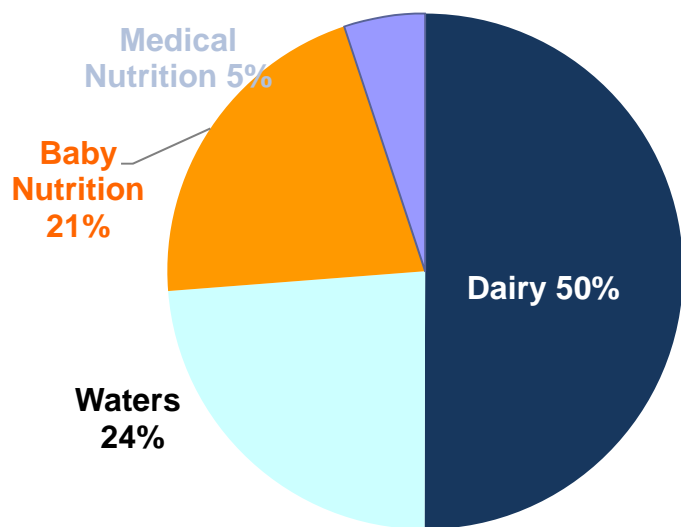


France: balanced portfolio in a balanced environment

France – Dairy sales growth



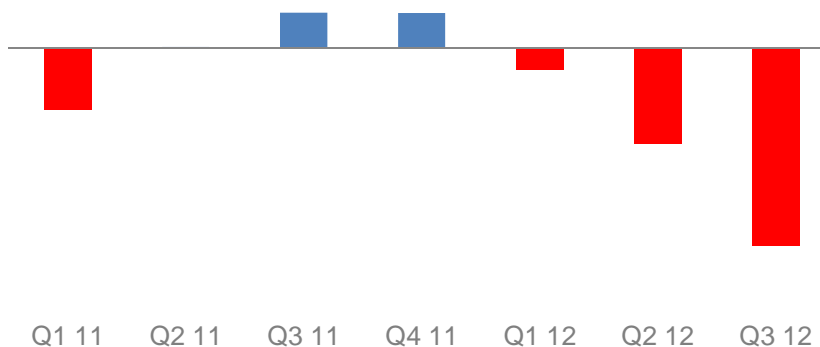
France – Sales breakdown



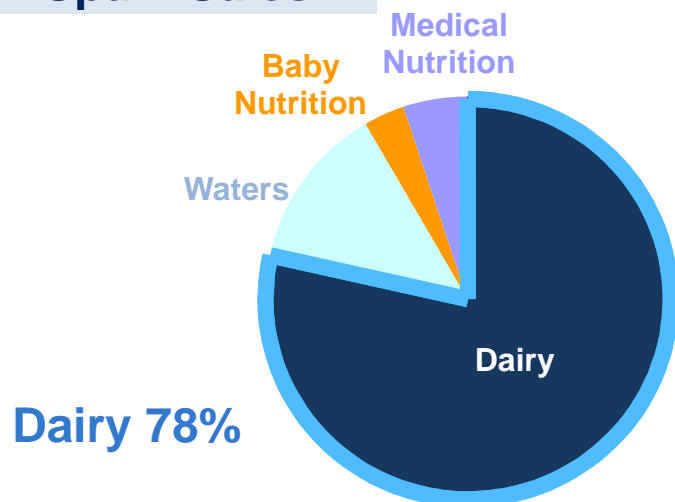


Southern Europe under pressure

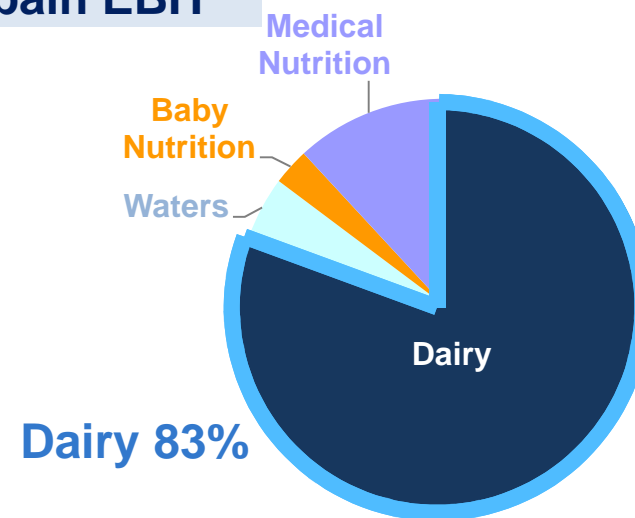
Dairy - Southern Europe - Sales growth



Spain Sales



Spain EBIT





Restoring growth in Southern Europe: A clear roadmap

Drive category growth

Deliver value for money

