



DANONE

DANONE
€7,000,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this document (the “**Base Prospectus**”), Danone (formerly Groupe Danone), (“**Danone**” or the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed €7,000,000,000 (or the equivalent in other currencies) and may be denominated in any currency. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €1,000 (or the equivalent amount in any other currency at the issue date).

This Base Prospectus replaces and supersedes the Base Prospectus dated 26 October 2010.

Application has been made to the Autorité des marchés financiers (the “**AMF**”) in France for approval of this Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading. References in this Base Prospectus to the “**Prospectus Directive**” shall include the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in the relevant Member of the European Economic Area.

Application may be made to Euronext Paris for the period of 12 months from the date of this Base Prospectus for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area (“**EEA**”) for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, appearing on the list of regulated markets issued by the European Commission (a “**Regulated Market**”).

However, Notes that are not listed and admitted to trading on a Regulated Market may also be issued pursuant to the Programme.

The relevant final terms (the “**Final Terms**”) (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and if so, the relevant Regulated Market in the European Economic Area.

Danone may be replaced and substituted by any of its Subsidiaries (as defined in Condition 16) as principal debtor (the “**Substituted Issuer**”) in respect of any Notes, subject to the satisfaction of certain conditions (as described in Condition 16).

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”), as more fully described herein.

Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “**Terms and Conditions of the Notes-Form, Denomination, Title and Redenomination**”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or (b) in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iii)), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Materialised Notes will be in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest and talons attached on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in “**Temporary Global Certificates issued in respect of Materialised Bearer Notes**”) upon certification as to non-U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined below) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Notes issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the Regulation (EC) No. 1060/2009 on credit ratings agencies (the “**CRA Regulation**”). Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. 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.

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions and will be set out in the relevant Final Terms.

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

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

Arranger
BNP PARIBAS

Dealers

BNP PARIBAS

CITI

CRÉDIT AGRICOLE CIB

HSBC

J. P. MORGAN

MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

THE ROYAL BANK OF SCOTLAND

*This document constitutes a base prospectus for the purpose of Article 5.4 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 Base Prospectus should be read and construed in conjunction with any supplement hereto and with any other documents incorporated by reference (see “Documents Incorporated by Reference”) and, each of which shall be incorporated in, and form part of this Base Prospectus in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the “**Prospectus**”.*

No person has been authorised to give any information or to make any representation other than those contained in this Base 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 the Dealers or the Arranger (each as defined in “General Description of the Programme”). Neither the delivery of this Base 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 the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or of the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme 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 Base 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 Base Prospectus, any Final Terms 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 Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, France and Germany. For a description of certain restrictions on offers and sales of Notes and distribution of this Base 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, and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered 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**”) or, in the case of Materialised Notes in bearer form, the U.S Internal Revenue Code of 1986, as amended (the “**U.S Internal Revenue Code**”)).*

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

The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other information incorporated by reference in this Base 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 Arranger or the Dealers that any recipient of this Base 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 Base Prospectus and its purchase of Notes should be based upon such

investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “General Description of the Programme”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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(s) (or any person acting on behalf of any 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 relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on European Union, as amended, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “CHF”, “Swiss francs” are to the lawful currency of Switzerland and references to “Renminbi” or “RMB” are to the currency of the People's Republic of China (“PRC”).

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SUMMARY OF THE PROGRAMME

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has not implemented the changes to the Summary requirements under the Directive 2010/73/EU (the “**2010 PD Amending Directive**”):

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference, by any investor. Following the implementation of the relevant provisions of Directive 2003/71/EC (the “**Prospectus Directive**”) in each Member State of the European Economic Area (an “**EEA State**”) no civil liability will attach to the Responsible Person(s) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has implemented the changes to the Summary requirements under the 2010 PD Amending Directive:

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference, by any investor. Following the implementation of the relevant provisions of Directive 2003/71/EC, as amended by Directive 2010/73/EU, (the “**Prospectus Directive**”) in each Member State of the European Economic Area (an “**EEA State**”) no civil liability will attach to the Responsible Person(s) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this summary.

I. KEY INFORMATION ABOUT NOTES TO BE ISSUED UNDER THE PROGRAMME

Issuer:	Danone (formerly Groupe Danone)
Guarantor	Danone if there is a substitution of the Issuer (as described in Condition 16)
Substituted Issuer	Danone may be replaced and substituted by any of its Subsidiaries (as defined in Condition 16) as principal debtor in respect of the Notes.
Arranger:	BNP Paribas

Dealers:	<p>BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank HSBC France J.P. Morgan Securities Ltd. Mitsubishi UFJ Securities International plc Société Générale The Royal Bank of Scotland plc</p>
Programme Limit:	<p>Up to €7,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.</p> <p>Pursuant to its corporate authorisations, Danone can issue Notes up to a maximum aggregate nominal amount of €7,000,000,000.</p>
Fiscal Agent and Principal Paying Agent:	Citibank N.A., London Branch.
Paris Paying Agent:	Citibank International plc, Paris Branch.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven days from the date of original issue.
Currencies:	Euro, U.S. Dollar, Japanese Yen, Swiss Franc, Sterling, Renminbi and any other currency specified in the relevant Final Terms.
Commercial terms of the Notes (price, amount, interest rate, etc.):	The financial terms and conditions of the Notes of each Series of Notes will be set out in the applicable Final Terms.
Denomination(s):	<p>The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area (an “EEA State”) or offered to the public in a EEA State in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €1,000 (or the equivalent amount in any other currency at the issue date).</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
Status of Notes:	Unsubordinated or Subordinated Notes.

Form of Notes:	Dematerialised Notes or Materialised Notes. Dematerialised Notes may be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>). Materialised Notes will be in bearer form only.
Negative Pledge:	There will be a negative pledge in respect of the Unsubordinated Notes.
Event of Default: (including cross default)	There will be events of default and a cross-default in respect of the Unsubordinated Notes. Subordinated Notes will be repayable in the event of the liquidation of the Issuer only.
Redemption:	The Final Terms will specify the conditions under which the Notes may be redeemed prior to maturity at the option of the Noteholder or the Issuer.
Make-Whole Redemption by the Issuer:	Unless otherwise specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date.
Taxation Redemption:	The Notes will be subject to redemption at the option of the Issuer for taxation reasons.
Taxation:	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes 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 therein or thereof having power to tax, unless such withholding or deduction is required by law. See section “Taxation”.
Central Depositary:	Euroclear France in respect of Dematerialised Notes.
Clearing Systems:	Euroclear France, Clearstream, Luxembourg and Euroclear.
Listing and Admission to Trading:	Euronext Paris or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading.
Offer to the public:	Notes issued by the Issuer may be offered to the public in France.
Method of Publication of this Base Prospectus and the Final Terms:	This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained at

the offices of the Fiscal Agent or each of the Paying Agents, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Base Prospectus may be obtained. In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Rating:

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. The rating of a Tranche of Notes (if any) will be specified in the Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the Regulation (EC) No. 1060/2009 on credit ratings agencies. 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.

Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Selling Restrictions:

The offer and sale of Notes will be subject to selling restrictions in various jurisdictions, in particular, those of the United States of America, Japan, Hong Kong, the People's Republic of China, Singapore and those of the European Economic Area including France and the United Kingdom. Further restrictions that may apply to a Series of Notes will be specified in the applicable Final Terms.

Substitution of the Issuer:

There may be a substitution of Danone in respect of the Notes by the Substituted Issuer.

Governing Law:

French law.

II. KEY INFORMATION ABOUT DANONE

Danone is a *société anonyme* (public limited liability company) organised and existing under the laws of the Republic of France.

Danone is the holding company which owns directly, or indirectly, controlling and non-controlling interests in the subsidiaries and affiliates which together make up the group (the “**Group**”).

The purpose (*objet social*) or activities of Danone, which may be found in article 2 of its *statuts*, are as follows:

- manufacturing and commercial activities in all types of food products;
- execution of all types of financial operations, portfolio management of all types of securities and rights, listed and unlisted, French or foreign; acquisition and management of all types of properties and real estate;
- acquisition of equity interests in all types of companies.

Danone was incorporated on 2 February 1899 and registered on 23 January 1908. The duration of these *statuts* has since then been extended to 13 December 2040 except in case of early dissolution or further extension. It changed its name to Groupe Danone in July 1994 and to Danone in April 2009.

The registered and head office of Danone is: 17 Boulevard Haussmann, 75009 Paris. It is registered at the *Registre du Commerce et des Sociétés* in Paris under number 552 032 534.

Key information regarding Danone's financial data

The following selected financial information was extracted without material adjustment from the audited consolidated financial statements of Danone for the years ended 31 December 2009 and 31 December 2010, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

(in millions of euros)	<i>Fiscal year ended 31 December</i>	
	<i>2009</i>	<i>2010</i>
Net Sales	17,010	14,982
Net income - Attributable to owners of the Company	1,870	1,361
Net Debt ¹	7,074	6,562

¹ Net debt corresponds to current and non current financial debt less cash and cash equivalents, marketable securities and other short term investments and less Financial instruments - Assets.

III. RISK FACTORS

Risk factors relating to the Issuer

The risks relating to Danone as an Issuer include operational risks related to the Group's business sectors such as risks associated with the volatility of prices and in the availability of raw materials, risks associated with the concentration of distribution and the default of a customer, risks associated with competition, risks associated with the geopolitical environment, risks associated with economic conditions of the Group's principal markets, risks associated with weather conditions and seasonal cycles, risks associated with the consequences of restructuring plans and risks associated with the Group's reputation, operational risks specific to the Group's activity and organisation such as risks related with the concentration of purchases of some products and services from a limited number of suppliers, risks associated with the Group's dominant position in certain markets, risks associated with the Group's acquisition and partnership strategy, risks associated with an unfavorable change in business activity forecasts and its impact on impairment testing of assets, risks associated with the Group's products, risks associated with human resources, risks associated with information systems and risks of an internal control failure, legal risks such as risks associated with brands, intellectual property and data confidentiality and risks associated with regulations, industrial and environmental risks such as risks associated with environmental regulations, risks related to consumers' choices, preference or environmental considerations, and financial market risks such as currency risk, financing risk and liquidity risk, interest rate risk, counterparty risk and securities-related risk.

Risk factors relating to the Notes

An investment in the Notes involves certain risks which should be assessed prior to any investment decision. While all of these risk factors are contingencies which may or may not occur, they may lead to a volatility and/or decrease in the market value of the Notes to below the expectations (financial or otherwise) of an investor.

Each prospective investor in the Notes should determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

These risks include:

- the risk of modification of the conditions of the Notes by a general meeting of Noteholders binding all Noteholders including those who did not attend or who voted in a manner contrary to the majority;
- risks relating to the secondary/trading market for the Notes;
- risks related to the provision of information;
- risks relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the Noteholders;
- risks relating to exchange rates;
- risks related to legality of purchase;
- risks relating to credit ratings;
- risks related to taxation;
- risks related to the EU Savings Directive;
- risks related to the market value of the Notes;

- the risk of a change in law;
- risks relating to the creditworthiness of Danone; and
- risks relating to the exercise of a Change of Control Put Option in respect of certain Notes.

There are also risks relating to the structure of a particular issue of Notes (Notes subject to optional redemption of the Issuer, Fixed Rates Notes, Floating Rate Notes, Index-Linked Notes, Subordinated Notes, etc.) and particular risks relating to Notes denominated in RMB.

RÉSUMÉ DU PROGRAMME EN FRANCAIS (SUMMARY IN FRENCH OF THE PROGRAMME)

Le paragraphe suivant doit être lu comme une introduction au résumé si l'État membre de la Communauté Européenne ou partie à l'accord sur l'Espace Économique Européen concerné n'a pas transposé les modifications apportées par la Directive 2010/73/EU (la « **Directive 2010 modifiant la Directive Prospectus** ») aux informations requises dans le résumé.

*Ce résumé doit être lu comme une introduction au présent Prospectus de Base. Toute décision d'investir dans les Titres à émettre dans le cadre du Programme doit être fondée sur un examen exhaustif du Prospectus de Base, incluant les documents incorporés par référence. A la suite de la transposition des dispositions de la Directive Prospectus (la Directive 2003/71/CE) dans chaque État membre de l'Espace Économique Européen (un « **État membre de l'EEE** »), aucune responsabilité civile ne peut être retenue à l'encontre de la(les) Personne(s) Responsable(s) dans aucun État membre de l'EEE, sur la base de ce seul résumé, y compris sa traduction, sauf si celui-ci s'avère trompeur, inexact ou contradictoire par rapport aux autres sections du présent Prospectus de Base. Lorsqu'une action en responsabilité fondée sur les informations contenues dans le Prospectus de Base est intentée devant une juridiction d'un État membre de l'EEE, le plaignant peut, conformément à la législation nationale en vigueur dans l'État membre de l'EEE où l'action est intentée, se voir dans l'obligation de supporter les frais de traduction du présent Prospectus de Base avant le début de toute procédure judiciaire.*

Le paragraphe suivant doit être lu comme une introduction au résumé si l'État membre de la Communauté Européenne ou partie à l'accord sur l'Espace Économique Européen concerné a transposé les modifications apportées par la Directive 2010 modifiant la Directive Prospectus aux informations requises dans le résumé.

*Ce résumé doit être lu comme une introduction au présent Prospectus de Base. Toute décision d'investir dans les Titres à émettre dans le cadre du Programme doit être fondée sur un examen exhaustif du Prospectus de Base, incluant les documents incorporés par référence. A la suite de la transposition des dispositions de la Directive Prospectus (la Directive 2003/71/CE, telle que modifiée par la Directive 2010/73/EU) dans chaque État membre de l'Espace Économique Européen (un « **État membre de l'EEE** »), aucune responsabilité civile ne peut être retenue à l'encontre de la(les) Personne(s) Responsable(s) dans aucun État membre de l'EEE, sur la base de ce seul résumé, y compris sa traduction, sauf si celui-ci s'avère trompeur, inexact ou contradictoire par rapport aux autres sections du présent Prospectus de Base, ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les titres à émettre dans le cadre du Programme. Lorsqu'une action en responsabilité fondée sur les informations contenues dans le Prospectus de Base est intentée devant une juridiction d'un État membre de l'EEE, le plaignant peut, conformément à la législation nationale en vigueur dans l'État membre de l'EEE où l'action est intentée, se voir dans l'obligation de supporter les frais de traduction du présent Prospectus de Base avant le début de toute procédure judiciaire.*

Les termes et expressions définis dans la section « **Modalités des Titres** » (Terms and Conditions of the Notes) du Prospectus de Base ont la même signification dans le présent résumé.

