

INVESTOR SEMINAR
ST PETERSBURG 2012



Danone Dairy

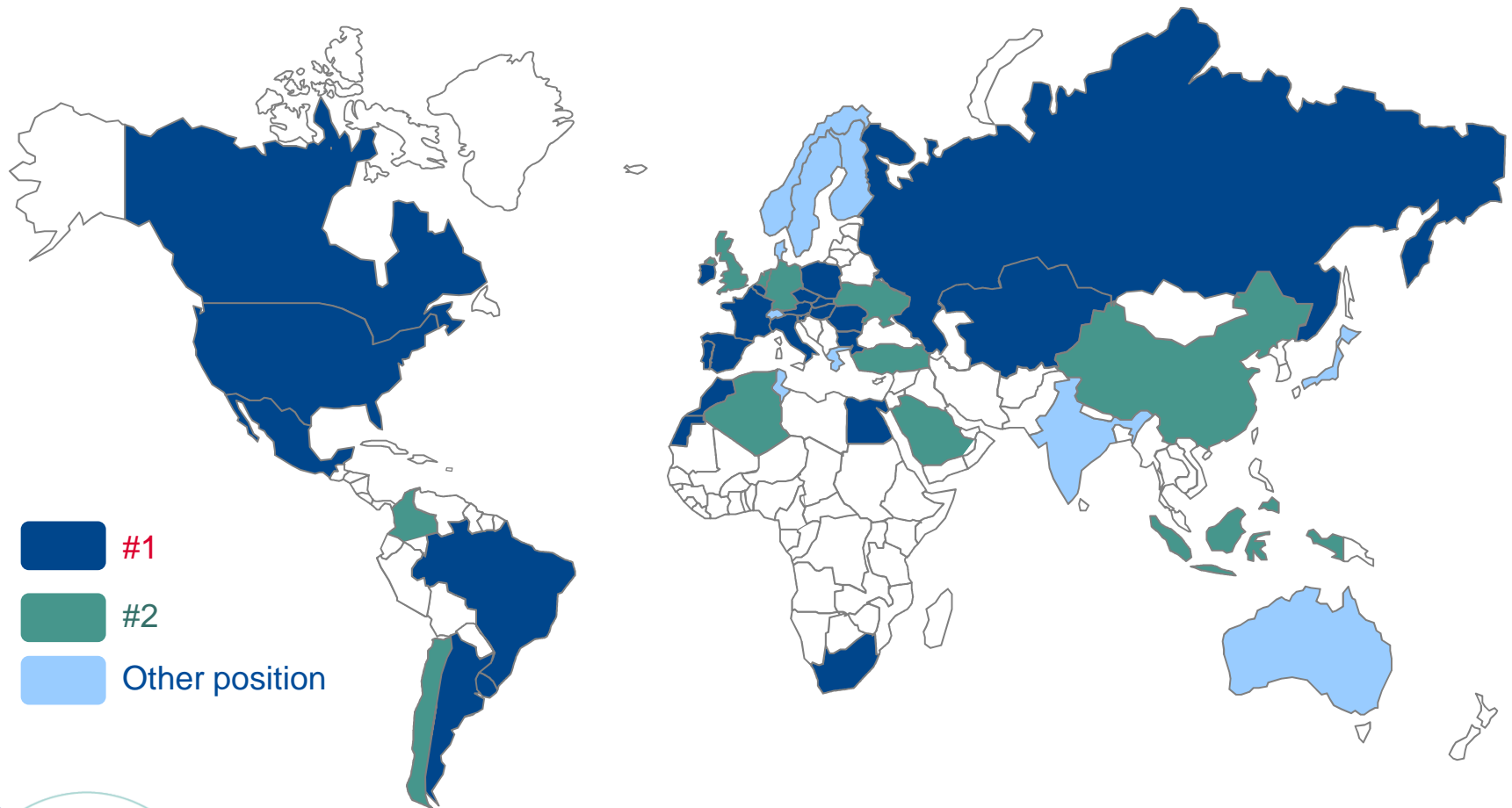
Thomas KUNZ

An undisputed leadership worldwide



Danone World Market Share in 2011 \approx 21%

More than 80% of Danone Sales from countries where we are #1



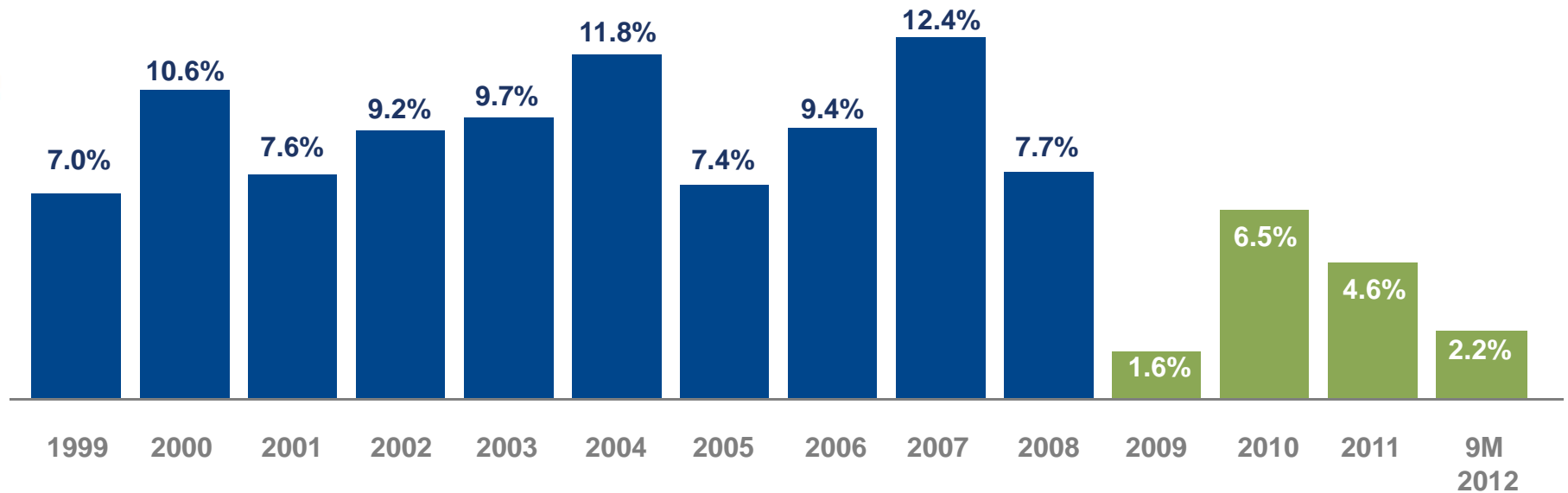