Deepen consumer connection



Ministry endorsement + industry collaboration



Assolatte
ASSOCIAZIONE ITALIANA LATTIERO CASEARIA

TV



Pot lid messaging

Sampling

Teachers guide



www.1algiorno.it





Restoring growth in Southern Europe: A clear roadmap

Drive category growth

The best product



Deliver value for money

The right price point



Deepen consumer connection

Differentiating innovation





Restoring growth in Southern Europe: A clear roadmap

Drive category growth

Deliver value for money



Services & Contents



Target heavy users



Deepen consumer connection

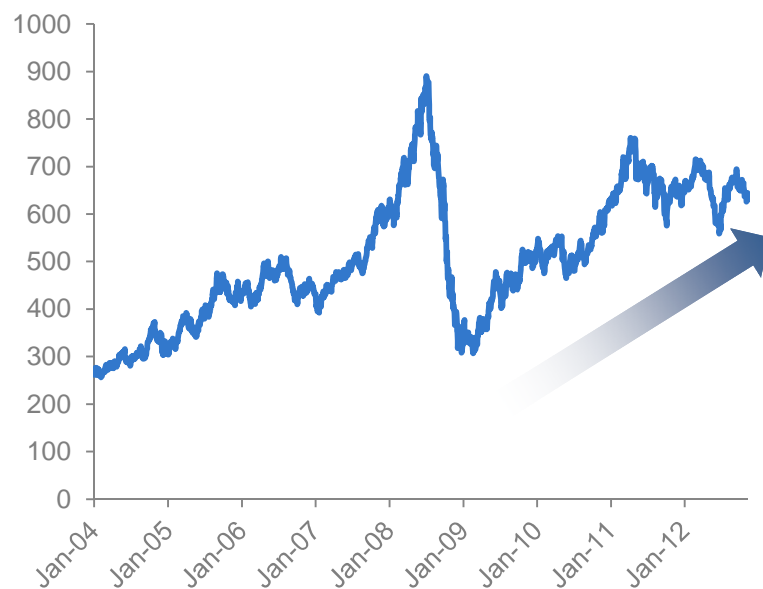


550 K users
130k Actives

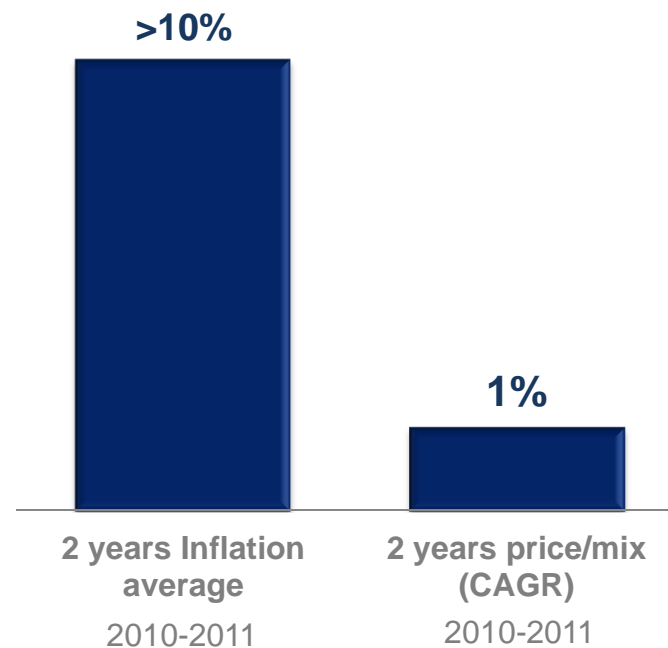


Limited inflation transfer to the consumer

GSCI Index



Price/mix vs inflation in Europe



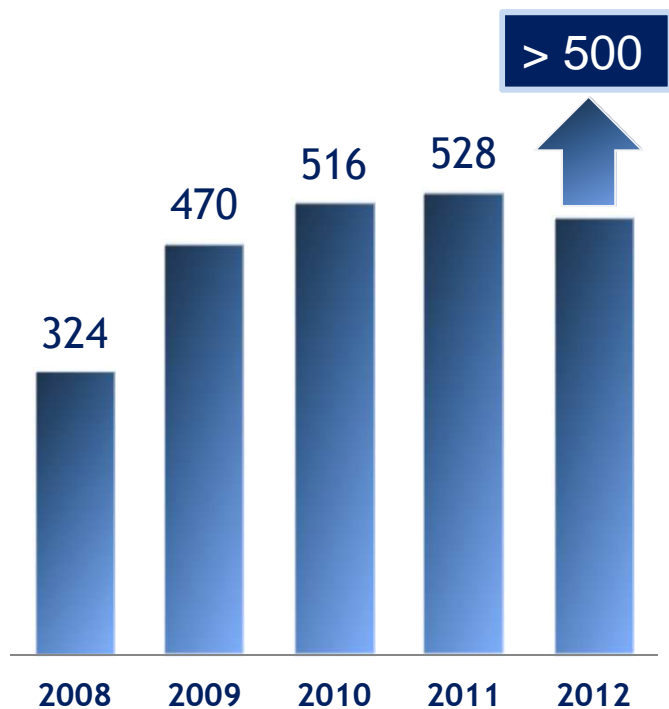
(1) Source: Bloomberg



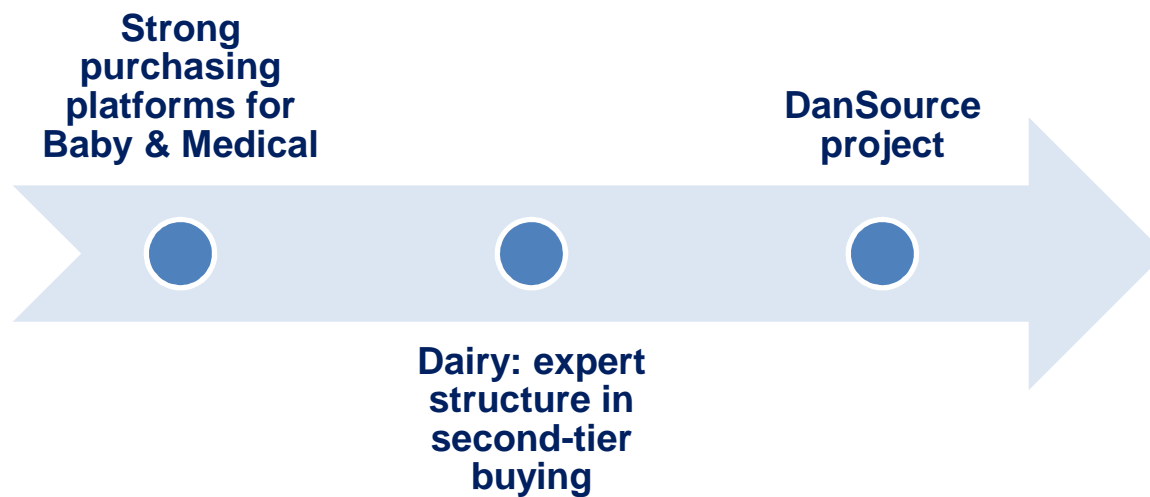
Managing margins: productivity & cost

Boosted Productivity (€ mln)