I. INFORMATIONS CLÉS RELATIVES AUX TITRES ÉMIS SOUS LE PROGRAMME

Émetteur	Danone (anciennement Groupe Danone)
Garant	Danone en cas de substitution de l'Émetteur (telle que décrite à la condition 16 des Modalités des Titres)
Émetteur Substitué	Toute filiale de Danone (telle que définie à la condition 16 des Modalités des Titres) agissant comme débiteur principal au titre des Titres
Arrangeur	BNP Paribas

Agents Placeurs	<p>BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank HSBC France J.P. Morgan Securities Ltd. Mitsubishi UFJ Securities International plc Société Générale The Royal Bank of Scotland plc</p>
Montant Maximum du Programme	<p>Jusqu'à 7.000.000.000 d'euros (ou la contre-valeur de ce montant dans toute autre devise, calculée à la date d'émission) représentant le montant nominal total des Titres en circulation à tout moment.</p> <p>En vertu de ses autorisations sociales, Danone peut émettre jusqu'à 7.000.000.000 d'euros représentant le montant nominal total des Titres en circulation.</p>
Agent Financier et Agent Payeur Principal	Citibank, N.A., London Branch
Agent Payeur	Citibank International plc, Paris Branch
Méthode d'Émission	Les Titres seront émis dans le cadre d'émissions syndiquées ou non syndiquées.
Échéances	Sous réserve du respect de toutes les lois, réglementations et directives applicables, toute échéance de sept jours à compter de la date d'émission initiale.
Devises	Euro, dollar américain, yen japonais, franc suisse, livre sterling, renminbis et en toute autre devise telle que prévu par les Conditions Définitives concernées.
Modalités commerciales des Titres (prix, montant, taux d'intérêt, etc.)	Les modalités financières des Titres de chaque Souche de Titres seront précisées par les Conditions Définitives concernées.
Valeur(s) nominale(s)	<p>Les Titres seront émis à la(aux) valeur(s) nominale(s) convenue(s) entre l'Émetteur et l'Agent Placeur concerné et indiquée(s) dans les Conditions Définitives concernée(s), néanmoins la valeur nominale minimale de chaque Titre coté et admis aux négociations sur un Marché Réglementé d'un État membre de l'Espace Économique Européen (un « État membre de l'EEE ») ou qui fera l'objet d'une offre au public dans un État membre de l'EEE dans des circonstances requérant la publication d'un Prospectus de Base au sens de la Directive Prospectus (étant donné qu'un régime d'exemption, tel que défini par la Directive Prospectus, pourrait s'appliquer à l'émission de Titres considérée), sera au minimum de 1.000 euros (ou, si les Titres sont libellés dans une devise autre que l'euro, la contre-valeur de ce montant dans cette devise calculée à la date d'émission).</p> <p>Le Titres émis sous forme de titres dématérialisés ne pourront avoir qu'une valeur nominale unique.</p>

Rang de créance des Titres	Les Titres constitueront des engagements subordonnés ou non subordonnés.
Forme des Titres	<p>Les Titres peuvent être émis soit sous forme de titres dématérialisés (« Titres Dématérialisés »), soit sous forme de titres matérialisés (« Titres Matérialisés »).</p> <p>Les Titres Dématérialisés sont émis au porteur ou au nominatif.</p> <p>Les Titres Matérialisés seront émis au porteur uniquement.</p>
Maintien de l'emprunt à son rang	Une clause de maintien de l'emprunt à son rang au titre des Titres non subordonnés est prévue.
Cas de défaut (y compris défaut croisé)	Des cas de défaut y compris de défaut croisé au titre des Titres non subordonnés sont prévus. Les Titres subordonnés seront uniquement remboursés en cas de liquidation de l'Émetteur.
Remboursement	Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré du Porteur ou de l'Émetteur.
Remboursement « make-whole » par l'Émetteur	A moins qu'il n'en soit prévu autrement dans les Conditions Définitives, l'Émetteur pourra rembourser les Titres en totalité ou partiellement à tout moment ou de temps à autre et ce, avant leur Date d'Echéance.
Remboursement pour des raisons fiscales	Les Titres pourront être remboursés au gré de l'Émetteur pour des raisons fiscales.
Fiscalité	<p>Tous paiements des intérêts et du principal, dus en vertu des Titres, effectués par ou pour le compte de l'Émetteur devront être nets et sans retenue ou déduction de taxes, droits, impositions ou charges gouvernementales, de quelque nature que ce soit, imposés, levés, collectés, retenus ou fixés par la France ou en France ou par toute autorité en France ayant le pouvoir de soumettre à l'imposition, à moins qu'un tel prélèvement forfaitaire ou déduction soit exigé par la loi.</p> <p>Voir section "Taxation"</p>
Dépositaire Central	Euroclear France pour les Titres Dématérialisés.
Systèmes de Compensation	Euroclear France, Clearstream, Luxembourg et Euroclear.
Cotation et admission à la négociation	<p>Euronext Paris ou comme spécifié dans les Conditions Définitives.</p> <p>Comme mentionné dans les Conditions Définitives, une Souche de Titres pourra ou non être cotée et admise à la négociation.</p>
Offre au public	Les Titres émis par l'Émetteur pourront faire l'objet d'une offre au public en France.
Méthode de publication du Prospectus de Base, de(s) supplément(s) et des Conditions Définitives	Le Prospectus de Base, le(s) supplément(s) au Prospectus de Base, le cas échéant, et les Conditions Définitives relatives aux Titres cotés et admis à la négociation sur un Marché Réglementé de l'Espace Économique Européen seront publiés sur les sites de l'Émetteur (www.danone.com) et de l'AMF

(www.amf-france.org). Ces documents seront également disponibles au siège social de l'Agent Financier ou de chacun des Agents Payeurs, ou par tout autre moyen conformément à l'article 14 de la Directive Prospectus. Les Conditions Définitives indiqueront où le Prospectus de Base est disponible. De plus, si les Titres sont cotés et admis à la négociation sur un Marché Réglementé autre qu'Euronext Paris, les Conditions Définitives concernées indiqueront les méthodes additionnelles de publication et ce en quoi elles consistent.

Notation

Les Tranches de Titres émis sous le Programme peuvent être notées ou non. Lorsqu'une Tranche est notée, la notation octroyée ne sera pas obligatoirement la même que celle du Programme. La notation d'une Tranche de Titres (s'il y en a une) sera spécifiée dans les Conditions Définitives. Les Conditions Définitives concernées préciseront si les notations de crédit concernées sont émises ou non par une agence de notation de crédit établie dans l'Union Européenne et enregistrée conformément au Règlement (EC) No. 1060/2009 sur les agences de notation de crédit. Une notation ne constitue pas une recommandation d'acheter, de vendre ou de détenir des Titres et pourra faire l'objet d'une suspension, d'un changement ou d'un retrait à tout moment par l'agence de notation l'ayant attribuée.

Une notation n'est pas une recommandation d'acheter, vendre ou détenir des titres et pourra faire l'objet d'une suspension, d'un changement ou d'un retrait à tout moment par l'agence de notation l'ayant attribuée.

Restrictions de Vente

L'offre et la vente des Titres ainsi que la distribution des documents d'offre sont soumises à des restrictions dans plusieurs pays, en particulier, celles s'appliquant aux États-Unis d'Amérique, Japon, Hong Kong, la République Populaire de Chine, Singapour et celles s'appliquant à l'Espace Économique Européen incluant la France et le Royaume-Uni. Des restrictions de vente supplémentaires pourront être prévues à l'occasion de l'offre et de la vente d'une Souche particulière et seront indiquées dans les Conditions Définitives concernées.

Substitution de l'Émetteur

Il pourra se produire une substitution de Danone au titre des Titres par l'Émetteur Substitué.

Droit applicable

Droit français.

II. INFORMATIONS CLÉS RELATIVES À DANONE

Danone est une société anonyme constituée en vertu de et soumise aux lois de la République française.

Danone est la société mère qui possède directement, ou indirectement, des participations majoritaires ou non majoritaires dans les filiales et affiliées qui ensemble constituent le groupe (le "**Groupe**").

Aux termes de l'article 2 des statuts, Danone a pour objet social et activité:

- L'industrie et le commerce de tous produits alimentaires,
- La réalisation de toutes opérations financières et la gestion de tous droits mobiliers et titres, cotés ou non, français ou étrangers, l'acquisition et la gestion de tous biens et droits immobiliers.
- La prise de tout intérêt et participation dans tout type de sociétés.

Danone a été constituée le 2 février 1899 et immatriculée le 23 janvier 1908. La durée des statuts a été prorogée au 13 décembre 2040 sous réserve d'une dissolution anticipée ou d'une prorogation ultérieure. L'Émetteur a changé sa dénomination sociale en Groupe Danone en juillet 1994 et en Danone en avril 2009.

Le siège social de Danone est situé 17 Boulevard Haussmann, 75009 Paris. Danone est immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro 552 032 534.

Informations financières clés de Danone

Les informations financières présentées ci-dessous sont extraites, sans ajustements significatifs, des comptes consolidés de Danone pour les exercices clos le 31 décembre 2009 et le 31 décembre 2010 préparés conformément aux *International Financial Reporting Standards* tels qu'adoptés par l'Union Européenne.

(en millions d'euros)	<i>Exercice clos le 31 décembre</i>	
	<i>2010</i>	<i>2009</i>
Chiffre d'affaires net	17.010	14.982
Résultat net – Part du Groupe	1.870	1.361
Dette nette ¹	7.074	6.562

¹ La dette nette correspond aux dettes financières courantes et non courantes nettes des disponibilités, des valeurs mobilières de placements, des autres placements à court terme et des Instruments dérivés actifs.

III. FACTEURS DE RISQUES

Facteurs de risques liés à l'Émetteur

Les risques relatifs à Danone en tant qu'Émetteur incluent des risques opérationnels liés aux secteurs d'activité du Groupe tels que des risques liés à la volatilité des prix et à la disponibilité des matières premières, des risques liés à la concentration de la distribution et à la défaillance d'un client, des risques liés à la concurrence, des risques liés à l'environnement géopolitique, des risques liés à la conjoncture économique dans les pays constituant les principaux marchés du Groupe, des risques liés aux conditions climatiques et à la saisonnalité, des risques liés aux conséquences de restructurations et des risques liés à la notoriété du Groupe, des risques opérationnels propres à l'activité et à l'organisation du Groupe tels que des risques liés à la concentration des achats de certains produits et services auprès d'un nombre limité de fournisseurs, des risques liés à la position dominante du Groupe sur certains marchés, des risques liés à la stratégie de croissance externe du Groupe, des risques liés à une évolution défavorable des prévisions d'activité et à son impact sur les tests de dépréciation d'actifs, des risques liés aux produits, des risques liés aux ressources humaines, des risques liés aux systèmes d'information et des risques de défaillance du contrôle interne, des risques juridiques tels que des risques liés aux marques et à la propriété intellectuelle et à la confidentialité des données et des risques liés aux réglementations, des risques industriels et environnementaux tels que des risques liés aux réglementations environnementales et des risques liés au choix ou aux préférences ou considérations environnementales des consommateurs, des risques de marchés tels que des risques de change, des risques de financement et de liquidité, des risques de taux d'intérêt, des risques de contrepartie et des risques sur titres.

Facteurs de risques liés aux Titres

L'achat ou la détention de Titres implique certains risques qui doivent être pris en compte préalablement à toute décision d'investissement. En dépit de leur caractère éventuel, ces risques peuvent entraîner une volatilité voire une baisse de la valeur de marché des Titres en deçà des attentes (financières ou autres) des investisseurs.

Il appartient à chaque investisseur de déterminer par lui-même et, le cas échéant, avec l'assistance de conseils professionnels, si l'achat de Titres correspond à sa situation personnelle, ses besoins financiers et ses objectifs, si cet achat est conforme à ses politiques et contraintes d'investissement, et s'il s'agit d'un investissement qui lui convient, malgré les risques réels et significatifs inhérents à tout achat ou détention de Titres.

Ces risques incluent notamment :

- le risque de modification des modalités des Titres par une décision de l'assemblée générale des porteurs des Titres, les porteurs non présents ou en désaccord pouvant se retrouver liés par le vote de la majorité;
- les risques liés au marché secondaire des Titres et au marché sur lequel les Titres seront négociés;
- les risques liés à l'information sur le sous-jacent;
- les risques liés aux conflits d'intérêts potentiels entre l'Emetteur, les Agents Placeurs, les entités qui leur sont apparentées et les porteurs des Titres;
- les risques relatifs au change ;
- les risques juridiques liés à l'acquisition des Titres ;
- les risques liés à la notation des Titres ;
- les risques liés à la fiscalité ;
- les risques liés à la directive sur la fiscalité de l'épargne ;
- les risques liés à la valeur des Titres sur le marché ;
- les risques relatifs à un changement de loi ;
- les risques liés à la solvabilité de Danone ; et
- les risques relatifs à l'exercice d'une option de vente relative à un changement de contrôle en ce qui concerne certains Titres.

Il existe aussi des facteurs de risques liés à la structure de certains Titres en particulier (Titres comportant une option de remboursement anticipé à l'initiative de l'Emetteur, Titres à taux flottant, Titres à taux fixe, Titres indexés ou subordonnés, etc.) et des risques relatifs aux émissions de Titres libellés en renminbi.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. 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 Notes issued under the Programme are also described below.

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

RISK FACTORS RELATING TO THE ISSUER

Please refer to (i) pages 18-27 of the 2010 *Document de Référence* and (ii) page 8 of the 2011 Interim Financial Report of Danone which are incorporated by reference in this Base Prospectus.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe some risk factors that 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. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. These risk factors may be completed in the Final Terms of the relevant Notes for a particular issue of Notes.

1 General Risks Relating to the Notes

1.1 *Independent Review and Advice*

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

1.2 *Modification and waivers*

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

1.3 *No active Secondary/Trading Market for the Notes*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed and admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the AMF in Paris and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be listed and admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

1.4 *Provision of Information*

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

1.5 *Potential Conflicts of Interest*

Each of the Issuer, the Dealer(s) or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on any issuer of the securities included in the index, any of their respective affiliates or any guarantor.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

1.6 *Exchange Rates*

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

1.7 *Risks Relating to Renminbi-denominated Notes*

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors, including the following:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC.

Renminbi is not freely convertible at present and despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, there is no assurance that the PRC government will continue so in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. However, pursuant to arrangements between the PRC Central Government and the Hong Kong government, all corporations are now allowed to open RMB accounts in Hong Kong. There is no longer any limit on the ability of corporations to convert RMB and there is no longer any restriction on the transfer of RMB funds between different accounts in Hong Kong.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange and of requirements by the Hong Kong Monetary Authority (such as maintaining no less than 25 per cent. of Renminbi deposits in cash or in the form of settlement account balance with the RMB Clearing Bank). There is no assurance that a change in PRC regulations will not have the effect of restricting availability of

Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

RMB Notes issued under the Programme may only be held in Euroclear France, Euroclear and Clearstream, Luxembourg.

Noteholders may only hold RMB Notes if they have an account with Euroclear France or maintained with an Account Holder which itself has an account with Euroclear France (which include Euroclear and Clearstream, Luxembourg).