Value Market Share ytd january 2012 – retail panel (Nielsen et IRI)

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But Growth Dynamic has slowed down since 2009



Like-for-like sales growth



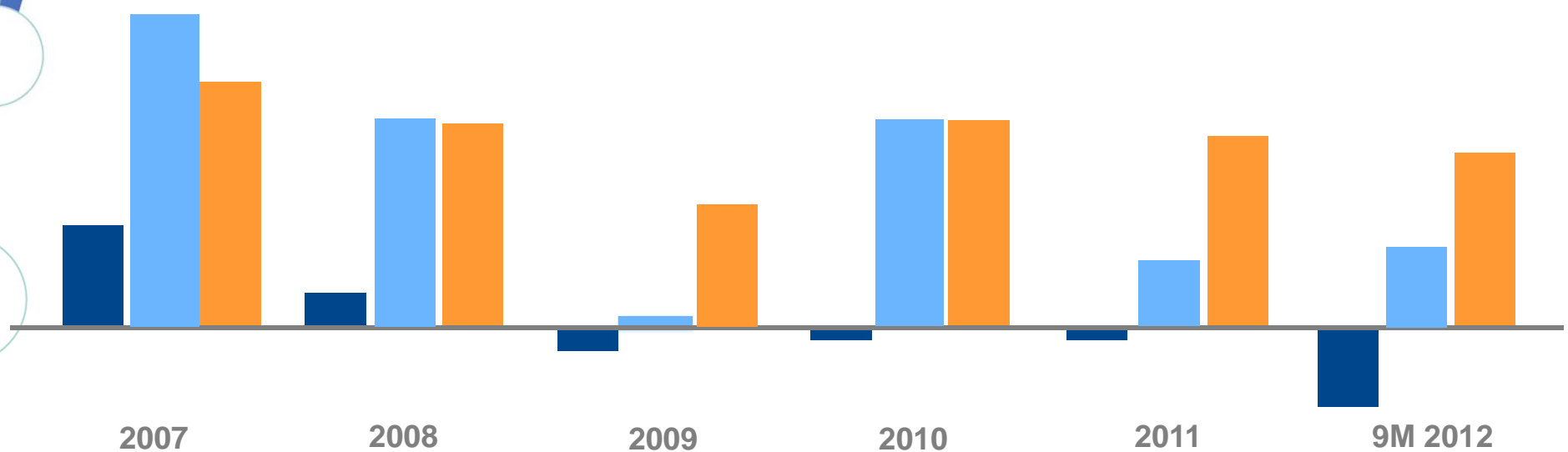
Historical data restated to exclude Bledina