Danone productivity (€ mln)



Example: Upgrading and optimizing our purchasing organization





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Growth markets*



**Including NORAM & CIS*



Growth Markets: unique portfolio of strong positions



Danone-Unimilk

2011 priorities

Integration ✓

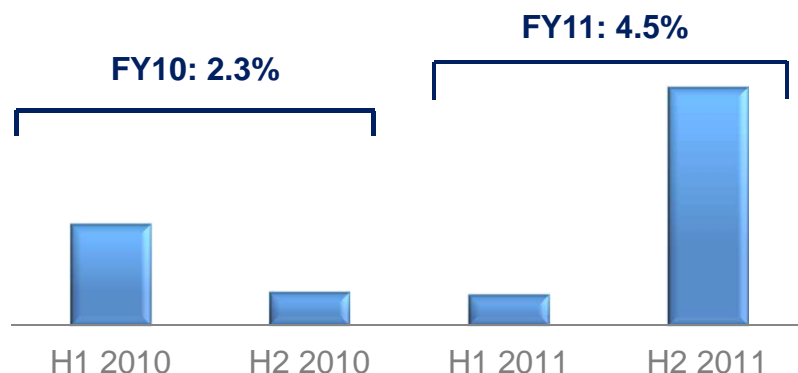
Drive efficiency to invest behind brands ✓

Segment the portfolio ✓

2012 agenda Activating the key brands



Unimilk - Trading operating margin



2012 Danone Unimilk margin

+ 100 – 200 bps

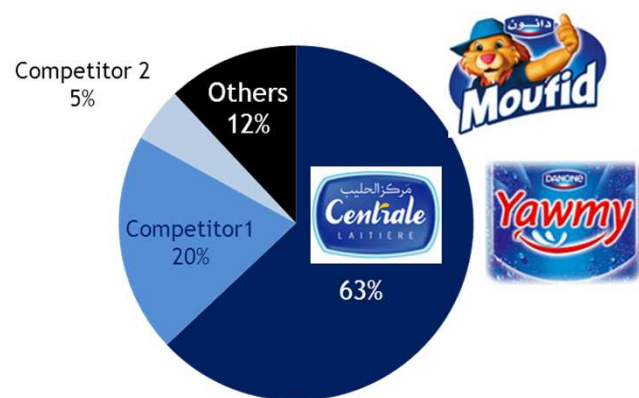


2012: new step in 2 key regions

Majority stake in CLM (Morocco)



Dairy - Value Market shares*



Acquisition of Wockhardt (India)