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the Euro, the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to RMB Notes will be made in Renminbi. As a result, the value of these Renminbi payments in Euro or U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Euro, the U.S. dollar or other foreign currencies, the value of investment in Euro, U.S. dollar or other applicable foreign currency terms will decline.

Investment in RMB Notes is also subject to interest rate risks

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. Notes denominated in RMB will generally carry a fixed interest rate. Consequently, the trading price of such Notes will vary with fluctuations in Renminbi interest rates. If a Noteholder tries to sell such Notes before their maturity, he may receive an offer that is less than his original investment.

Developments in other markets may adversely affect the market price of any RMB Notes

The market price of RMB Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Chinese securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including China. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. Should similar developments occur in the international financial markets in the future, the market price of RMB Notes could be adversely affected.

1.8 *Legality of Purchase*

None of the Issuer, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.9 *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, 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.

1.10 *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

1.11 *EU Savings Directive*

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise (which Belgium has done with effect as from 1 January 2010) and authorises the paying agent to disclose the above information (see section entitled "**Taxation - EU Taxation**" in this Base Prospectus). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payments made by a Paying Agent following implementation of the Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament has adopted an amended version of this proposal on 24 April 2009. If any of those proposed changes are implemented, they should broaden the scope of the Directive.

1.12 *Market Value of the Notes*

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

1.13 *Change of Law*

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

1.14 *French Insolvency Law*

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”), further to the proposal of a plan by two creditors’ committees, if an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*), a preservation procedure (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Euro Medium Term Notes programme), regardless of their governing law and notwithstanding any other contrary clause.

The members of the Assembly defend their common interests and deliberate on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to receive share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the value of debt securities held by the holders attending such Assembly or represented thereat). No quorum is required for the receiver (*administrateur judiciaire*) to convoke the Assembly. Holders of debt securities issued by the Issuer (including the Notes) have the right to dispute such decisions within ten days of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and, if applicable, the applicable Final Terms, will not be applicable, to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

1.15 *Change of Control*

Exercise of Change of Control Put Option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

In addition, if further to the exercise of such Put Option, 80 per cent. or more of the initial aggregate principal amount of the Notes has been redeemed, the Issuer has the option to redeem all of the remaining Notes without obtaining the prior consent of their holders.

2 Risks related to the structure of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, inter alia, the provisions for computation of periodic interest payments, if any, redemption and issue price.

2.1 *Notes subject to optional redemption by the Issuer*

The Issuer has the option, unless otherwise provided in the Final Terms, to redeem the Notes under a make-whole call option as provided in condition 6 (c).

Furthermore, unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

2.2 *Fixed Rate Notes*

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

2.3 *Floating Rate Notes*

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

2.4 *Inverse Floating Rate Notes*

Investment in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

2.5 *Fixed to Floating Rate Notes*

Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed

rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

2.6 *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.7 *Index-Linked Notes*

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

2.8 *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

2.9 *Variable rate*

Notes with a multiplier or other leverage factor Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

2.10 *Structured Notes*

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

2.11 *Subordinated Notes*

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of Unsubordinated Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Danone (formerly Groupe Danone).
Guarantor	Danone if there is a substitution of the Issuer (as described in Condition 16).
Substituted Issuer	Danone may be replaced and substituted by any of its Subsidiaries (as defined in Condition 16) as principal debtor in respect of the Notes.
Description:	Euro Medium Term Note Programme for the continuous offer of Notes (the “ Programme ”).
Arranger:	BNP Paribas
Dealers:	<p>BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank HSBC France J.P. Morgan Securities Ltd. Mitsubishi UFJ Securities International plc Société Générale The Royal Bank of Scotland plc</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such member state to lead-manage bond issues in such member state may, in the case of Notes to be listed on a Regulated Market, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.</p>
Programme Limit:	<p>Up to €7,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.</p> <p>Pursuant to its corporate authorisations, Danone can issue Notes up to a maximum aggregate nominal amount of €7,000,000,000.</p> <p>The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from</p>

time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.

Fiscal Agent and Principal Paying Agent:

Citibank, N.A., London Branch.

Paris Paying Agent:

Citibank International plc, Paris Branch.

Method of Issue:

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a final terms to this Base Prospectus (the “**Final Terms**”).

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity from seven days from the date of original issue.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealers.

Denomination(s):

The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area (an “**EEA State**”) or offered to the public in a EEA State in circumstances which require the publication of a Base Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Status of the Unsubordinated Notes;	<p>Dematerialised Notes will be issued in one denomination only.</p> <p>Unsubordinated Notes (“Unsubordinated Notes”) will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will at all times rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated financial obligations of the Issuer, from time to time outstanding.</p>
Status of the Subordinated Notes:	<p>The Issuer may issue Subordinated Notes (“Subordinated Notes”) which constitute Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes or Undated Subordinated Notes, all as set out and defined in Condition 3(b). See “Terms and Conditions of the Notes – Condition 3 - Status of the Notes”.</p> <p>If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes may be deferred in accordance with the provisions of Condition 5(h). See “Terms and Conditions of Notes - Interest and other Calculations”.</p>
Negative Pledge:	<p>There will be a negative pledge in respect of the Unsubordinated Notes as set out in Condition 4. See “Terms and Conditions of the Notes - Negative Pledge”.</p>
Events of Default: (including cross default)	<p>There will be events of default and a cross-default in respect of the Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b). See “Terms and Conditions of the Notes - Events of Default”.</p>
Redemption:	<p>The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p>
Optional Redemption:	<p>The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and, if so, the terms applicable to such redemption.</p>
Redemption by Instalments:	<p>The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.</p>

Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons as set out in Condition 6. If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer’s option, procure the purchase of their Notes. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.
Make-Whole Redemption by the Issuer:	Unless otherwise specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date.
Taxation in respect of the Notes:	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. See section “Taxation”.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Fixed Rate Notes:	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or (ii) (by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Redenomination:	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the EMU may be redenominated into Euro, all as more fully provided in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination” below.
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in “Terms and Conditions of the Notes - Further Issues and Consolidation”.
Form of Notes:	<p>Notes may be issued in either dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”).</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form.</p> <p>In the case of Dematerialised Notes issued in both bearer and registered form the Noteholders will have the option to convert from bearer to registered (in such latter case in both <i>nominatif pur</i> and <i>nominatif administré</i> form) and <i>vice versa</i>. No physical documents of title will be issued in respect of Dematerialised Notes. See “Notes – Form, Denomination, Title and Redenomination”.</p> <p>The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only, in registered (including both <i>nominatif pur</i> and <i>nominatif administré</i>) form only or in both bearer and registered form.</p> <p>Materialised Notes will be in bearer form (“Materialised Bearer Notes”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
Substitution of the Issuer:	There may be a substitution of Danone in respect of the Notes by the Substituted Issuer.
Guarantee	If there is a substitution of the Issuer pursuant to Condition 16, Danone as the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be due and payable by the Substituted Issuer under the Notes and in

accordance with the applicable terms and conditions. The obligations of the Guarantor in this respect will arise pursuant to a Guarantee which will be substantially in the form of the Pro-Forma Guarantee, to be executed by the Guarantor (the “**Guarantee**”).

See "Pro-Forma of the Guarantee"

Governing Law:

French law.

Central Depositary:

Euroclear France in relation to Dematerialised Notes.

Clearing Systems:

Clearstream, Luxembourg, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

Initial Delivery of Dematerialised Notes:

One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre Comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.

Initial Delivery of Materialised Notes:

On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Listing and Admission to Trading:

Euronext Paris or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.

Offer to the public:

Notes issued by the Issuer may be offered to the public in France.

Method of Publication of this Base Prospectus and the Final Terms:

This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained at the offices of the Fiscal Agent or each of the Paying Agents, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Base Prospectus may be obtained. In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act.

Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the sections referred to in the table below included in the 2009 *Document de Référence* in the French language¹, filed with the AMF on 19 March 2010 under n°10-0127, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2009 (the “**2009 Document de Référence**”);
- (b) the sections referred to in the table below included in the 2010 *Document de Référence* in the French language¹, filed with the AMF on 25 March 2011 under n°11-0182, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2010 (the “**2010 Document de Référence**”);
- (c) the sections referred to in the table below included in the interim financial report of the Issuer, in French language¹, for the six-month period ended 30 June 2011 (the “**2011 Interim Financial Report**”);

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 Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

This Base Prospectus and copies of all documents incorporated by reference in this Base 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:

Prospectus Regulation – Annex IV and Annex IX		<i>2010 Document de Référence</i>	<i>2009 Document de Référence</i>
Risk Factors	Prominent disclosure of risk factors that may affect the Issuer’s ability to fulfil its obligation under the securities to investors	Pages 18-27	
Financial information concerning the Issuer’s assets and liabilities, financial position and profits and losses	Audit report	Pages 118-119	Pages 156-157
	Consolidated financial statements for the last two financial years	Pages 54-117	Pages 105-155
	Balance sheet	Pages 56-57	Page 107
	Income statement	Page 54	Page 105
	Cash flow statements	Page 58	Page 108

¹ The English language translations of (i) the 2009 *Document de Référence*, (ii) the 2010 *Document de Référence* and (iii) the 2011 Interim Financial Report may be obtained without charge from 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 IV and Annex IX		2010 Document de Référence	2009 Document de Référence
	Notes to consolidated financial statements for the last two financial years	Pages 60-117	Pages 110-155
Trend information	Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	N/A	
	Statement that there has been no material change in the prospects of the issuer since the date of its last published audited financial statements.	Page 48	
Administrative, Management, and Supervisory Bodies	Board of Directors	Pages 156-158 and 163	
	Executive Committee	Page 171	
Board Practices	Corporate Governance	Pages 156-187	
	Audit Committee	Pages 163-165	
Business Overview	Principal activities	Pages 31-35	
	Principal markets	Pages 31-35	
Material Contracts		Page 41	
Legal and arbitration proceedings		Page 40	
Investments		Pages 36-38	
Organisational Structure		Pages 37 and 110-117	
Major Shareholders		Pages 218-220	

	2011 Interim Financial Report
Interim management report	Pages 2 to 9
Risk Factors	Page 8
Condensed interim consolidated financial statements	Pages 10 to 23
Statutory auditors' review report	Page 24-25

Any information not listed in the cross-reference tables but included in the documents incorporated by reference is given for information purposes only.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer is required to prepare a prospectus supplement pursuant to provisions of Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further Base Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market for a Member State of the EEA, shall constitute a prospectus supplement as required by Article 16 of the Prospectus Directive.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the Part A of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An amended and restated agency agreement dated 27 October 2011 (as amended or supplemented from time to time, the “**Amended and Restated Agency Agreement**”) has been agreed between Danone (formerly Groupe Danone) (“**Danone**” or the “**Issuer**”), 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)**”. The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the “**Talons**”) for further Coupons (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Amended and Restated Agency Agreement applicable to them. Copies of the Amended and Restated Agency Agreement are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

Terms between square brackets shall apply to Notes guaranteed by Danone when Danone is replaced and substituted by the Substituted Issuer, as provided in Condition 16. References below to “**Guarantor**” shall mean Danone, in its capacity as guarantor of Notes if there is a substitution of the Issuer in accordance with Condition 16.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2004/39/EC.

1 Form, Denomination(s), Title and Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
 - (i) Title to Dematerialised 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 (*inscriptions 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 Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant Final Terms (the “**Final Terms**”), in either bearer dematerialised form (*au porteur*), in which case they are inscribed in the books of Euroclear France S.A. (acting as central depository) (“**Euroclear France**”) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered

registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the Registration Agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

For the purpose of these Conditions, “**Account Holder**” means any financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”).

- (ii) Materialised Notes are issued in bearer form (“Materialised Bearer Notes”). Materialised Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area (“**EEA**”) or offered to the public in a EEA State in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.

- (i) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iii) In these Conditions, “**holder of Notes**”, “**holder of any Note**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons, or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

The Issuer may (if so specified in the relevant Final Terms), without the consent of any of the holders of any Note, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15, redenominate on any Interest Payment Date all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time (the "Treaty")), or events have occurred which have substantially the same effects (in either case, "EMU"), all as more fully set out in the relevant Final Terms.

2 Conversion and Exchanges of Notes

(a) **Dematerialised Notes:**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes:**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Status of the Notes

The obligations of the Issuer under the Notes may be either unsubordinated ("**Unsubordinated Notes**") or subordinated ("**Subordinated Notes**").

(a) Status of Unsubordinated Notes

The Unsubordinated Notes and, where applicable, any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated financial obligations of the Issuer, from time to time outstanding.

(b) Status of Subordinated Notes

(i) General

Subordinated Notes comprise Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes and Undated Subordinated Notes (all as defined below).

(ii) Ordinary Subordinated Notes

The principal and (if the applicable Final Terms so specifies) interest on ordinary subordinated notes ("**Ordinary Subordinated Notes**") constitute direct, unconditional, unsecured and subordinated

obligations of the Issuer and rank and will at all times rank pari passu and without any preference among themselves and pari passu with all other present and future Ordinary Subordinated Notes, but in priority to the prêts participatifs granted to the Issuer and Deeply Subordinated Notes.

(iii) Deeply Subordinated Notes

The principal and (if the applicable Final Terms so specifies) interest on deeply subordinated notes (“**Deeply Subordinated Notes**”) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will at all times rank pari passu and without any preference among themselves and pari passu with all other present and future Deeply Subordinated Notes, but subordinate to the prêts participatifs granted to the Issuer and Ordinary Subordinated Notes.

(iv) Dated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may have a specified maturity date (“**Dated Subordinated Notes**”).

(v) Undated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may not have a specified maturity date (“**Undated Subordinated Notes**”).

(vi) Interest relating to Subordinated Notes

Unless otherwise specified in the relevant Final Terms, payments of interest relating to Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

If so specified in the relevant Final Terms, payments of interest relating to Subordinated Notes will be deferred in accordance with the provisions of Condition 5(h).

(vii) Payment of Subordinated Notes in the event of the liquidation of the Issuer

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, 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):

- (a) unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes)
- (b) holders of Ordinary Subordinated Notes
- (c) lenders in relation to *prêts participatifs* granted to the Issuer, and
- (d) holders of Deeply Subordinated Notes.

In the event of incomplete payment of unsubordinated creditors the obligations of the Issuer in connection with Ordinary Subordinated Notes shall be terminated (then subsequently the lenders in relation to *prêts participatifs* and holders of Deeply Subordinated Notes). The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

The above order of priority which relates to the principal of Subordinated Notes will apply *mutatis mutandis* to interest payments depending on whether they are unsubordinated or subordinated and in the latter case whether they are ordinary subordinated or deeply subordinated.