Europe weakening ever more, NORAM & CIS accelerating, ROW resiliently holding growth



Like-for-like sales growth

- Europe
- NORAM & CIS
- Rest of the world

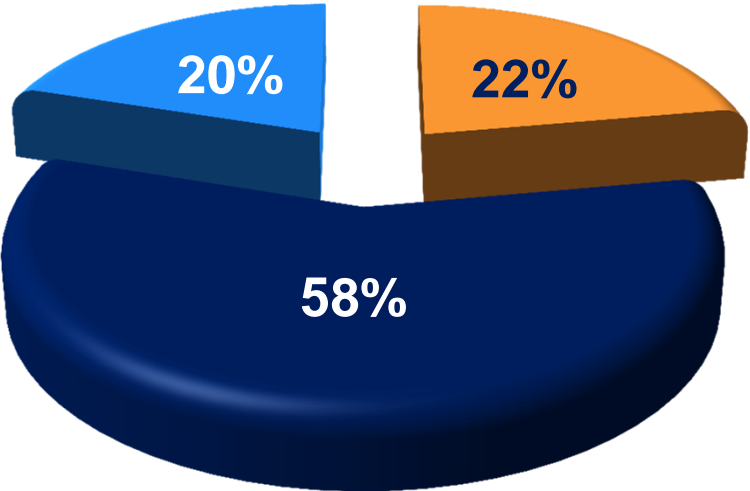


Differentiated growth trends and Unimilk integration leading to a more balanced geographical footprint