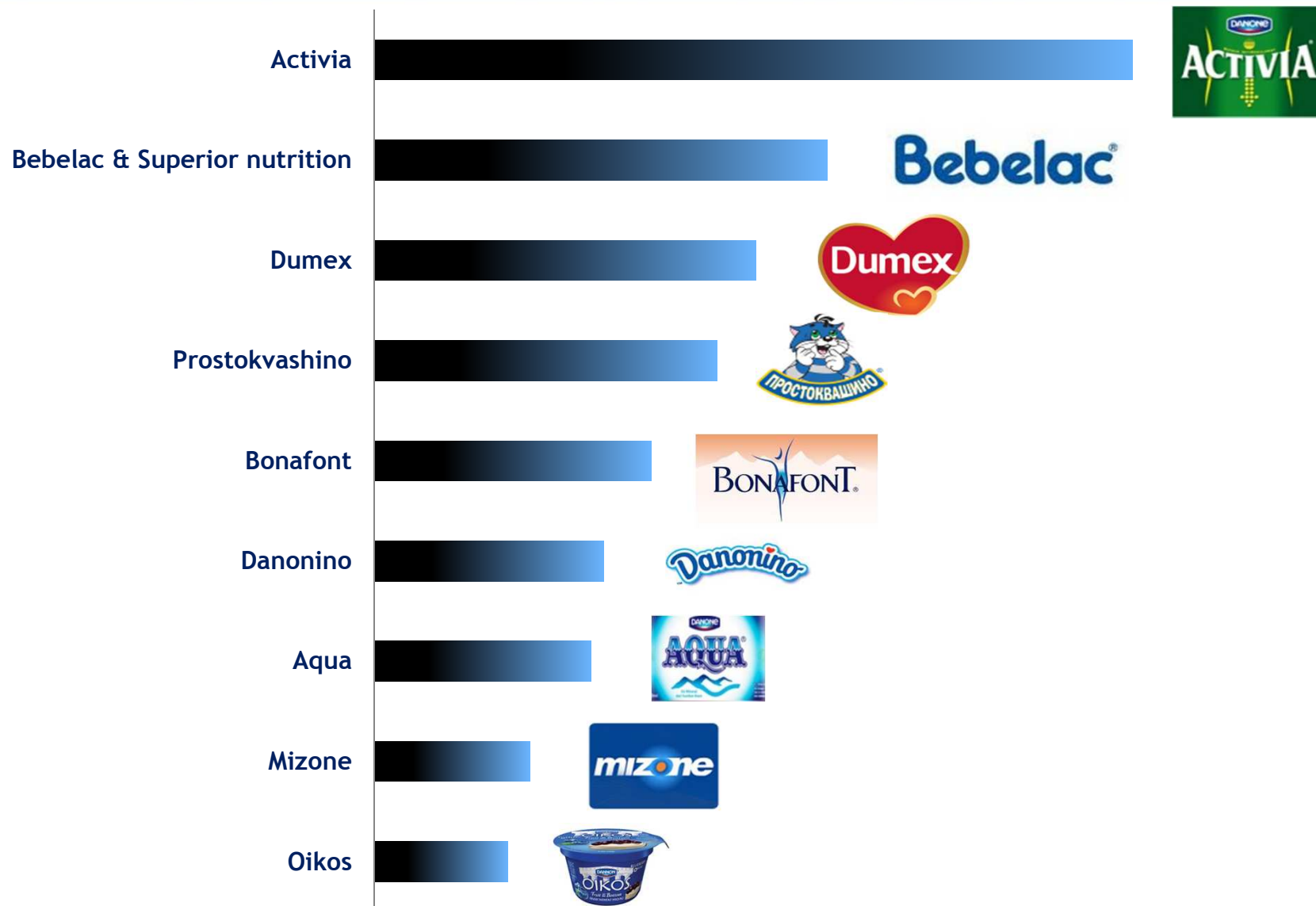


- Number 2 player
- National sales coverage
- More that 30,000 HCPs /doctors coverage
- +22% sales growth H1 2012