4 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remain outstanding (as defined below), the Issuer [or, as the case may be, the Guarantor,] will not create any mortgage, charge, pledge or other security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) or any guarantee in respect of any Relevant Indebtedness (whether before or after the issue of Notes), except the Guarantee (as defined in Condition 16), unless such Issuer's obligations under the Unsubordinated Notes, Receipts and Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

“Relevant Indebtedness” means any indebtedness for borrowed money represented by bonds or notes (*obligations*) issued by the Issuer or any of its Principal Subsidiaries, [or, as the case maybe, the Guarantor] which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or any other regulated securities market;

“Principal Subsidiary” shall mean any subsidiary of Danone:

- whose total consolidated assets or gross consolidated revenues attributable to Danone represent not less than 15 per cent. of the consolidated total assets or, consolidated gross revenues, as the case may be, of Danone and its subsidiaries taken as a whole, all as calculated by reference to the then latest consolidated audited accounts of Danone and its subsidiaries; or
- to which is transferred the whole or substantially the whole of the assets and undertakings of a subsidiary which immediately prior to such transfer was a Principal Subsidiary.

“outstanding” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 6(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 6(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised Bearer Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions.

This Condition 4 shall not apply to or be applicable in respect of any of the following :

- (a) any security interest created by the Issuer [or, as the case may be, the Guarantor] in respect of any Relevant Indebtedness over:
 - (i) any office buildings or production facilities (or any equipment located therein) of Danone in each case acquired or constructed after the Issue Date by Danone for the sole purpose of financing or re-financing such acquisition or construction and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of that acquisition or construction; and

- (ii) any shares or stock acquired by Danone after the Issue Date for the sole purpose of financing or re-financing such acquisition and securing a principal, capital or nominal amount not exceeding 100 per cent. of the cost of such acquisition; and
- (b) Subordinated Notes.

5 Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system launched on 19 November 2007 (known as TARGET 2 system) or any successor thereto (the **“TARGET System”**) is operating (a **“TARGET Business Day”**); and/or
- (ii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any);
- (iii) in the case of a specified currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (iv) in the case of a currency and/or one or more Business Centres specified in the relevant Final Terms (the **“Business Centre(s)”**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/365”** or **“Actual/Actual - ISDA”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/Actual-ICMA”** is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where: **“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date specified as such hereon or, if none is specified, the Interest Payment Date

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DAY COUNT FRACTION} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms

“ISDA Definitions” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms

“Rate of Interest” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms

“Reference Rate” means the rate specified as such in the relevant Final Terms

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

“RMB Note” means a Note denominated in Renminbi and

“Specified Currency” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an “unadjusted” basis,

the Interest Amount payable on any date shall not be affected by the application of the Business Day Convention.

- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and, unless otherwise specified in the relevant Final Terms, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) *ISDA Determination for Floating Rate Notes:*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes:*

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation or
- (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

- (b) If the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii)

applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (c) If paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iii) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any

overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(f)(i)).

- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (h) **Deferral of interest:** In the case of Subordinated Notes interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default under the Notes or for any other purpose. Notice of any Optional Interest Payment Date shall (for so long as the rules of any Stock Exchange so require) be given to the Noteholders in accordance with Condition 15 and to the relevant Stock Exchange. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**” which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days’ notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Subordinated Notes outstanding shall become due in full on whichever is the earliest of:
 - (i) the Interest Payment Date immediately following the date upon which the *Assemblée Générale* passed a resolution to pay a dividend on the ordinary share capital of the Issuer and
 - (ii) the commencement of a liquidation or dissolution of the Issuer.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the Civil Code, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“**Compulsory Interest Payment Date**” means any Interest Payment Date unless at the *Assemblée Générale* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended prior to such *Assemblée Générale*, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year.

“**Optional Interest Payment Date**” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

- (i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, and Rounding:**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (j) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such **period**, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination

of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 4). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (m) **RMB Notes:** Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Make-Whole Redemption by the Issuer:** Unless otherwise specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders, have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the "**Optional Redemption Date**"). The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin, plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the case of a partial redemption, the relevant provisions of Condition 6(d) shall apply *mutatis mutandis* to this Condition 6(c).

- (d) **Redemption at the Option of the Issuer and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided in the relevant Final Terms, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements of the Regulated Market on which the Notes are listed and admitted to trading.

In the case of a partial redemption in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange or other relevant authority requirements.

So long as the Notes are listed and admitted to trading on Euronext Paris or on any Regulated Market and the rules of such Regulated Market so require, the Issuer shall, once in each year in which there has been a

partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (e) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option the Noteholder must deposit with a Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the “**Exercise Notice**”) in the form obtained during usual business hours from any Paying Agent, within the notice period. In the case of Materialised Bearer Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

- (f) **Early Redemption:**

- (i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(g) or Condition 6(l) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(g) or Condition 6(l) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(g) or Condition 6(l), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Final Terms.

(g) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective after the Issue Date, the Issuer [or, as the case may be, the Guarantor (in respect of the Guarantee)] would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer [or, as the case may be, the Guarantor] could make payment of principal and interest without withholding for such French taxes.
- (ii) If the Issuer [or, as the case may be, the Guarantor (in respect the Guarantee)] would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer, shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as described in Condition 6(f) above) together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on the latest practicable Interest Payment Date on which the Issuer [or the Guarantor, as the case may be,] could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Receipts or Coupons, or, if that date is passed, as soon as practicable thereafter.

- (h) **Redemption at the Option of Noteholders following a Change of Control:** If a Change of Control Put Option is specified in the Final Terms, and if at any time while any Note remains outstanding there occurs a Put Event, the holder of each Note will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6(g)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Put Optional Redemption Date (as defined below) at the Put Amount (as defined below).

A "**Put 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;

“**Put Agent**” means the relevant Paying Agent specified in the Put Event Notice;

“**Put Amount**” means in respect of any Note an amount equal to 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Optional Redemption Date.

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 Notes 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 Notes 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 Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless Danone has a credit rating, in which case paragraphs (A) and (B), as the case may be, shall apply to the credit rating assigned to Danone by any Rating Agency; 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 6 shall be read accordingly.

“**Rating Agencies**” means Standard & Poor’s Rating Services, and/or Moody’s Investor Services 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 Notes at any relevant time or, in the event mentioned in paragraph (i) (C) of the above definition of “Rating Downgrade”, by Danone (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 *Autorité des marchés financiers* (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 3 Paris business days after receipt of a written official notice or after a public announcement issued by the relevant Rating Agency that a Put Event has occurred, the Issuer shall give notice (a **“Put Event Notice”**) to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event and the procedure for exercising the Put Option contained in this Condition 6.

To exercise the Put Option to require the redemption or, as the case may be, purchase of a Note under this Condition 6 the holder of that Note, in the case of Dematerialised Notes, must transfer or cause to be transferred by its Account Holder its Notes to be so redeemed or purchased to the account of, or, in the case of Materialised Notes, deposit or cause to deposit such Note (together, if applicable, with all unmatured Receipts and Coupons and unexchanged Talons) to the specified office of the Put Agent specified in the Put Event Notice for the account of the Issuer within the period of 45 days after the Put Event Notice is given (the **“Put Period”**), together with a duly signed and completed notice of exercise in the form (in the then current form) obtainable from the specified office of any Paying Agent (a **“Put Option Notice”**) and in which the holder may specify a bank account to which payment is to be made under this Condition 6.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Put Agent for the account of the Issuer as described above, on the date which is the tenth business day following the end of the Put Period (the **“Put Optional Redemption Date”**). Payment in respect of any Note so transferred will be made in the relevant currency specified in the Final Terms to the holder to the bank account specified in the relevant Put Option Notice on the Put Optional Redemption Date via the relevant Account Holder.

If 80 per cent. or more in nominal amount of the Notes issued under the same Series then outstanding have been redeemed pursuant to this Condition 6(h), the Issuer may, on not less than 30 or more than 60 days’ notice to the Noteholders given within 30 days after the Put Date, redeem, at its option, the remaining Notes as a whole at the Put Amount.

- (i) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.
- (j) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and regulations. Unless otherwise specified in the Final Terms, all Notes so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Notes in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier*.
- (k) **Cancellation:** All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered

therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (l) **Illegality:** If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful (i) for the Issuer to perform or comply with one or more of its obligations under the Notes, [or (ii) for the Guarantor to perform and comply with one or more of its obligations under the Guarantee], the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form) by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii), (in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder). All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer [or the Guarantor, if payment is being made under the Guarantee].
- (d) **Payments Subject to Fiscal Laws:** 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 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed under the Amended and Restated Agency Agreement and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any

obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent and the Consolidation Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities, (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent (vi) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments or any other EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26th-27th November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such European Council Directive 2003/48/EC of 3 June 2003 and (vii) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be listed and admitted to trading.

In addition, the Issuer [or the Guarantor, if payment is being made under the Guarantee] shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in US Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

- (i) Upon the due date for redemption of Materialised Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmaturing Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmaturing Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmaturing Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmaturing Coupons relating to a Materialised Bearer Note to become void and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

- (ii) Upon the due date for redemption of any Materialised Bearer Note comprising a Floating Rate Notes, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer [and the Guarantor, as the case may be,] may require.
 - (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon 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. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “Financial Centres” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.
- (i) **Payment of US Dollar Equivalent:** Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30-day irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of

the Noteholders. For the avoidance of doubt, no such payment of the US Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 10.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

These provisions may be amended or supplemented in the relevant Final Terms.

For the purposes of this Condition 7, “**US Dollar Equivalent**” means the relevant Renminbi amount converted into US dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

8 Taxation

- (a) **Tax exemption for Notes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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 therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon [or payments under the Guarantee] be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will [or, as the case may be, the Guarantor in the case of payments under the Guarantee], to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, 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, Receipt or Coupon, as the case may be:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
 - (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iv) **Payment by another Paying Agent:** in respect of Definitive Materialised Bearer Notes, presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU; or
 - (v) **Excess interest paid to a shareholder of the Issuer:** to, or to a third party of, a Noteholder or, if applicable, a Receiptholder or a Couponholder, as the case may be, who is liable to such taxes in respect of such Notes, Receipt or Coupon solely by reason of (x) his being a shareholder of the Issuer and (y) the payment of interest being made to him at a rate in excess of the limit set forth in

the French *Code général des impôts* (Article 39, 1, 3°) for the deduction of interest paid to shareholders of a borrowing company; or

- (vi) **Non-cooperative State or territory:** if the Notes do not benefit from any exception² provided in the ruling (*rescrit*) 2010/11 (FP and FE) of the French tax authorities dated 22 February 2010 and when such withholding or deduction is required to be made by reason of that interest, Receipt or Coupon being (x) paid to an account held in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State (*Etat ou territoire non-coopératif*) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III, 119 bis and 238 A of the same code.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 5(h)) 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 or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all arrears of interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) **Supply of information:** Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in a timely manner in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

² The Notes benefit from the exceptions provided by the ruling (*rescrit*) when:

- (i) the Notes are offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a non-cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) the Notes are 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
- (iii) the Notes are admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a non-cooperative State.

9 Events of Default

The Representative (as defined under Condition 11(b)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) shall occur:

(a) **Unsubordinated Notes:** In the case of Unsubordinated Notes:

- (i) the Issuer defaults in any payment when due of principal or interest on any Note [or the Guarantor defaults in any payment when due under the Guarantee] (including the payment of any additional amounts pursuant to the provisions set forth under “Taxation” above) if such default shall not have been cured within 15 days; or
- (ii) there is a default by the Issuer [or the Guarantor, as the case may be,] in the due performance of any other material provision of the Notes [or the Guarantee, as the case may be,] and such default shall not have been cured within 30 days after receipt by the Fiscal Agent of written notice of default given by the Representative upon request of the Noteholder; or
- (iii) any other present or future financial indebtedness of the Issuer [or the Guarantor] or any Principal Subsidiary for or in respect of monies borrowed equal or in excess of 150,000,000 (or its equivalent in any other currency), becomes due and payable prior to its stated maturity as a result of a default thereunder, or any such financial indebtedness shall not be paid when due and payable or, as the case may be, within any applicable grace period under the relevant contract in force prior to the date on which that financial indebtedness fell due or any guarantee or indemnity in excess of such aforesaid amount given by the Issuer [or the Guarantor] or any Principal Subsidiary for, or in respect of, any such financial indebtedness of others shall not be honoured when due and called upon, or, as the case may be, within any applicable grace period unless the Issuer [or the Guarantor] or such Principal Subsidiary, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute, an Event of Default hereunder so long as the dispute shall not have been finally adjudicated; this Condition 9(a)(iii) shall not apply (a) when it relates to any financial indebtedness owed by a Principal Subsidiary to a member of the Group and (b) if the failure to pay is caused by an error or omission or impediment of an administrative, operational, legal or regulatory nature, and the funds were otherwise available to such Principal Subsidiary to enable it to make the relevant payment when due; or
- (iv) Danone or any Principal Subsidiary applies for the appointment of a *mandataire ad hoc* under French bankruptcy law or enters into an conciliation procedure (*procédure de conciliation*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) or, Danone is wound up or dissolved except (i) in connection with a merger, provided that the entity resulting from such merger assumes the obligations under each Note [or Guarantee]; or
- (v) [the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.]

“**Principal Subsidiary**” shall have the meaning given to it in Condition 4.

“**Group**” means the Issuer and its subsidiaries taken as a whole.

- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest (including, if any, for the avoidance of doubt, the Arrears of Interest as defined in Condition 5(h)) to the date of payment.

10 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years (in the case of principal and interest) from the appropriate Relevant Date in respect of them.

11 Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, 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.228-63, R.228-67 and R.228-69 subject to the following provisions:

- (a) **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.

- (b) **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, or 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, or employees as well as their ascendants, descendants and spouses; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 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 its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate 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.

- (c) **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.

- (d) **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 15 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify³, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

- (e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the 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 on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

- (f) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each 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 presented at the General Meeting, 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.
- (g) **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, more generally, all administrative expenses

³ At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

- (h) **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 11, the term “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer pursuant to L.213-1 A of the French *Code monétaire et financier* that are held by it and not cancelled.

12 Modifications

These Conditions may be completed, amended or waived in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Final Terms, the Issuer may, without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilables*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such Notes provide for such assimilation and references in these Conditions to “**Notes**” shall be construed accordingly.
- (b) **Consolidation:** The Issuer, with the prior approval of the Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are listed on Euronext Paris, in a leading daily

newspaper of general circulation in France (which is expected to be *La Tribune* or *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and so long as such Notes are listed and admitted to trading on any stock exchange and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, and on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.

- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *La Tribune* or *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and so long as such Notes are listed and admitted to trading on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading.
- (c) 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. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg 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 16(a) and (b) above; except that (i) so long as such Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market(s) or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s) or other stock exchange on which such Notes are listed and admitted to trading is located, which, and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading daily newspaper of general circulation in Europe.