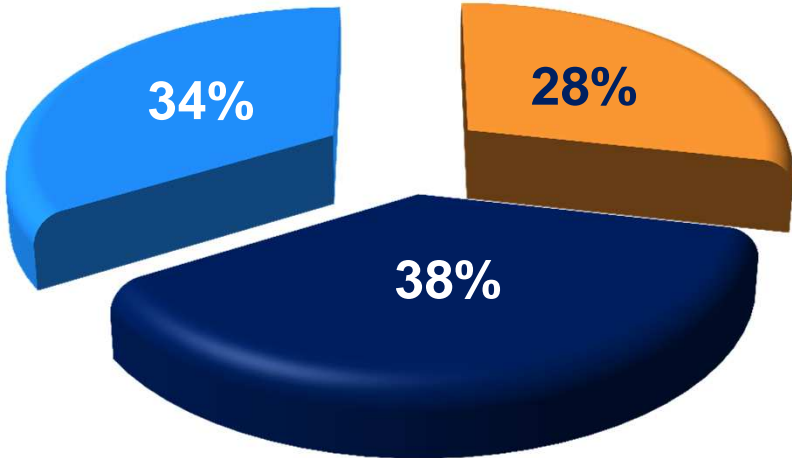


Sales by region

- Europe
- NORAM & CIS
- Rest of the world



2007



9M 2012

Source: Internal Sales Total Dairy

INVESTOR SEMINAR
ST PETERSBURG 2012



The Dairy roadmap

A new strategy for **growth**

The Dairy roadmap for growth



GROW CATEGORY



RE-CONNECT WITH CONSUMER



CRM



EXPAND GEOGRAPHICAL FOOTPRINT

STABILIZE EUROPE

CONTINUE BUILDING EMERGING

GO TO AFRICA

The Dairy roadmap for growth



CATEGORY

A deep conviction about the category



Yoghurt is essential to a balanced Diet



The perfect food



EASY TO DIGEST



NATURAL



**HIGH NUTRIENT
DENSITY**



TASTY



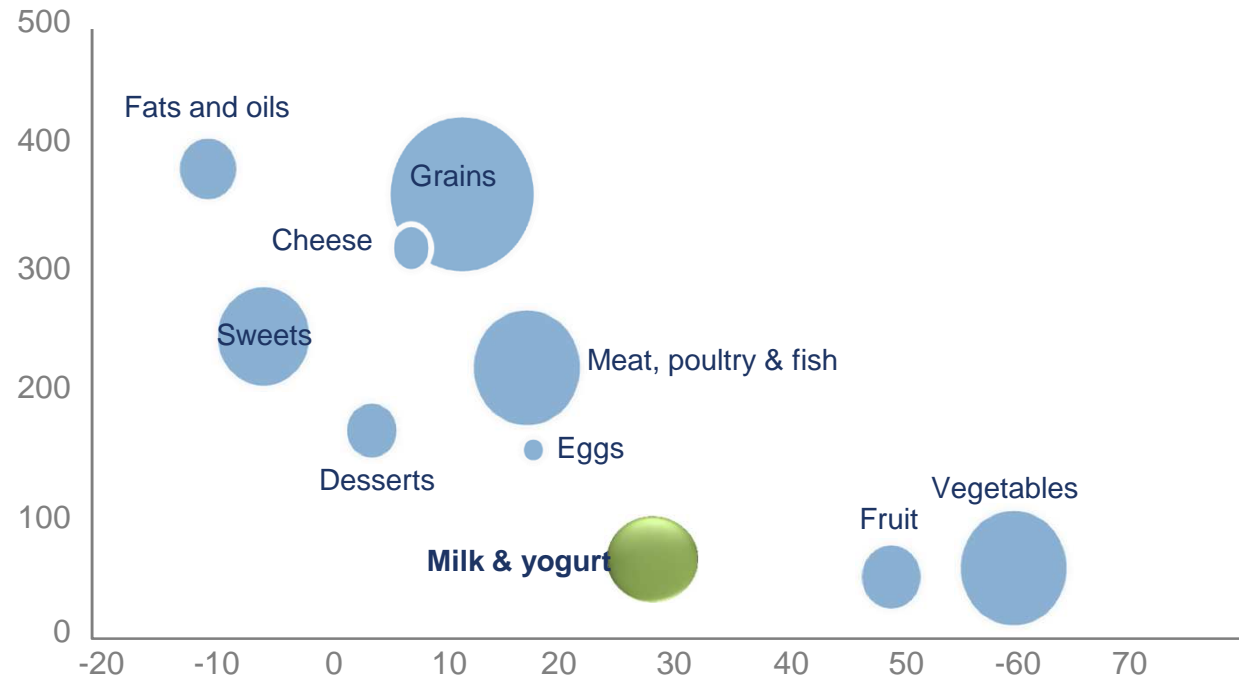
ACCESSIBLE

Yoghurt has a high nutrient density



Did you know
3

↑
Calories
/100g



→ Nutrient density per calorie

Nutrient
Density

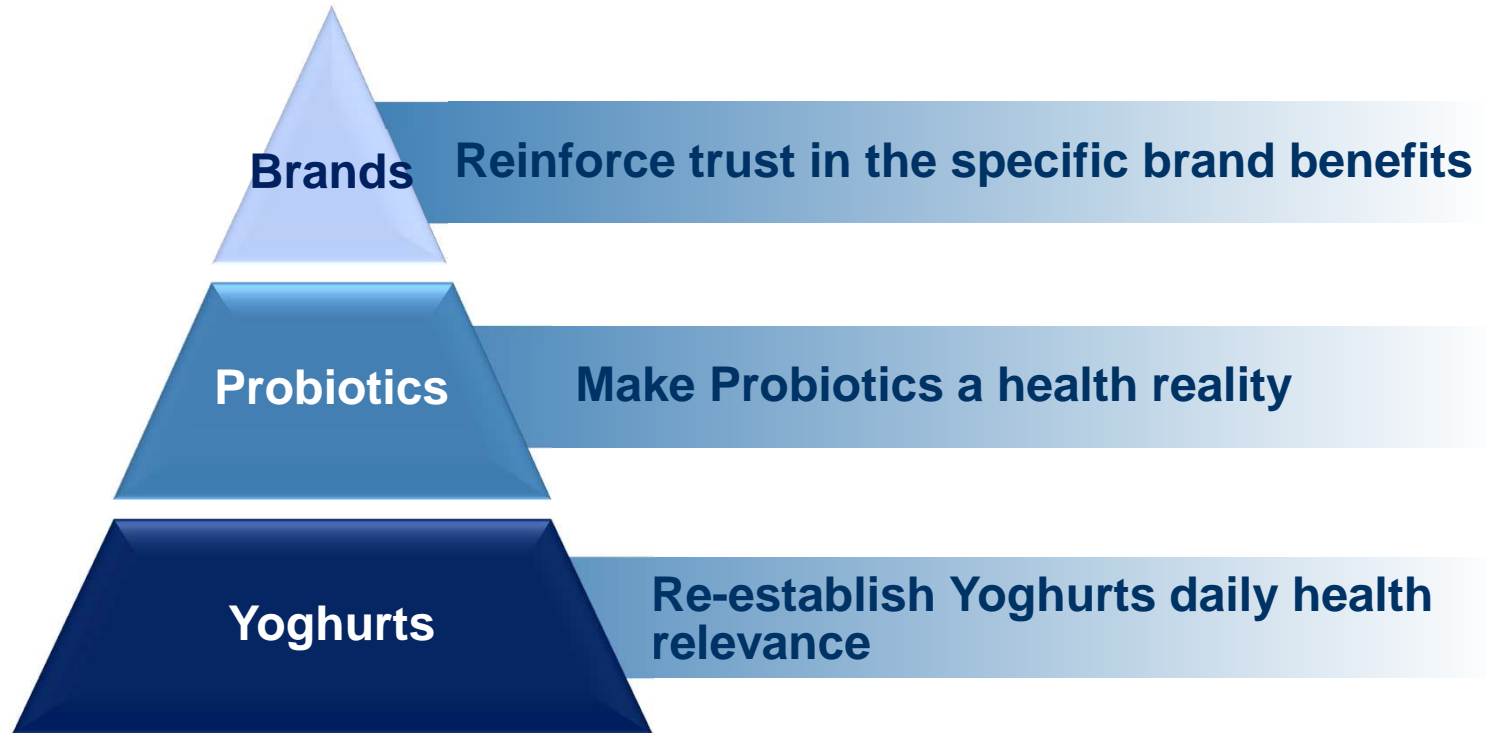
=

Algorithm

“Encouraged”
nutrients (protein,
fibre, vitamins,
minerals)

– “To limit” nutrients
(sugar, fat, sodium)

Clearly defining our Category Battles



**Rooted in Dairy as a fundamental food
to be consumed 3 times a day**

Yoghurts: our most important battle



an essential part
of a balanced diet

Yoghurt is a smart choice thanks
to its high nutrient density

Mg
24
MAGNESIUM
12
B12
15
P
B9
Potassium



Protein

Ca
20
Calcium
B2
Vit D

Yoghurt should be at least one
of our daily dairy consumption



The battle
for
YOGHURTS

With government and associations....