GM: Big brands





Growth markets: Investing behind our brands

US

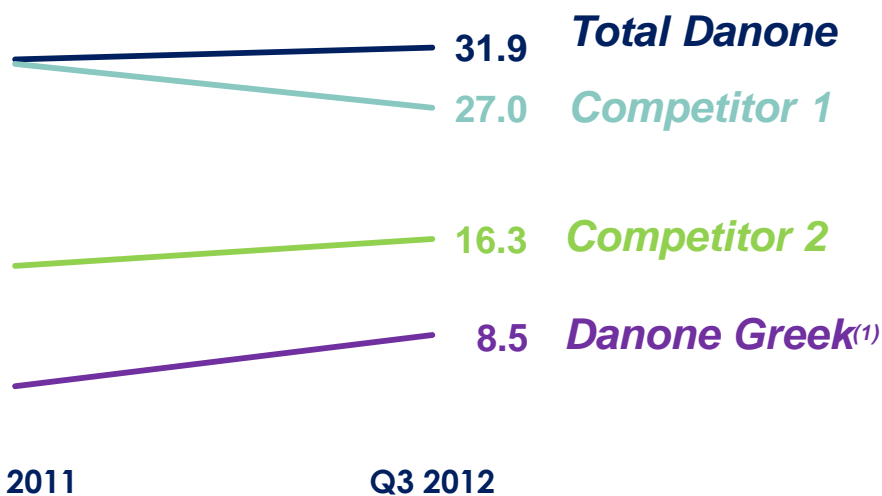


China



Value Market shares

Source : IRI Multi-Outlet with Walmart



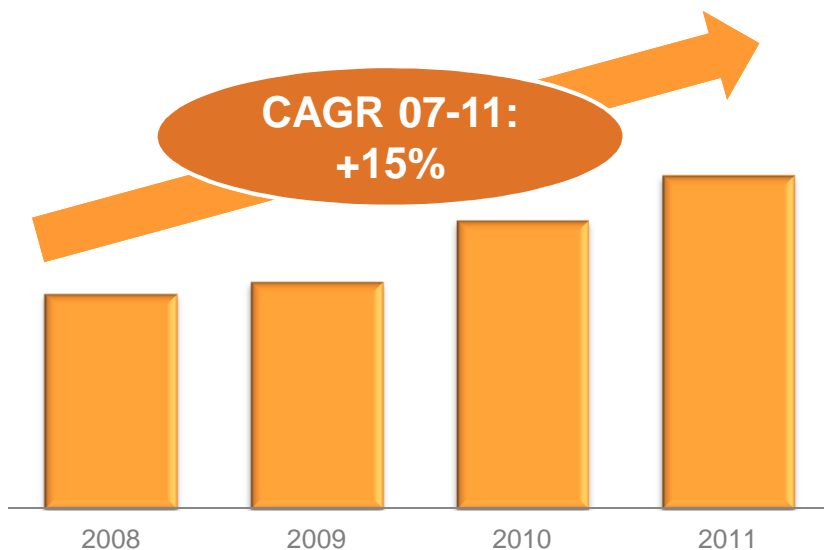
(1) Dannon + Stonyfield + Light & Fit Greek

NB: SOM in SPRE segment in Modern Trade – Source: Nielsen RI



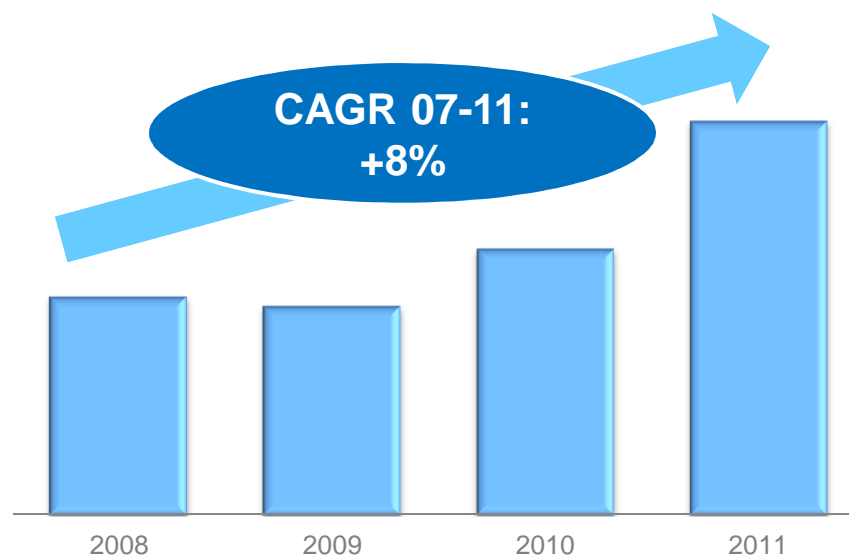
Growth markets: Consistent profitable growth