16 Substitution of the Issuer

Danone may be replaced and may be substituted by any of its Subsidiaries as principal debtor in respect of the Notes, without the consent of the Noteholders, provided that no payment in respect of the Notes is at the relevant time overdue. If Danone determines that any of its Subsidiaries will become the principal debtor (in such capacity, the “**Substituted Issuer**”), Danone shall give no less than 30 nor more than 45 days’ notice to the Noteholders of each Note then outstanding of such event and, immediately on the expiry of such notice, the Substituted Issuer shall become the principal debtor in respect of the Notes in place of Danone and Noteholders shall thereupon cease to have any rights or claims whatsoever against Danone as principal debtor. However, no such substitution shall take effect:

- (i) if the effect of such substitution would, at the time of such substitution, be that payments in respect of any Note would be required to be made subject to any withholding or deduction which would not otherwise arise in the absence of such substitution;

- (ii) until Danone has entered into an unconditional and irrevocable guarantee, which is substantially in the form of the Pro-Forma Guarantee, in respect of the obligations of such Substituted Issuer (the “**Guarantee**”);
- (iii) in any case, until the Substituted Issuer shall have provided to the Fiscal Agent and the Paying Agents such documents as may be necessary to make each Note and the Amended and Restated Agency Agreement legal, valid and binding obligations;
- (iv) if the relevant Notes cease to be listed and admitted to trading on the relevant Regulated Market where they have been initially admitted for trading;
- (v) until such Substituted Issuer shall have obtained all authorisations and approval necessary for the substitution and the fulfilment of the obligations arising under the Notes and shall have been approved by the competent authorities of the Member State where the Notes are admitted to trading.

In the event of such substitution, any reference in the Conditions to Danone shall from then on be deemed to refer to the Substituted Issuer and any reference in the Conditions to the Republic of France shall from then on be deemed to refer to the country of incorporation of the Substituted Issuer.

For the purposes of this Condition:

“**Subsidiary**” means, in relation to any person or entity at any time, a “*filiale*” as defined in Article L.233-1 of the French *Code de commerce* (modified or re-enacted from time to time) or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court located in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream, Luxembourg may similarly be credited to the accounts of subscribers with Euroclear or Clearstream, Luxembourg.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme - Selling Restrictions”), in whole, but not in part, for Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part, for Definitive Materialised Bearer Notes upon certification in the form set out in the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents) as to non-US beneficial ownership.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Bearer Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, “Definitive Materialised Bearer Notes” means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal requirements of the Regulated Market in, or substantially in, the form set out in Schedule 2 Part A to the Amended and Restated Agency Agreement (and which shall be available at the specified offices of the Paying Agents).

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day next succeeding the day that is 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for Danone's general corporate purposes unless otherwise specified in the relevant Final Terms.

DESCRIPTION OF DANONE

HISTORY AND DEVELOPMENT OF DANONE

Corporate Name, Seat and Registered Office The corporate name of the issuer is Danone (“**Danone**” or the “**Issuer**”).

Its registered and head office is: 17 Boulevard Haussmann, 75009 Paris, France. Its telephone number is +33 1 44 35 20 20.

Legal form, Governing law and Registration

Danone is a *société anonyme* (public limited liability company) organised and existing under the laws of the Republic of France.

The Issuer is registered at the *Registre du Commerce et des Sociétés* in Paris under number 552 032 534.

Date of Incorporation and Duration of Danone

The Issuer was incorporated on 2 February 1899 and registered on 23 January 1908 under the name CIE Des Glaces et Verres Spéciaux de France. Its term shall expire in 13 December 2040 except in the case of early dissolution or further extension.

Purpose of Danone

The corporate purpose (*objet social*) of Danone, which may be found in article 2 of its *statuts*, is as follows:

- manufacturing and commercial activities in all types of food products;
- execution of all types of financial operations, portfolio management of all types of securities and rights, listed and unlisted, French or foreign; acquisition and management of all types of properties and real estate;
- acquisition of equity interests in all types of companies.

Financial Year

The Issuer’s financial year starts on 1 January and ends on 31 December of each year.

Authorised and Issued Share Capital

At the date of this Base Prospectus, the share capital of Danone is €162,215,250, divided into 648,861,000 shares of €0.25 nominal per share.

All shares may be held in registered or bearer form and are freely negotiable. The shares are listed on Euronext Paris (Compartment A – Differed Settlement Service; ISIN Code: FR0000120644).

Investments

Please refer to pages 36-38 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

BUSINESS OVERVIEW

Principal Activities

Please refer to pages 31-35 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

Principal Markets

Please refer to pages 31-35 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

MATERIAL CONTRACTS

Please refer to page 41 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

ORGANISATIONAL STRUCTURE

Please refer to pages 37 and 111-117 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Board of Directors

Please refer to pages 156-158 and 163 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

Executive Committee

Please refer to page 171 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

Administrative Management and Supervisory bodies conflict of interests

To the best of the Issuer's knowledge, there are no existing potential conflicts of interest between any of the Directors' duties with respect to the Issuer and their private interests and/or duties.

BOARD PRACTICES

Corporate Governance

Please refer to pages 156-187 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

Danone complies in all material respects with the French corporate governance regime applicable to it.

Audit Committee

Please refer to pages 163-165 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

MAJOR SHAREHOLDERS

Please refer to pages 218-220 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

LITIGATIONS

Please refer to page 40 of the *2010 Document de Référence* of Danone which is incorporated by reference in this Base Prospectus.

AUDITORS

The statutory auditors of Danone for the financial year ended 31 December 2009 were:

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

Duly represented by Etienne BORIS and Olivier LOTZ.

Mazars

61, rue Henri Regnault

92 400 Courbevoie

Duly represented by Thierry COLIN and Ariane MIGNON.

Alternate auditors:

Patrick de CAMBOURG and Anne MONTEIL

PricewaterhouseCoopers Audit and Mazars are registered with the Versailles regional office of the *Compagnie Nationale des Commissaires aux Comptes* (“CNCC”).

PricewaterhouseCoopers Audit and Mazars are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*.

The statutory auditors of Danone for the financial year ended 31 December 2010 were:

PricewaterhouseCoopers Audit

63, rue de Villiers

92208 Neuilly-sur-Seine – Cedex

Duly represented by Etienne BORIS and Philippe VOGT.

Ernst & Young et Autres

41 rue Ybry

92576 Neuilly-sur-Seine

Duly represented by Jeanne BOILLET and Gilles COHEN

Alternate auditors:

Yves NICOLAS and AUDITEX

PricewaterhouseCoopers Audit and Ernst & Young et Autres are registered with the Versailles regional office of the *Compagnie Nationale des Commissaires aux Comptes* (“CNCC”).

PricewaterhouseCoopers Audit and Ernst & Young et Autres are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*.

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND FINANCIAL PERFORMANCE

Please refer to pages 54-117 of the 2010 *Document de Référence* and to pages 10 to 23 of the Interim Financial Report of Danone which are incorporated by reference in this Base Prospectus.

SELECTED FINANCIAL INFORMATION

The following selected financial information was extracted without material adjustment from the audited consolidated financial statements of Danone for the years ended 31 December 2009 and 31 December 2010, and from the unaudited condensed interim consolidated financial statements as of and for the six month period ended 30 June 2011 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

	Fiscal year ended December 31	
<i>In € millions (except for per share data, expressed in €)</i>	2009 ⁽¹⁾	2010
Consolidated income statement data		
Net sales	14,982	17,010
Trading operating income ⁽²⁾	2,294	2,578
Operating income	2,511	2,498
Net income – Attributable to owners of the Company	1,361	1,870
Net income – Attributable to non-controlling interests	160	164
Underlying net income ⁽³⁾	1,412	1,669
Diluted earnings per share – Attributable to owners of the Company	2.41	3.04
Underlying fully diluted EPS ⁽³⁾	2.50	2.71
Dividend per share ⁽⁵⁾	1.20	1.30
Consolidated balance sheet data		
Current assets	4,407	5,895
Non current assets	19,900	22,204
Total assets	24,307	28,099
Equity – Attributable to owners of the Company	10,555	11,940
Non-controlling interests	54	47
Net debt ⁽⁴⁾	6,562	7,074
Consolidated cash flow data		
Cash flows provided by operating activities	2,000	2,476
Free cash flow ⁽⁶⁾	1,427	1,713
Net financial debt ⁽⁷⁾	3,494	3,216

(1) Some balance sheet elements were restated as set forth in Note 1 of the Notes to the consolidated financial statements of the 2010 *Document de Référence*.

(2) See Section 3.9 of the 2010 *Document de Référence* for definition of Trading operating income.

(3) Attributable to the owners of the Company. See Section 3.5 of the 2010 *Document de Référence* for reconciliation between Underlying net income and Net income attributable to the owners of the Company.

(4) Net debt corresponds to current and non current financial debt less cash and cash equivalents, marketable securities and other short term investments and less Financial instruments – Assets.

(5) Dividend paid to the Company's shareholders, with respect to the fiscal year and paid the following year.

(6) See Section 3.9 of the 2010 *Document de Référence* for definition of Free cash flow.

(7) See Section 3.9 of the 2010 *Document de Référence* for definition of Net financial debt.

Financial highlights first half 2011

	For the six months period ended	
Key figures	30 June 2010 (<i>unaudited</i>)	30 June 2011 (<i>unaudited</i>)
- Sales ¹ (€ mln)	8,364	9,728
- Trading operating income ² (€ mln)	1,280	1,396
- Trading operating margin ²	15.30%	14.35%
- Underlying net income ² (€ mln)	848	870
- Underlying EPS ² (fully diluted) (€)	1.38	1.44
¹ Net sales		
² See section 1.7 of the 2011 Interim Financial Report for details on calculation of financial indicators not defined in IFRS		

RECENT DEVELOPMENTS

Press release dated 18 October 2011 regarding Danone third quarter sales and the first nine months of 2011

Sales in the third quarter and the first nine months of 2011

October 18, 2011

Organic growth for the first nine months of 2011: +7.7%

Full-year targets for 2011 confirmed

- Sales for the first nine months of 2011 are up +14.3% as reported and +7.7% like for like^[1]
- Third-quarter show organic growth of +5.9%^[2] reflecting increases in both volume (+1.5%) and value (+4.4%); all divisions report growth
- Unimilk's performance is in line with priorities for integration, steady sales
- Full-year targets for 2011 confirmed

[1] See page 81 for details on calculation of financial indicators not defined in IFRS

[2] Like for like (see definition page 81)

Chairman's comment

“We stand by our full-year targets for 2011. Danone is in very good shape, with operations in Asia, Latin America, and Africa/Middle East continuing to post robust growth. In Russia and the United States, we are working to strengthen our leading position, and our performance in Western Europe remains good. It's the on-going construction of our growth drivers —more than fluctuations in the weather or financial markets — that continues to energize our operations and give me confidence in the future.

So I am confident that 2011 will see us deliver strong, profitable growth, right on target and despite the steep increase in commodity prices at the beginning of the year. I am also confident about 2012.”

Sales by business line and geographical area in Q3 2011

€ millions	Q3 10	Q3 11	Change Like for like ^[1]	Volume growth Like for like ^[1]
BY BUSINESS LINE				
Fresh Dairy Products	2 446	2 785	3.5%	-1.5%
Waters	786	816	7.9%	4.9%
Baby Nutrition	845	906	10.5%	5.5%
Medical Nutrition	270	298	9.8%	9.4%
BY GEOGRAPHICAL AREA				
Europe	2 366	2 661	0.1%	-3.9%
Asia	636	740	19.6%	13.9%
Rest of World	1 345	1 404	11.5%	4.5%
Group	4 347	4 805	5.9%	1.5%

[1] Like for like, at constant scope of consolidation and exchange rates. See page 81 for details on calculation of financial indicators not defined in IFRS

Overview of sales performance – Q3 2011

Consolidated sales increased +10.5% to €4,805 million in the third quarter of 2011. Excluding the impact of exchange rates (-3.7%) and changes in the scope of consolidation (+8.3%), sales were up +5.9%. This organic growth reflects a +1.5% increase in volume and a +4.4% increase in value.

Exchange-rate effects reflect unfavorable trends that started in the second quarter for currencies including the US dollar, the Argentine peso and the Russian ruble. The change in the scope of consolidation was mostly due to the integration of Unimilk (Russia).

Fresh Dairy Products

In the third quarter of 2011, Fresh Dairy division sales increased +3.5% like-for-like, reflecting a slight -1.5% volume decline and a +5.0% increase in value.

Excluding Unimilk, Fresh Dairy division sales delivered +4.1% like-for-like growth, fueled by both a +1.2% volume increase and +2.9% growth in value.

Regional performance was consistent with results for the second quarter, except in Russia and the United States, where sales stabilized from last year. In the United States, strong growth in the high value-added Greek-style yogurt segment has contributed to modify market trends. This led Danone to launch a revamped line under the Oikos name, with satisfactory initial results. Markets in Latin America and Africa/Middle-East remained vigorous, with continued double-digit growth, while Western Europe held steady.

Activia and indulgence brands provided most of the division's momentum.

Growth in sales value reflects the full impact of competitive price increases implemented in most countries during the first part of the year.

Unimilk continued to concentrate on its priorities: segmenting its brand portfolio, increasing profitability, and integrating the Danone-Unimilk joint venture.

Our teams made further significant progress in integrating the joint venture, which will begin operating as a single company in early 2012.

Unimilk met its targets for the third quarter, with sales remaining steady year-on-year as a 11.5% price / mix effect offset an -11.8% decrease in volumes. Volume has remained stable on a month-by-month basis since the beginning of the year.

Waters

Waters reported a solid +7.9% like-for-like increase and the division's performance continued to show a good balance between +4.9% volume growth and a +3.0% price/mix effect.

Latin America and Asia continued to drive the division, with double-digit growth reflecting vigorous demand, increased market share, and very strong growth in the aquadrinks segment.

In contrast, sales in Western Europe were penalized by unfavorable weather. Business in Japan returned to normal.

Baby Nutrition

The Baby Nutrition division pursued its strong trend with sales up +10.5% like for like, based on +5.5% volume growth.

The robust +5.0% increase in value reflects both a favorable growth mix and price increases applied since the beginning of the year in most regions.

Sales were up in all regions, with Indonesia, China, the Middle East, the UK and Turkey acting as the division's top drivers.

Growing-up milks continued to deliver double-digit growth, while weaning foods showed a slight increase thanks to a very strong performance in the cereals segment.

Medical Nutrition

Medical Nutrition sales posted a +9.8% like-for-like increase in the third quarter of 2011, driven primarily by volume growth (+9.4%).

The main contributors to this division growth were China, Brazil, the Netherlands, the UK and Turkey.

All product categories demonstrated positive growth, with Neocate, Nutrini and other pediatric care products showing above-average growth.

2011 financial outlook

Backed by steady growth in the first nine months of 2011, Danone stands by its targets announced at the beginning of the year as follows:

Altogether, targets for 2011 include:

- a 6% to 8% increase in sales^[1] on a like-for-like basis^[2].
- an increase of around 0.2% in trading operating margin^[2], like for like. This will be fueled by all Group activities, but especially by Unimilk and synergies from its integration.
- an increase in free cash flow^[2] in keeping with the €2 billion target set for 2012.