Ministry endorsement
Program
"Guadagnare Salute"



Sponsor :
Industry collaboration



TV



Pot lid messaging

Il Ministero della Salute raccomanda

E' un alimento bilanciato e correttamente proporzionato
Scopri di più su
www.1vasettoalgiorno.it

Sampling



Website



Teachers guide



...and direct to the consumer



On-pack DANONE



1YaD on POSMs



Promo 1 yoghurt a day



Instore

The Dairy roadmap for growth



CRM



**New consumer
connection model**

Introducing a new Marketing model



Previous Success Model

New model

Products

Obsess about specific health benefits

Obsess about delivering great products

Brands

Resource allocation mainly to subbrands

Fully leverage the strength of DANONE

Communication

Maximize broadcast GRP's

Focus on targeted engagement of heavy/medium users

The Dairy roadmap for growth



Love our Product

CRM

DANONE

New consumer
connection model

We have a new obsession



New technologies

**Irresistible
Products**

**Love our
Product**

**Great
Packaging**

Innovation

**Clear
Portfolio**

Visible quality for consumers



Visible quality for consumers



Before



After



Create value thru innovation

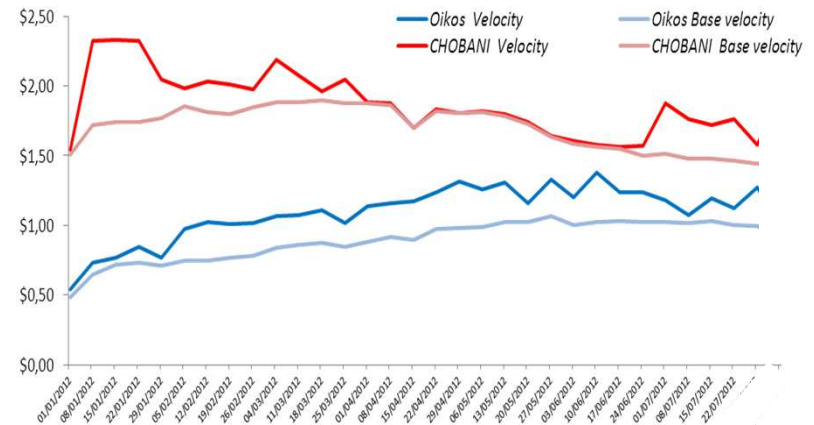


Confirmed success of Oikos in Noram



Triangle of awesomeness

OIKOS USA closing the gap on velocity with competitor and leading velocity in Canada



Launch in July 2012
22% of total brand
Light & Fit franchise
come back to
positive