Growth markets – Sales*



LFL Margin change 2007-2011:
> +200 bps

NORAM & CIS – Sales*



LFL Margin change 2007-2011:
> +100 bps

*Sales in € mln & like-for-like CAGR growth



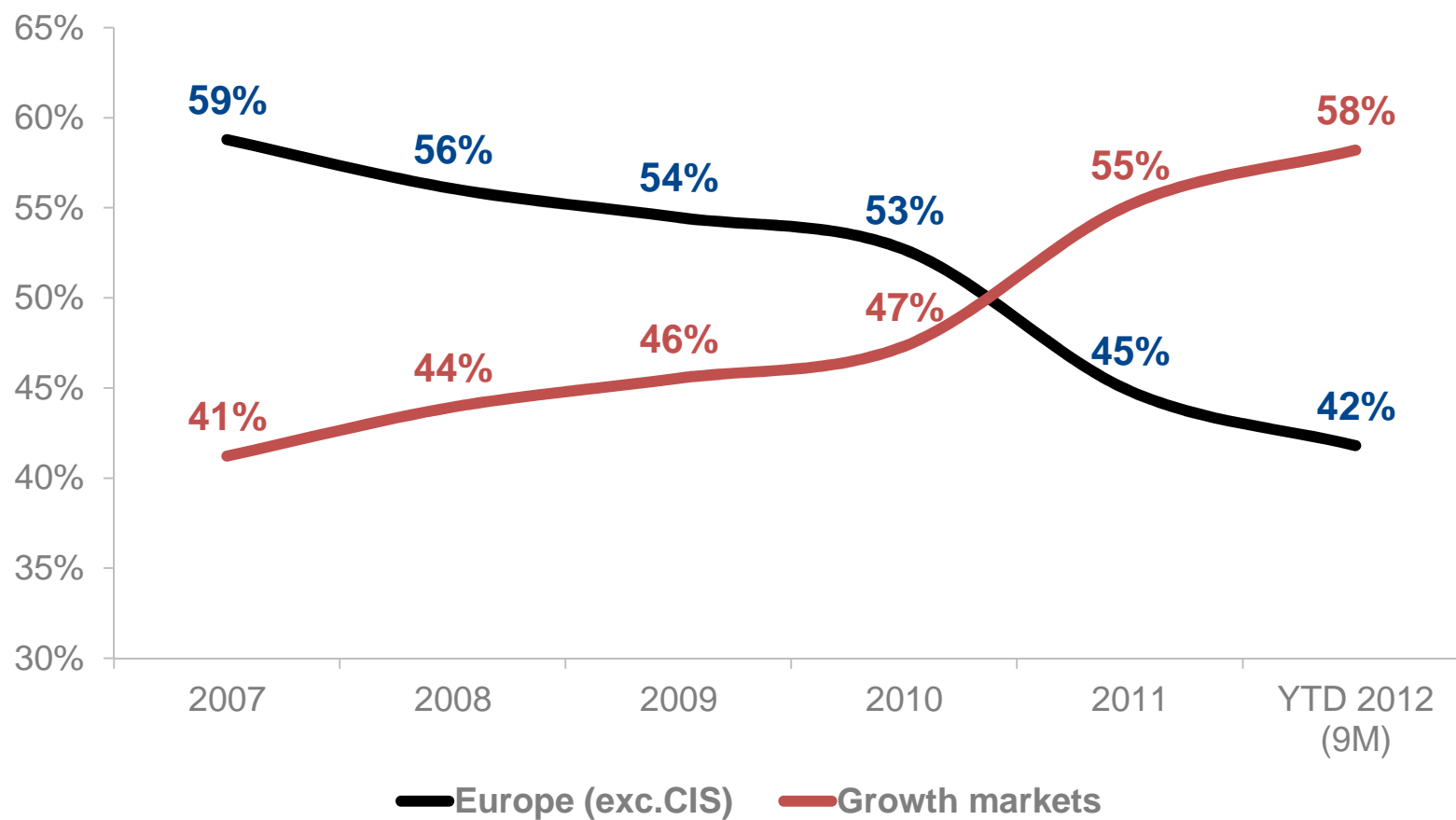
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Conclusion:



A fast moving portfolio

Evolution of sales by region





A strong engine for growth

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GROWTH MARKETS	37%	+ 16%	+ [50-100]
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TOTAL	100%	+ 5.6%	- 60 bps



A strong platform with clear priorities

A strong underlying model



Clear short term priorities:

- **Growth markets: sustain profitable growth**
- **Europe: resume top line & push productivities**