[1] Net sales

[2] See page 81 for details on calculation of financial indicators not defined in IFRS

Financial transactions and key events for the period (recap of third-quarter press releases)

On August 2, 2011, Danone announced that it had signed an agreement with the Wockhardt Group to acquire its nutrition business and enter India's baby nutrition and medical nutrition markets. Closing of the transaction is subject to certain terms and conditions under the agreement.

On September 14, 2011, Danone announced that Thomas Kunz had been appointed Executive Vice President, Fresh Dairy Products, and Francisco Camacho had been appointed Executive Vice President of the Waters division.

On September 21, 2011, Danone announced the successful launch of a five-year, €500 million bond issue aimed at diversifying Danone's sources of finance and extending the maturity of its debt under favorable market conditions.

APPENDIX – Sales by division and by region

<i>€ millions</i>	First quarter		Second quarter		Third quarter		First 9 months	
	2010	2011	2010	2011	2010	2011	2010	2011

BY BUSINESS LINE

Fresh Dairy Products	2 319	2 851	2 436	2 821	2 446	2 785	7 201	8 457
Waters	620	718	828	949	786	816	2 234	2 483
Baby Nutrition	797	910	857	907	845	906	2 499	2 723
Medical Nutrition	242	278	265	293	270	298	777	869

BY GEOGRAPHICAL AREA

Europe	2 275	2 697	2 420	2 845	2 366	2 661	7 061	8 203
Asia	527	661	635	734	636	740	1 798	2 135
Rest of World	1 176	1 399	1 331	1 391	1 345	1 404	3 852	4 194

Group total	3 978	4 757	4 386	4 970	4 347	4 805	12 711	14 532
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First quarter 2011		First quarter 2011		Third quarter 2011		First 9 months of 2011	
<i>Reported change</i>	<i>Like-for-like change [1]</i>	<i>Reported change</i>	<i>Like-for-like change [1]</i>	<i>Reported change</i>	<i>Like-for-like change [1]</i>	<i>Reported change</i>	<i>Like-for-like change [1]</i>

BY BUSINESS LINE

Fresh Dairy Products	22.9%	6.5%	15.8%	5.5%	13.8%	3.5%	17.4%	5.2%
Waters	15.9%	13.3%	14.6%	18.9%	3.7%	7.9%	11.1%	13.6%
Baby Nutrition	14.1%	11.2%	5.9%	9.6%	7.2%	10.5%	9.0%	10.4%
Medical Nutrition	15.2%	9.3%	10.3%	8.7%	10.7%	9.8%	12.0%	9.2%

BY GEOGRAPHICAL AREA

Europe	18.6%	3.7%	17.6%	4.2%	12.5%	0.1%	16.2%	2.6%
Asia	25.5%	18.0%	15.6%	20.8%	16.2%	19.6%	18.7%	19.5%
Rest of World	18.9%	14.8%	4.5%	12.6%	4.4%	11.5%	8.9%	12.9%

Group	19.6%	8.5%	13.3%	8.8%	10.5%	5.9%	14.3%	7.7%
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[1] See page 81 for details on calculation of financial indicators not defined in IFRS

Financial indicators not defined in IFRS

Information published by Danone uses financial indicators that are not defined by IFRS. These are calculated as follows:

Like-for-like changes in net sales, trading operating income and trading operating margin exclude the impact of changes in (i) exchange rates, with both previous-year and current-year indicators calculated using the same exchange rates; and (ii) scope of consolidation, with previous year indicators calculated on the basis of current-year scope.

Trading operating income and expense is defined as the Group operating income before other operating income and expense. Other operating income and expense is defined under Recommendation 2009-R.03 of the French CNC, and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to current (ordinary) 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 acquisitions, and costs related to major litigation. Since the application of IFRS 3 (Revised), they have also included acquisition fees related to business combinations.

Trading operating margin is defined as the trading operating income over net sales ratio.

Free cash flow represents cash flows provided or used by operating activities less capital expenditure, net of disposals and acquisition fees related to business combinations (since the application of IFRS 3 (Revised)).

TAXATION

EU TAXATION

The following is a summary limited to certain tax considerations applicable under the laws of the European Union relating to the Notes that may be issued under the Programme. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax is 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 13 November 2008, the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above.

LUXEMBOURG

The following is a general description of certain tax laws relating to the Notes as in effect and as applied by the relevant tax authorities as at the date hereof and does not purport to be a comprehensive discussion of the tax treatment of the Notes.

Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “Directive”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. as from 1 July 2008 and to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

Interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents are subject to a 10 per cent. withholding tax.

FRANCE – TAXATION

The following is a summary limited to certain tax considerations in France relating to the Notes that may be issued under the Programme. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

The Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

French law No. 2009-1674, dated 30 December 2009, modified the withholding tax rules set out in Article 125 A III of the French *Code général des impôts*, applicable to interest paid on notes such as the Notes. As a result of such new law, as interpreted by the French tax authorities in a public ruling (*Rescrit* No. 2010/11 (FP

and FE) dated 22 February 2010), payments of interest and other revenues on the Notes made by the Issuer in its capacity as issuer of the Notes will be exempt from the 50 per cent. withholding tax set out in Article 125 A III of the French tax code as follows:

a. Interest and other similar revenues paid on Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code (*Code général des impôts*) before 1 March 2010 (or on Notes that are issued on or after 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with such Notes) are exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

b. Interest and other similar revenues paid on Notes issued on or after 1 March 2010 (except Notes that are issued on or after 1 March 2010 and which are to be consolidated with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts* before 1 March 2010) and Notes that were issued prior to 1 March 2010 without the benefit of Article 131 *quater* of the French *Code général des impôts*, are exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*, regardless of where or to whom they are paid, to the extent that they are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State (as defined below). For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) 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 provided further that the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, is not located in a Non-Cooperative State; or

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

c. Interest and other similar revenues paid by the Issuer in its capacity as issuer on those Notes that do not fall within the categories described in a or b above, will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* provided that such interest and revenues are not paid 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, and the Issuer cannot prove that the main purpose and effect of the issue of notes was not that of allowing the payments of interest and other similar revenues to be made in a Non-Cooperative State, the 50 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* will be applicable (subject to the more favorable provisions of any applicable double tax treaty).

Interest and other revenues on Notes issued on or after 1 March 2010 (other than Notes which are assimilated (*assimilables* for the purpose of French law) to Notes issued before that date) and which are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State may, if they do not meet the conditions set out in (b)(i), (ii) or (iii) above, no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after January 1, 2011. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends, in which case such non-deductible interest and other revenues may be subject to dividend withholding tax, at a rate of 25 per cent. or 50 per cent.

See "*Terms and Conditions of the Notes – Taxation*".

PRC Taxation

The holders of RMB Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their RMB Notes or any repayment of principal and payment of interest made thereon.

SUBSCRIPTION AND SALE

Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 27 October 2011 (as amended or supplemented from time to time, the “**Amended and Restated Dealer Agreement**”) between Danone, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis to the Permanent Dealers. The Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

Danone will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it unless otherwise agreed. Danone has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

Danone has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify Danone against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except it may, with effect from and including the Relevant Implementation Date, make an offer:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such final terms and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive includes any relevant implementing measure in each Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

France

Each of the Dealers has represented and agreed that:

- (i) Offer to the public in France

it has only made and will only make an offer of Notes to the public in France (i) in the period beginning on the date of the approval of the prospectus relating to those Notes by the *Autorité des marchés financiers* (“**AMF**”) or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

- (ii) Private Placement in France

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

If necessary, these French selling restrictions will be supplemented in the relevant Final Terms.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Fiscal Agent by the relevant Dealer, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has agreed that:

- (a) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has severally represented, warranted and agreed that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to —professional investors¹ as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a —prospectus² as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to —professional investors¹ as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

PRC

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the PRC (excluding Hong Kong, Macau and Taiwan) except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the

SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

These selling restrictions may be modified by the agreement of Danone and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Unless otherwise specified in the Final Terms, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and neither Danone, or any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

PRO-FORMA OF THE GUARANTEE

The undersigned Danone, a public limited liability company (a *société anonyme*) with a share capital of Euro [●] whose head-office is located at 17, Boulevard Haussmann, 75009 Paris, France, represented by [●], duly authorised to deliver this guarantee (the “**Guarantee**”) by [●] hereinafter referred to as the “**Guarantor**” or “**Danone**”, hereby refer to:

The issuance of Euro Medium Term Notes (the “**Notes**”) by [●], a company incorporated under the laws of [●], whose head-office is located at [●] (the “**Substituted Issuer**”) under a Euro Medium Term Notes Programme in the aggregate nominal amount of Notes outstanding not exceeding at any time Euro 7,000,000,000 (or the equivalent in any other currencies) (the “**Programme**”), and under which the Substituted Issuer can issue Notes in the aggregate nominal amount of Notes outstanding not exceeding at any time Euro [●] (or the equivalent in any other currencies), all in accordance with (i) the terms and conditions (the “**Terms and Conditions**”) of the Notes, (ii) the Amended and Restated Agency Agreement dated 27 October 2011 entered into between Danone as Issuer and Citibank N.A., London Branch as fiscal agent and the other agents named in it, as amended from time to time (the “**Amended and Restated Agency Agreement**”) and (iii) the Amended and Restated Dealer Agreement dated 27 October 2011 entered into between Danone as Issuer and the Permanent Dealers and the Arranger, as amended from time to time (the “**Amended and Restated Dealer Agreement**”). The Amended and Restated Agency Agreement and the Amended and Restated Dealer Agreement are together hereinafter referred to as the “**Agreements**”.

The Guarantor hereby declares being fully aware of all the Terms and Conditions of the Notes, the Agreements and the Programme.

The Guarantor hereby irrevocably and unconditionally guarantees up to a maximum outstanding principal amount of Euro [●] (or the equivalent in any other currencies) to the holders of the Notes issued by the Substituted Issuer under the Programme (collectively the “**Noteholders**” and individually a “**Noteholder**”) the due payment of interest and principal of the Notes, when and as the same becomes due and payable (including any additional amounts required to be paid pursuant to the terms of the Notes) by the Substituted Issuer, whether at maturity, upon redemption by acceleration of maturity or otherwise, at the first written demand from any Noteholder in the form attached as appendix to this Guarantee. The Guarantor thus undertakes to pay any sum due under the Notes and unpaid by the Substituted Issuer in accordance with the Terms and Conditions of the Notes at the first written demand from any Noteholder in the form attached as appendix to this Guarantee.

The Guarantor shall be liable under this Guarantee as if it was the sole principal issuer under the Terms and Conditions of the Notes issued by the Substituted Issuer. The Guarantor hereby waives any requirement that the Noteholder, in the event of any default in payment by the Substituted Issuer, seeks to enforce remedies against the Substituted Issuer before seeking to enforce this Guarantee.

This Guarantee shall enter into force from the date of its signature and shall remain fully valid until there are no more outstanding Notes issued by the Substituted Issuer under the Programme.

Any delay, provided that it has not resulted from an administrative error or a technical or operational problem, unless such administrative error or technical or operational problem has not been cured within 15 days, between the due date of the amounts (as stated in the Noteholder(s)’ payment demand) owed by the Guarantor to the Noteholders and their effective payment date shall automatically bear a rate of interest equal to Euribor one month plus a margin of 1 per cent.

The Guarantee shall remain valid even in the case where the Guarantor would no longer hold the original level of its participation in the share capital and/or the voting rights of the Substituted Issuer. In addition, it is hereby expressly agreed that any modification in the legal situation of the Guarantor, whatsoever, shall not release the Guarantor from its obligations under the present Guarantee, especially in case of merger, the

absorbing entity or the new entity shall endorse the present undertakings with regard to the merger agreement and in case of split, the beneficiaries of the contributions resulting of such split shall endorse jointly and severally the Guarantor's undertakings.

For so long as any amount remains payable in respect of the Notes, the Guarantor will not exercise any right of subrogation against the Substituted Issuer pursuant to this Guarantee or take any other action that would result in asserting claims of the Guarantor at the same time as claims of the Noteholders.

If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Guarantor will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, 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, Receipt or Coupon, as the case may be, as indicated in Condition 8(b) of the Terms and Conditions of the Notes.

The obligations of the Guarantor under the Guarantee, if any, constitute direct, unconditional and (unless the relevant Final Terms provide otherwise) unsubordinated and (subject to the provisions of Condition 4 of the Terms and Conditions of the Notes) unsecured obligations of the Guarantor and shall at all times rank (save for certain obligations required to be preferred by law) equally and rateably with all other present or future unsecured and unsubordinated financial indebtedness of the Guarantor.

If, at any time when any amount remains payable in respect of the Notes or, if applicable, the receipts or coupons relating thereto, the Guarantor shall grant any mortgage, charge, pledge or other security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined in the Terms and Conditions of the Notes), incurred or guaranteed by it, this Guarantee shall be secured by the same ranking security.

The Guarantor hereby represents and warrants to the Noteholders that:

- (a) it is incorporated and validly existing under the laws of France and has the power to execute the present Guarantee and to perform the obligations expressed in it;
- (b) all corporate actions to authorize the execution or the performance of the obligations of the present Guarantee have been duly taken;
- (c) the execution of this undertaking and the exercise of its obligations under the present Guarantee will not conflict with (i) any constitutive document or any rule of the Guarantor ; (ii) any material agreement or undertaking to which the Guarantor is a party ; and (iii) any applicable law, regulation or judicial order;
- (d) the obligations expressed to be assumed by the Guarantor under the present Guarantee are legal, valid, binding and enforceable obligations in accordance with the terms hereof; and
- (e) no authorization, notification or specific procedure whatsoever is required from any public authority whatsoever for the execution of this Guarantee or the performance of Guarantor's obligations hereunder, or the exercise by the Noteholders of their rights hereunder.

All terms not otherwise defined in the present Guarantee shall have the meaning assigned to them in the Terms and Conditions of the Notes.

This Guarantee shall be governed by French law. Any dispute arising out of or in connection with, without limitation, its validity, interpretation, or Performance, shall be subject to the exclusive jurisdiction of the Commercial Court of Paris (*Tribunal de Commerce de Paris*).

Executed in [●], on [●].

For the Guarantor, [●].]