Also successful under Light & Fit



Sales/KG
COGS/KG

+40%

X2

Highly valorized platform

The Dairy roadmap for growth



Love our Product

CRM



New consumer
connection model

Communication

OLD

Maximize broadcast
GRP's

NEW

Focus on targeted
engagement of heavy/medium
users



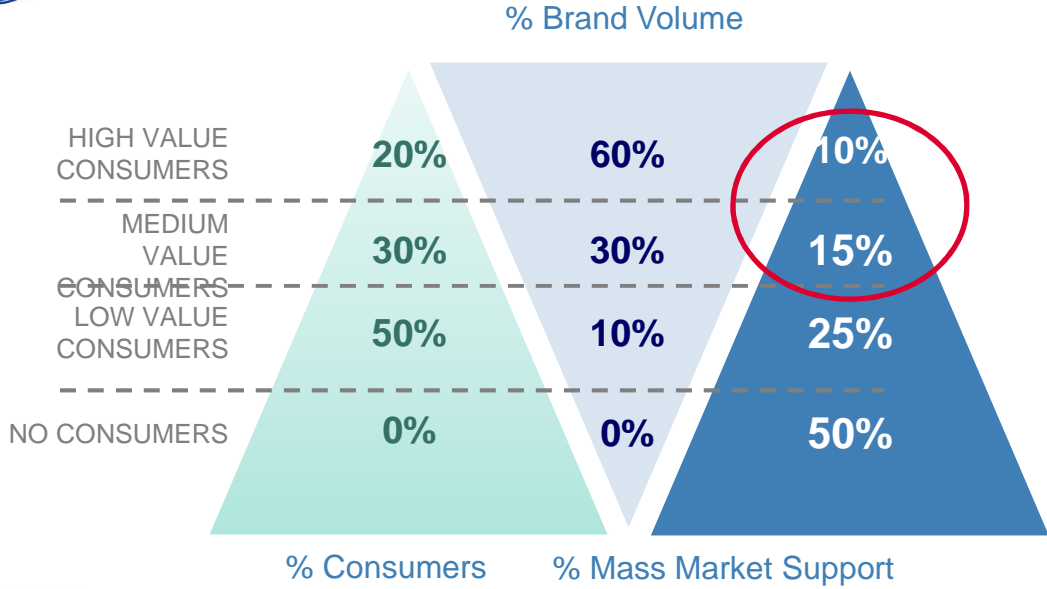
**Don't count
the people you reach...**

...

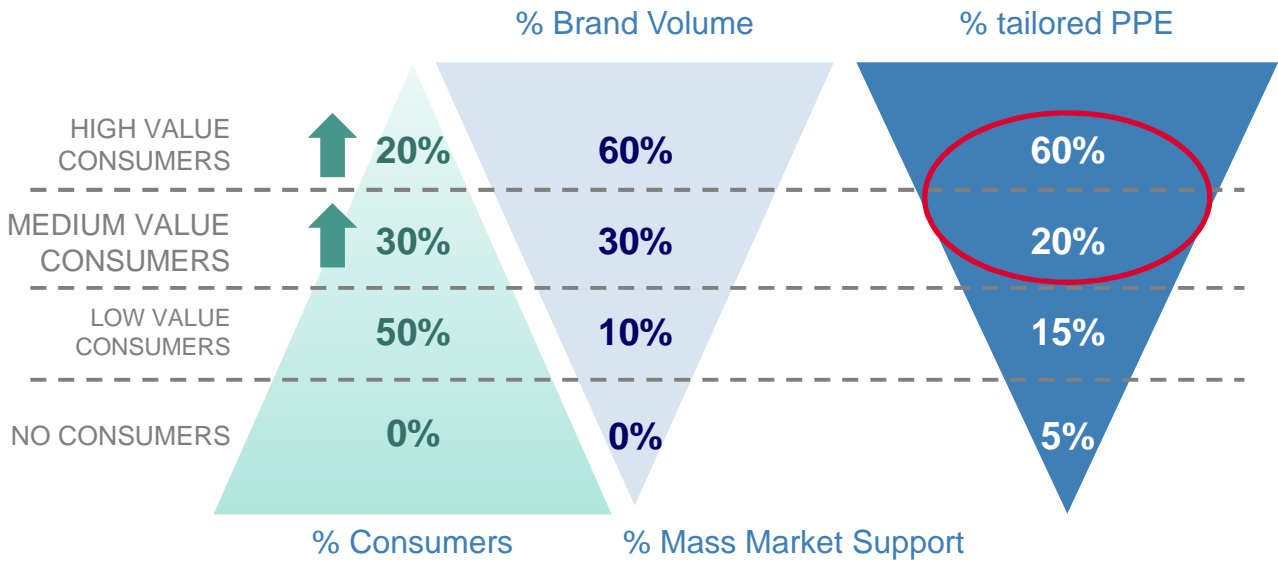
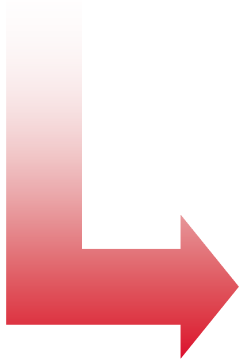
**Reach
the people who count**

From mass media to targeted investment on high value consumers

CRM



Recruiting a new consumer costs 7 times more than selling to existing consumers *





CRM will be from **DANONE BRAND**

aiming at increasing **LIFETIME VALUE**
of Heavy Users Households

ECONOMIC VALUE

EMOTIONAL LOYALTY

INCREMENTAL SALES

short term

**BRAND IMAGE &
ENGAGEMENT**

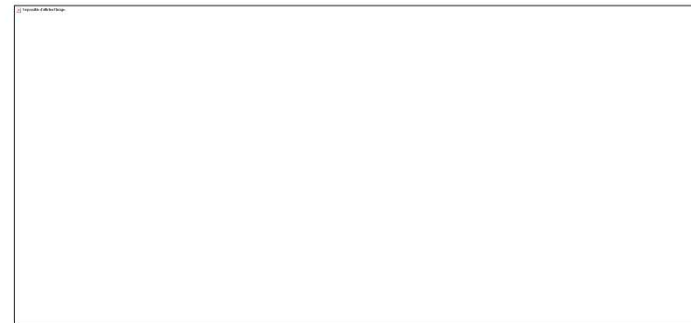
medium/long term

Danone CRM will deliver economic value & sales up lift

CRM



E-COUPONS + LOYALTY GIFTING PROGRAMS



Accelerate recruitment thru Pin codes on every product + QR codes + media

The Dairy roadmap for growth



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CRM



New consumer
connection model

OLD

NEW

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mainly to subbrands

Fully leverage the strength
of DANONE

The Dairy roadmap for growth



**STABILIZE
EUROPE**

**CONTINUE
BUILDING
EMERGING**

GO TO AFRICA