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH
A DENOMINATION OF LESS THAN [€50,000/€100,000] TO BE ADMITTED TO
TRADING ON A REGULATED MARKET OR REGULATED MARKETS**

Final Terms dated [●]

[LOGO, if document is printed]

Danone

Euro 7,000,000,000

Euro Medium Term Note Programme
for the issue of Notes

Due from one month from the date of original issue

SERIES NO: [●]

TRANCHE NO: [●]

**[Brief description and Amount of Notes]
issued by Danone (the “Issuer”)**

[Name(s) of Dealer(s)]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 39 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] *[Include this legend where a non-exempt offer of Notes is anticipated]*.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] *[Include this legend where an exempt offer of Notes is anticipated]*.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] which received visa no. [●] from the *Autorité des marchés financiers* (the “**AMF**”) [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●] from the AMF which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Prospectus Directive**”) to the extent that such amendments have been implemented in a Member State of the European Economic Area). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained from Danone, 17, boulevard Haussmann, 75009 Paris, France and at the office of the Fiscal Agent or each of the Paying Agents.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes

described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Prospectus Directive**”) to the extent that such amendments have been implemented in a Member State of the European Economic Area) and must be read in conjunction with the Base Prospectus dated [current date] which received visa no. [●] from the AMF [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●] from the AMF], which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]]. [The Base Prospectus] [and the supplement to the Base Prospectus] are available for viewing on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained from Danone, 17, boulevard Haussmann, 75009 Paris, France and at the office of the Fiscal Agent or each of the Paying Agents.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|---|---|---|
| 1 | Issuer: | Danone |
| 2 | (i) Series Number: | [●] |
| | (ii) [Tranche Number: | [●] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]</i> | |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5 | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| 6 | Specified Denomination(s) ⁴ : | [●] (one denomination only for Dematerialised Notes) |
| 7 | (i) Issue Date: | [●] |
| | (ii) [Interest Commencement Date: | [●]] |

⁴ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

- 8 Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
- 9 Interest Basis: *[[●] per cent. Fixed Rate]*
[[specify reference rate] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
[(further particulars specified below)]
- 10 Redemption/Payment Basis:** *[Redemption at par]*
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
- 12 Put/Call Options: *[Issuer Call]*
[Investor Put]
[Make-Whole Redemption by the Issuer]
[Change of Control Put Option]
[(further particulars specified below)]
- 13 (i) Status of the Notes: *[Subordinated/Unsubordinated Notes]*
(ii) Dates of the corporate authorisations for issuance of the Notes: *[decision of the Board of Directors] of Danone dated [●] [and of [●] [function] dated [●]]⁵/[decision of [●] [function] dated [●]]⁶*
- 14 Method of distribution: *[Syndicated/Non-syndicated]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Note Provisions:** *[Applicable/Not Applicable]*
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate [(s)] of Interest: *[●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]*

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

⁵ Relevant for issues of Notes constituting *obligations* under French law.

⁶ Only relevant for issues of Notes not constituting *obligations* under French law.

(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [the Business Day Convention specified below ⁷] [<i>specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”</i>]/not adjusted.]
(iii) Fixed Coupon Amount [(s)] ⁸ :	[●] per [●] in nominal amount
(iv) Broken Amounts:	<i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]</i>
(v) Day Count Fraction (Condition 5(a)):	[●] <i>[Day Count Fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in USD or RMB]</i>
(vi) Determination Date(s) (Condition 5(a)):	[●] in each year. <i>[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]</i> ⁹
(vii) [Business Day Convention] ¹⁰	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i>]
(ix) [Party responsible for calculating Interest Amounts (if not the Calculation Agent)] ¹¹	[●] / [Not Applicable]
16 Floating Rate Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i) Interest Period(s):	[●]
(ii) Specified Interest Payment Dates:	[●]
(iii) First Interest Payment Date:	[●]
(iv) Interest Period Date:	[●] (<i>Not Applicable unless different from Interest Payment Date</i>)
(v) Business Day Convention:	[Floating Rate Business Day Convention /Following Business Day Convention /Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)] <i>[unadjusted]</i>

⁷ RMB Notes only

⁸ Not applicable for RMB Notes

⁹ Only to be completed for an issue denominated in euro where Day Count Fraction is Actual/Actual-ICMA.

¹⁰ RMB Notes only

¹¹ RMB Notes only

- (vi) Business Centre(s) (Condition 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination/other (*give details*)]
- (viii) Party responsible for calculating the Rates(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination (Condition 5(c)(iii)(B)):
- Reference Rate: [●]
 - Interest Determination Date(s): [[●] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
 - Relevant Screen Page: [●]
- (x) ISDA Determination (Condition 5(c)(iii)(A)):
- Floating Rate Option: [●] (*specify Benchmark and months e.g. EURIBOR 3 months*)
 - Designated Maturity: [●]
 - Reset Date: [●]
 - [ISDA Definitions:] [2000/2006]
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction (Condition 5(a)): [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

17 Zero Coupon Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub paragraphs of this paragraph)

- (i) Amortisation Yield (Condition 6(f)(i)): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 5(a)): [●]
- (iii) Any other formula/basis of determining amount payable: [●]

- 18 Index Linked Interest Note Provisions/other variable-linked interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Index/Formula/ [other variable]: [Give or annex details]
 - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [•]
 - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Interest Determination Date(s): [•]
 - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [•]
(Need to include a description of market disruption or settlement disruption events and adjustment provisions)
 - (vi) Interest Period(s): [•]
 - (vii) Specified Interest Payment Dates: [•]
 - (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
 - (ix) Business Centre(s) (Condition 5(a)): [•]
 - (x) Minimum Rate of Interest: [•] per cent. per annum
 - (xi) Maximum Rate of Interest: [•] per cent. per annum
 - (xii) Day Count Fraction (Condition 5(a)): [•] per cent. per annum
- 19 Dual Currency Note Provisions **** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
 - (ii) Party, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [•]

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus EU Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable or otherwise disrupted: [•]
- (iv) Person at whose option Specified Currency(-ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----------|---|---|
| 20 | Call Option | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i> |
| | (i) Optional Redemption Date(s): | [•] |
| | (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] per Note of [•] specified denomination |
| | (iii) If redeemable in part: | |
| | (a) Minimum nominal amount to be redeemed: | [•] |
| | (b) Maximum nominal amount to be redeemed: | [•] |
| | (iv) Notice period ¹² : | [•] |
| 21 | Put Option | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i> |
| | (i) Optional Redemption Date(s): | [•] |
| | (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] per Note of [•] specified denomination |
| | (iii) Notice period ¹³ : | [•] |
| 22 | Make-Whole Redemption by the Issuer (Condition 6(c)) | [Applicable/Not Applicable] |
| | (i) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] |
| | (ii) Notice period : | [•] |
| | (iii) Redemption Rate | [•] |
| | (iv) Redemption Margin: | [•] |
| 23 | Change of Control Put Option (Condition 6(h)): | [Applicable/Not Applicable] |

¹² If setting notice periods which are different to those provided in the terms and conditions, Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its Fiscal Agent.

¹³ If setting notice periods which are different to those provided in the terms and conditions, Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its Fiscal Agent.

- 24 Final Redemption Amount of each Note.** In cases where the Final Redemption amount is Index-Linked or other variable-linked**:
- [[●] per Note of [●] specified denomination/Other/See Appendix]
- (i) Index/Formula/variable: [give or annex details]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [●]
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
 - (iv) Determination Date(s): [●]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
 - (vi) Payment Date: [●]
 - (vii) Minimum Final Redemption Amount: [●] per Specified Denomination
 - (viii) Maximum Final Redemption Amount: [●] per Specified Denomination
- 25 Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(g)), for illegality (Condition 6(l)) or an event of default (Condition 9 and/or the method of calculating the same (if required or if different from that set out in the Conditions)) [●]
 - (ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(g)) [Yes/No]
 - (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)) [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	[Dematerialised Notes/ Materialised Notes] <i>(Materialised Notes are only in bearer form)</i> [Delete as appropriate]
	(i) Form of Dematerialised Notes:	[Not Applicable/Bearer dematerialised form (<i>au porteur</i>) only / Registered dematerialised form (<i>au nominatif</i>)]
	(ii) Registration Agent	[Not Applicable/if Applicable give name and details] <i>(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)</i>
	(iii) Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “ Exchange Date ”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] <i>(Only applicable to Materialised Notes)</i>
27	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/Give details <i>(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 17(ii), 18(iv) and 20(vii) relate)</i>]
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable. <i>If yes, give details</i>] <i>(Only applicable to Materialised Notes)</i>
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay:	[Not Applicable/give details]
30	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/give details]
31	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to these Final Terms] apply]
32	Consolidation provisions:	[Not Applicable/The provisions in Condition 14(b) apply] [annexed to these Final Terms] apply]
33	Masse (Condition 11)	[Applicable/Not Applicable/Condition 11 replaced by the full provisions of French Code de commerce relating to the Masse] <i>(Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies or if the</i>

full provisions of French Code de commerce apply, insert details of Representative and Alternative Representative and remuneration, if any).

34 [Any applicable currency [Not Applicable/give details]]
disruption/fallback provisions:¹⁴

35 Other final terms: [Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

36 (i) If syndicated, names and [Not Applicable/give names, addresses and
addresses of Managers and underwriting commitments]
underwriting commitments:

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. In case of RMB issues underwritten on a several and not joint basis, include appropriate disclosure of underwriting commitments and arrangements.)

(ii) Date of [Subscription] [●]
Agreement:

(iii) Stabilising Manager (if any): [Not Applicable/give name]

37 If non-syndicated, name of Dealer: [Not Applicable/give name]

38 Total commission and concession: [●] per cent. of the Aggregate Nominal Amount per
cent. of the Aggregate Nominal Amount

39 U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C / TEFRA D
/ TEFRA not applicable]

40 Additional selling restrictions: [Not Applicable/give details]

41 Non-exempt Offer: [[Not Applicable] [An offer of the Notes may be made
by the Managers [and [specify, if applicable]] other
than pursuant to Article 3(2) of the Prospectus
Directive in [specify relevant Member State(s) -
which must be jurisdictions where the Base
Prospectus and any supplements have been
passported] (“**Public Offer Jurisdictions**”) during the
period from [specify date] until [specify date] (“**Offer
Period**”). See further Paragraph 14 of Part B below.]

¹⁴ In respect of RMB Notes, consider insertion of Payment in US Dollar Equivalent provision.

GENERAL

- 42 The aggregate principal amount of [Not Applicable/Euro [●]]
Notes issued has been translated into *(Only applicable for Notes not denominated in Euro)*
Euro at the rate of [●] producing a sum
of:

[ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on *specify relevant regulated market*] of the Notes described herein pursuant to the Euro 7,000,000,000 Euro Medium Term Note Programme of Danone.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

PART B – OTHER INFORMATION

1 RISK FACTORS

*[[Insert any risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] |Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]**]*

2 LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

[Euronext Paris/other (specify)/None][Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] / [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already listed and admitted to trading.)

3 RATINGS

Ratings:

[Not Applicable]/[The Notes to be issued have been rated:

[S&P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[[Each of] [S&P] [Moody's] [and [●]] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, although the result of such applications has not been determined.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

Programme generally or, where the issue has been specifically rated, that rating.))

4 [NOTIFICATION]

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[“So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]/[●]

6 [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST]

Where a statement or report attributed to a person as an expert is included in respect of the Issuer or the Notes, provide such person’s name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer’s request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

7 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:

[●]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds:

[●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses:

[●] *[Include breakdown of expenses.]*

(If the Notes are derivative securities to which Annex 12 of the Prospectus EU Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8 [Fixed Rate Notes only – YIELD

Indication of yield:

[●]

[[To be defined]]*[(Only applicable for offer to the public in France) [yield gap of [●] per cent. in relation to tax free French government bonds (obligations assimilables au Trésor (OAT)) of an equivalent duration.].]*

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

9 [Floating Rate Notes only - HISTORIC INTEREST RATES*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

10 [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

11 [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

12 [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*]

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

RETURN ON DERIVATIVES SECURITIES

Return on derivative securities: [Description of how any return on derivative securities takes place]

Payment or delivery date: [●]

Method of calculation: [●]

INFORMATION CONCERNING THE UNDERLYING

- exercise price or the final reference price of the underlying: [●]
- expiration/maturity date of derivative securities: [●]
- exercise date or final reference date: [●]
- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: [●]
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained [●]
 - where the underlying is a security: [Applicable/Not Applicable]
 - the name of the issuer of the security: [●]
 - ISIN code or other such security identification code: [●]
 - where the underlying is an index: [Applicable/Not Applicable]
 - the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [●]
 - where the underlying is an interest rate: [Applicable/Not Applicable]
 - a description of the interest rate: [●]
 - others: [Applicable/Not Applicable]

- where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [●]
 - where the underlying is a basket of underlyings: [Applicable/Not Applicable]
 - disclosure of the relevant weightings of each underlying in the basket: [●]
- A description of any market disruption or settlement disruption events that affect the underlying: [●]
- [Adjustment rules with relation to events concerning the underlying:]* [●]
- Other markets on which securities of the same class of the Notes to be admitted to trading are already admitted to trading: [[●]/Not Applicable]
- the Issuer does not intend to provide any post-issuance information in relation to the underlying unless otherwise require by applicable laws or regulations.:

13 OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- Depositories:
- (i) Euroclear France to act as Central Depositary [Yes/No]
 - (ii) Common Depositary for Euroclear and Clearstream Luxembourg [Yes/No]
- Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- Delivery: Delivery [against/free of] payment
- Names and addresses of initial Paying Agent(s) (if any): [●]
- Names and addresses of additional Paying Agent(s) (if any): [●]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

14 TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][<i>specify</i>]
Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
Description of the application process:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give detail</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i>]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/ <i>give details</i>]

15 [Public offers only – OTHER INFORMATION]

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES
WITH A DENOMINATION OF AT LEAST [€50,000/€100,000] TO BE ADMITTED TO
TRADING ON A REGULATED MARKET**

Final Terms dated [●]

[LOGO, if document is printed]

Danone

Euro 7,000,000,000
Euro Medium Term Note Programme
for the issue of Notes
Due from one month from the date of original issue

SERIES NO: [●]

TRANCHE NO: [●]

[Brief description and Amount of Notes]

Issued by Danone (the “Issuer”)

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] which received visa n°[●] from the *Autorité des marchés financiers* (the “AMF”) on [●] [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Prospectus Directive**”) to the extent that such amendments have been implemented in a Member State of the European Economic Area). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained from Danone, 17, boulevard Haussmann, 75009 Paris, France and at the office of the Fiscal Agent or each of the Paying Agents.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) forth in the Base Prospectus dated [original date] [and the supplement[s] to the Base Prospectus] dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Prospectus Directive**”) to the extent that such amendments have been implemented in a Member State of the European Economic Area) and must be read in conjunction with the Base Prospectus dated [current date] which received visa n°[●] from the *Autorité des marchés financiers* (the “AMF”) on [●] [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●], which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement to the Base Prospectus] dated [●] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [original date] and the Base Prospectus dated [current date] [and the supplement[s] to the Base Prospectus dated [●]]. The Base Prospectus [and the supplement[s] to the Base Prospectus] are available for viewing on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org) and copies may be obtained from Danone, 17, boulevard Haussmann, 75009 Paris, France at the office of the Fiscal Agent or each of the Paying Agents.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17 or 33 of Part A or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer in Part B consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48 hour time period.]