GEOGRAPHIES

Stabilizing Europe



Adapt Portfolio & offers to new context

ENTRY
Recruitment

UPSIZING
Increase PCC

FAMILY SIZE
Versatility tool

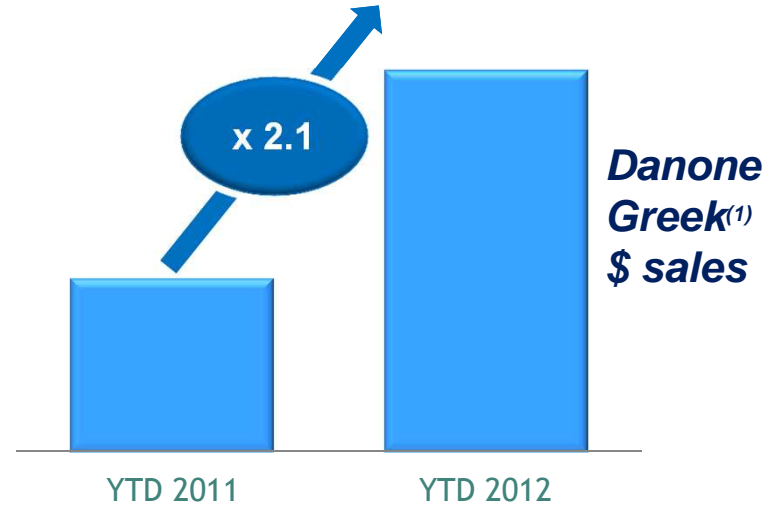


Consumer connection:
Great products
CRM



Continue Productivities & Adapt organisation

US: Widening the leadership gap



US Value Market shares

Source : IRI Multi-Outlet with Walmart

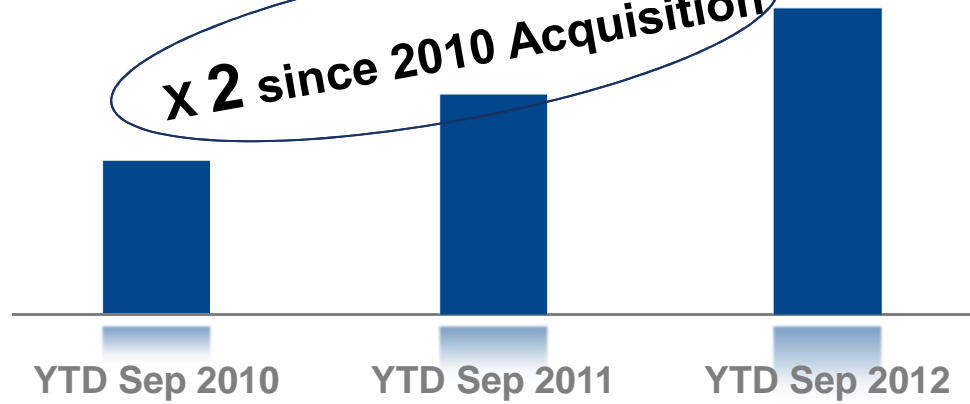


(1) Dannon + Stonyfield + Light & Fit Greek

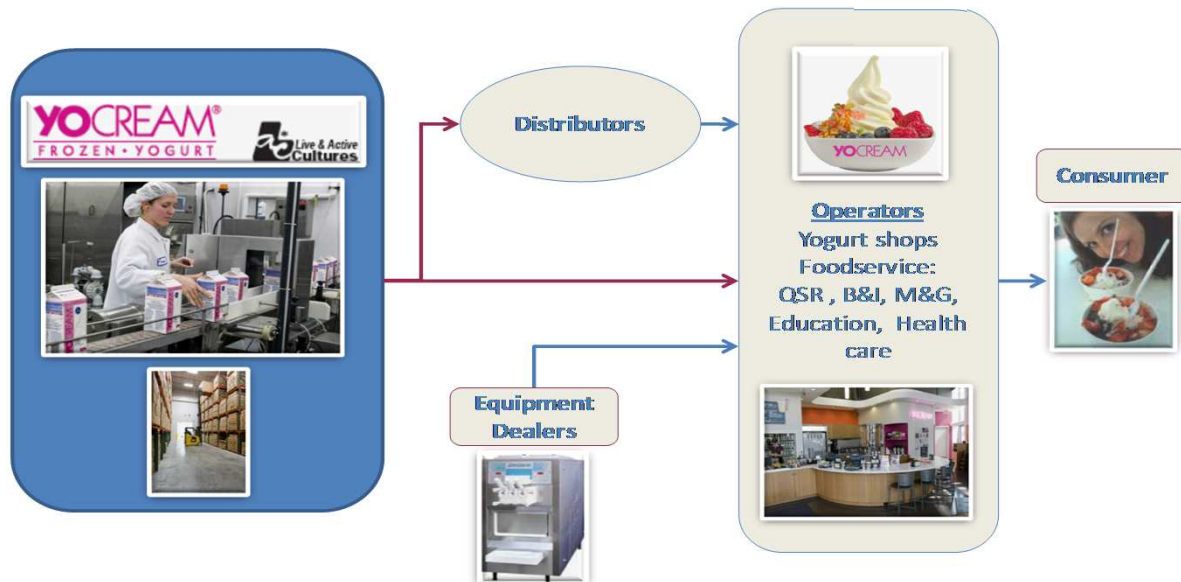
YoCream



X 2 since 2010 Acquisition



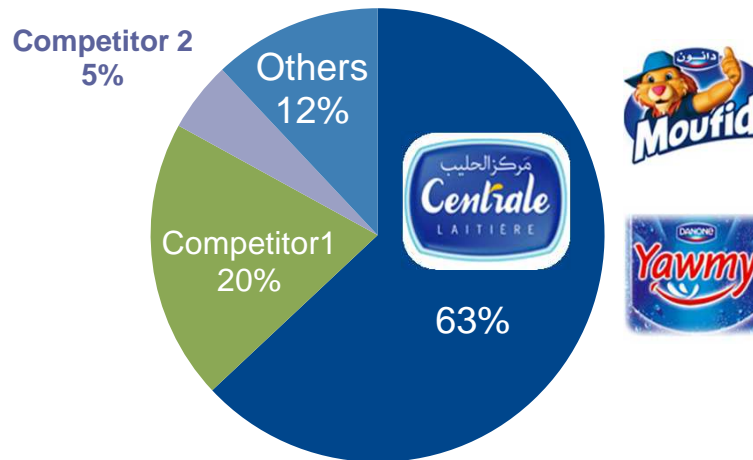
Rapid growth attained with addition of new moments of consumption.



Danone becomes majority shareholder of Centrale Laitière in Morocco



Dairy – Value Market shares*



2011 Sales: ca. € 600 mln

2011 EBITDA Margin: 16.9%



We are well armed to execute our priorities in our geographies



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