- | | | |
|---|--------------------|--------|
| 1 | Issuer: | Danone |
| 2 | (i) Series Number: | [●] |

	(ii) [Tranche Number:	[●]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>	
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)]
6	Specified Denomination(s) ¹⁵ :	[●] (<i>one denomination only for Dematerialised Notes</i>)
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[●] [Specify/Issue Date/Not Applicable]
8	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[●] per cent. Fixed Rate] [[<i>specify reference rate</i>] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (<i>specify</i>)] [(further particulars specified below)]
10	Redemption/Payment Basis ¹⁶ :	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (<i>specify</i>)]
11	Change of Interest or Redemption/Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i>
12	Put/Call Options:	[Issuer Call] [Investor Put] [Make-Whole Redemption by the Issuer] [Change of Control Put Option] [(further particulars specified below)]
13	(i) Status of the Notes:	[Subordinated/Unsubordinated Notes]

¹⁵ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

¹⁶ If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- (ii) Dates of the corporate authorisations for issuance of the Notes obtained: [decision of the Board of Directors of Danone dated [●] [and of [●] [function] dated [●]]¹⁷/[decision of [●] [function] dated [●]]¹⁸
- 14 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate [(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below¹⁹] [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted.]
- (iii) Fixed Coupon Amount [(s)]²⁰: [●] per [●] in nominal amount
- (iv) Broken Amounts: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction (Condition 5(a)): [●]
[Day Count Fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in USD or RMB]
- (vi) Determination Date(s) (Condition 5(a)): [●] in each year. *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]²¹*
- (vii) [Business Day Convention²² [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- (ix) Party responsible for calculating Interest Amounts (if not the Calculation Agent)²³ [●] / [Not Applicable]

¹⁷ Relevant for issues of Notes constituting *obligations* under French law.

¹⁸ Only relevant for issues of Notes not constituting *obligations* under French law.

¹⁹ RMB Notes only

²⁰ Not applicable for RMB Notes

²¹ Only to be completed for an issue denominated in euro where Day Count Fraction is Actual/Actual-ICMA.

²² RMB Notes only

²³ RMB Notes only

16	Floating Rate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
(i)	Interest Period(s):	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iii)	First Interest Payment Date:	[•]
(iv)	Interest Period Date:	[•] <i>(Not applicable unless different from Interest Payment Date)</i>
(v)	Business Day Convention:	[Floating Rate Business Day Convention /Following Business Day Convention /Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>][unadjusted]
(vi)	Business Centre(s) (Condition 5(a)):	[•]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination/other <i>(give details)</i>]
(viii)	Party responsible for calculating the Rates(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(ix)	Screen Rate Determination (Condition 5(c)(iii)(B)):	
	- Reference Rate:	[•]
	- Interest Determination Date(q):	[[•] <i>[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]</i>]
	- Relevant Screen Page:	[•]
(x)	ISDA Determination (Condition 5(c)(iii)(A)):	
	- Floating Rate Option:	[•] <i>(specify Benchmark and months e.g. EURIBOR 3 months)</i>
	- Designated Maturity:	[•]
	- Reset Date:	[•]
	- [ISDA Definitions:]	[2000/2006]
(xi)	Margin(s):	[+/-] [•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction (Condition 5(a)):	[•]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]

17	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(a) Amortisation Yield (Condition 6(e)(i)):	[●] per cent. per annum
	(b) Day Count Fraction (Condition 5(a)):	[●]
	(c) Any other formula/basis of determining amount payable:	[●]
18	Index Linked Interest Note Provisions/other variable-linked interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Index/ Formula/ [other variable]:	[Give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv) Interest Determination Date(s):	[●]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●] <i>(Need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
	(vi) Interest Period(s):	[●]
	(vii) Specified Interest Payment Dates:	
	(viii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(ix) Business Centre(s) (Condition 5(a)):	[●]
	(x) Minimum Rate of Interest:	[●] per cent. per annum
	(xi) Maximum Rate of Interest:	[●] per cent. per annum
	(xii) Day Count Fraction (Condition 5(a)):	[●]

19	Dual Currency Note Provisions²⁴	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii) Party, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[•]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable or otherwise disrupted:	[•]
	(iv) Person at whose option Specified Currency(-ies) is/are payable:	[•]
PROVISIONS RELATING TO REDEMPTION		
20	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] specified denomination
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•]
	(b) Maximum Redemption Amount:	[•]
	(iv) Notice period ²⁵ :	[•]
21	Make-Whole Redemption by the Issuer (Condition 6(c))	[Applicable/Not Applicable]
	(i) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•]
	(ii) Notice period :	[•]
	(iii) Redemption Rate	[•]
	(iv) Redemption Margin	[•]
22	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>

²⁴ If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus EU Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

²⁵ If setting notice periods which are different to those provided in the terms and conditions, Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and its Fiscal Agent.

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
- (iii) Notice period¹: [●]
- 23 **Change of Control Put Option (Condition 6(h))** [Applicable/Not Applicable]
- 24 **Final Redemption Amount of each Note²⁶:** [[●] per Note of [●] specified denomination/Other/See Appendix]
- (i) Index/Formula/variable: [*give or annex details*]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [●]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Determination Date(s): [●]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Payment Date: [●]
- (vii) Minimum Final Redemption Amount: [●] per Specified Denomination
- (viii) Maximum Final Redemption Amount: [●] per Specified Denomination
- 25 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(g)), for illegality (Condition 6(l)) or an event of default (Condition 9 and/or the method of calculating the same (if required or if different from that set out in the Conditions) [●]

²⁶ If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus EU Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- (ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(g)) [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)) [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26 Form of Notes: [Dematerialised Notes/ Materialised Notes] *(Materialised Notes are only in bearer form) [Delete as appropriate]*
- (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form (*au porteur*) only / Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent [Not Applicable/if Applicable give name and details] *(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)*
- (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
- (iv) Applicable TERFA exemption: [C Rules/D Rules/Not Applicable] *(Only applicable to Materialised Notes)*
- 27 Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/Give details *(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 17(ii), 18(iv) and 20(vii) relate)*]
- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] *(Only applicable to Materialised Notes)*
- 29 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay: [Not Applicable/give details]
- 30 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 31 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] [annexed to these Final Terms] apply]
- 32 Consolidation provisions: [Not Applicable/The provisions in Condition 14(b) apply] [annexed to these Final Terms] apply]
- 33 Masse (Condition 11) [Applicable/Not Applicable/Condition 11 replaced by the full provisions of French *Code de commerce* relating to the Masse] *(Note that: (i) in respect of any Tranche of*

Notes issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies or if the full provisions of French Code de commerce apply, insert details of Representative and Alternative Representative and remuneration, if any).

34 [Any applicable currency disruption/fallback provisions: [Not Applicable/give details]]

35 Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

36 (i) If syndicated, names of Managers: Not Applicable/give names]
(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. In case of RMB issues underwritten on a several and not joint basis, include appropriate disclosure of underwriting commitments and arrangements.)

(ii) Stabilising Manager (if any): [Not Applicable/give name]

37 If non-syndicated, name of Dealer: [Not Applicable/give name]

38 U.S. selling restrictions: [Reg S Compliance Category;
TEFRA C/TEFRA D/TEFRA not applicable]

39 Additional selling restrictions: [Not Applicable/give details]

GENERAL

40 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] producing a sum of: [Not Applicable/Euro[●]]
(Only applicable for Notes not denominated in Euro)

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on [specify relevant regulated market] of the Notes described herein] pursuant to the Euro 7,000,000,000 Euro Medium Term Note Programme of Danone.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

PART B – OTHER INFORMATION

1. RISK FACTORS

*[[Insert any risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.] *]*

2. LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

[Euronext Paris/other (specify)/None][Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] / [Not Applicable.]

[(Where documenting a fungible issue need to indicate that original securities are already listed and admitted to trading.)]

3. RATINGS

Ratings:

[Not Applicable]/[The Notes to be issued have been rated:

[S&P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[[Each of] [S&P] [Moody's] [and [●]] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, although the result of such applications has not been determined.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

4. [NOTIFICATION]

The *Autorité des marchés financiers* in Paris [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[“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.”]/[●]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

6. [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST]

Where a statement or report attributed to a person as an expert is included in respect of the Issuer or the Notes, provide such person’s name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer’s request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES*

[(i) Reasons for the offer

[●]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds:

[●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses:

[●] [Include breakdown of expenses.]

(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8. [Fixed Rate Notes only – YIELD

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

9. [Floating Rate Notes only - HISTORIC INTEREST RATES*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

10. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]**

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]]*

11. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]**

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

12. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND Information concerning the underlying*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

RETURN ON DERIVATIVES SECURITIES

Return on derivative securities: [Description of how any return on derivative securities takes place]

Payment or delivery date: [●]

Method of calculation: [●]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

INFORMATION CONCERNING THE UNDERLYING

- exercise price or the final reference price of the underlying: [●]
- expiration/maturity date of derivative securities: [●]
- exercise date or final reference date: [●]
- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: [[●]
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained [●]
- where the underlying is a security: [Applicable/Not Applicable]
 - the name of the issuer of the security: [●]
 - ISIN code or other such security identification code: [●]
- where the underlying is an index: [Applicable/Not Applicable]
 - the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained:
- where the underlying is an interest rate: [Applicable/Not Applicable]
 - a description of the interest rate: [●]
- others: [Applicable/Not Applicable]
 - where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [●]
- where the underlying is a basket of underlyings: [Applicable/Not Applicable]
 - disclosure of the relevant weightings of each underlying in the basket: [●]
- A description of any market disruption or settlement disruption events that affect the underlying: [●]

[Adjustment rules with relation to events concerning the underlying:]* ☐

Other markets on which securities of the same class of the Notes to be admitted to trading are already admitted to trading: ☐/Not Applicable]

- the Issuer does not intend to provide any post-issuance information in relation to the underlying unless otherwise require by applicable laws or regulations

13. OPERATIONAL INFORMATION

ISIN Code: ☐

Common Code: ☐

Depositories:

(i) Euroclear France to act as Central Depositary ☐ [Yes/No]

(ii) Common Depositary for Euroclear and Clearstream Luxembourg ☐ [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): ☐ [Not Applicable/give name(s), number(s) and address(es)]

Delivery: ☐ Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s) ☐ ☐

Names and addresses of additional Paying Agent(s) (if any): ☐ ☐

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

GENERAL INFORMATION

- (1) This Base Prospectus has received visa n°11-486 from the AMF on 27 October 2011. Application has been made to list and admit the Notes to trading on Euronext Paris and/or on any other Regulated Market in a Member State of the European Economic Area, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any Member State of the EEA.

- (2) Danone has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of (i) the *Conseil d'administration* of Danone or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require (at the date hereof the *statuts* of Danone do not require a resolution of the Ordinary General Meeting) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of *obligations*, all pursuant to Article L.228-40 of the French *Code de commerce*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président Directeur Général* or to any of its *Directeurs Généraux Délégués*.

Any issue of Notes constituting *obligations* by Danone must be authorised by a resolution of its *Conseil d'administration*. On 20 October 2011, the *Conseil d'administration* of Danone has renewed its consent to issue Notes up to a maximum outstanding principal amount of €7,000,000,000, pursuant to Article L.228-40 of the French *Code de commerce*, the *Conseil d'administration* of Danone delegated to its *Président Directeur Général*, to Mr. Emmanuel Faber and to Mr. Bernard Hours, *Directeurs Généraux Délégués* of Danone (acting separately), all power to issue Notes up to a maximum outstanding principal amount of €7,000,000,000 and to determine their terms and conditions (such authority to expire one year after the date of such meeting of the *Conseil d'administration*). To the extent that the Notes do not constitute *obligations*, their issue will fall within the general authority of the *Président Directeur Général* of the Issuer or to any of its *Directeurs Généraux Délégués*.

- (3) Any issue of notes or bonds, since the last audited consolidated financial statements, whether issued under the Programme or not, is subject to a publication by the Issuer on its website (www.danone.com).
- (4) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of Danone or the Group since 30 June 2011.
- (5) Except as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of Danone or of the Group since 31 December 2010.
- (6) Except as disclosed in this Base 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.
- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

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

- (8) Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.

- (9) For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays 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:

- (i) the *statuts* of the Issuer;
- (ii) the published annual report of the Issuer, the audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2009 and 2010;
- (iii) each Final Terms for Notes that are listed and admitted to trading on Euronext Paris or any other regulated market in the European Economic Area or are offered to the public in Paris and/or in any Member State of the European Economic Area;
- (iv) 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 Base Prospectus.

- (10) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, on the websites of the Issuer (www.danone.com) and, except, in respect of the 2011 Interim Financial Report, of the AMF (www.amf-france.org):

- (v) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris or are offered to the public in Paris and/or in any Member State of the European Economic Area;
- (vi) the Base Prospectus; and
- (vii) the documents incorporated by reference in this Base Prospectus.

- (11) 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 offices of the Issuer and the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

- (12) In respect of derivatives securities as defined in Article 15.2 of Commission Regulation no. 809/2004, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

- (13) PricewaterhouseCoopers Audit at 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France and Mazars at 61, rue Henri Regnault, 92400 Courbevoie, France, respectively, (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have audited and rendered unqualified audit reports on the consolidated financial statements of Danone for the years ended 31 December 2009 and 2010 prepared in accordance with IFRS as adopted by the European Union. As from the shareholders meeting dated 22 April 2010, Ernst & Young et Autres (entity regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as

Commissaires aux comptes) at 41, rue Ybry, 92576 Neuilly-sur Seine, France has been appointed statutory auditor of Danone and Mazars has been removed.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

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

Danone
17, Boulevard Haussmann
75009 Paris
France

Duly represented by:
Pierre-André TERISSE
Chief Financial Officer
Authorised Signatory
pursuant to a power of attorney
dated 20 October 2011
on 27 October 2011



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No. 11-486 on 27 October 2011. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was 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 was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

Issuer

DANONE
17, Boulevard Haussmann
75009 Paris
France

Arranger

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Dealers

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Crédit Agricole Corporate and Investment Bank
9, quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Mitsubishi UFJ Securities International plc
Ropemaker Place,
25 Ropemaker Street,
London EC2Y 9AJ
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

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

Citibank, N.A., London Branch
14th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Paris Paying Agent

Citibank International plc, Paris Branch

Citicentre,
19 le Parvis
La Défense 7 Cedex 36
92073 Paris
France

Statutory Auditors Danone

PricewaterhouseCoopers Audit

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

Ernst & Young et Autres

41, rue Ybry
92576 Neuilly-sur-Seine
France

Legal Advisers

As to French law

To the Issuer

Orrick Rambaud Martel

31, avenue Pierre 1er de Serbie
75782 Paris Cedex 16
France

To the Dealers

Linklaters LLP

25, rue de Marignan
75008 Paris
France