



Aptamil



Bebelac

Follow-on  
milk



Neocate

LCP

# Sales Q1 2010

April 15<sup>th</sup>, 2010



DANONE

ACTIVIA

AU BIFIDUS ACTIF ESSENTIS

Saveur

Goûts de fruits



evian

BONAFONT



AQUA

AIR MINUT



NUTRICIA  
Fortime

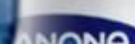
Protein

High energy,  
high protein



DANONE

danacol



DANONE

Actimel

L. CASEI DEFENS.



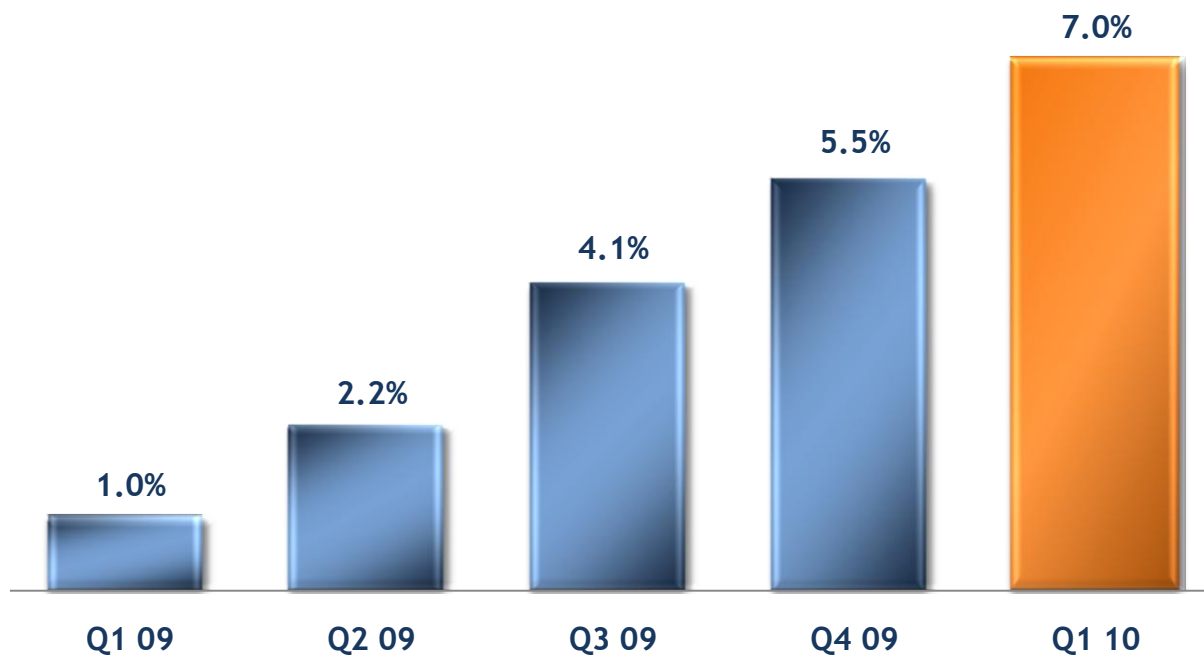
DANONE

# Disclaimer

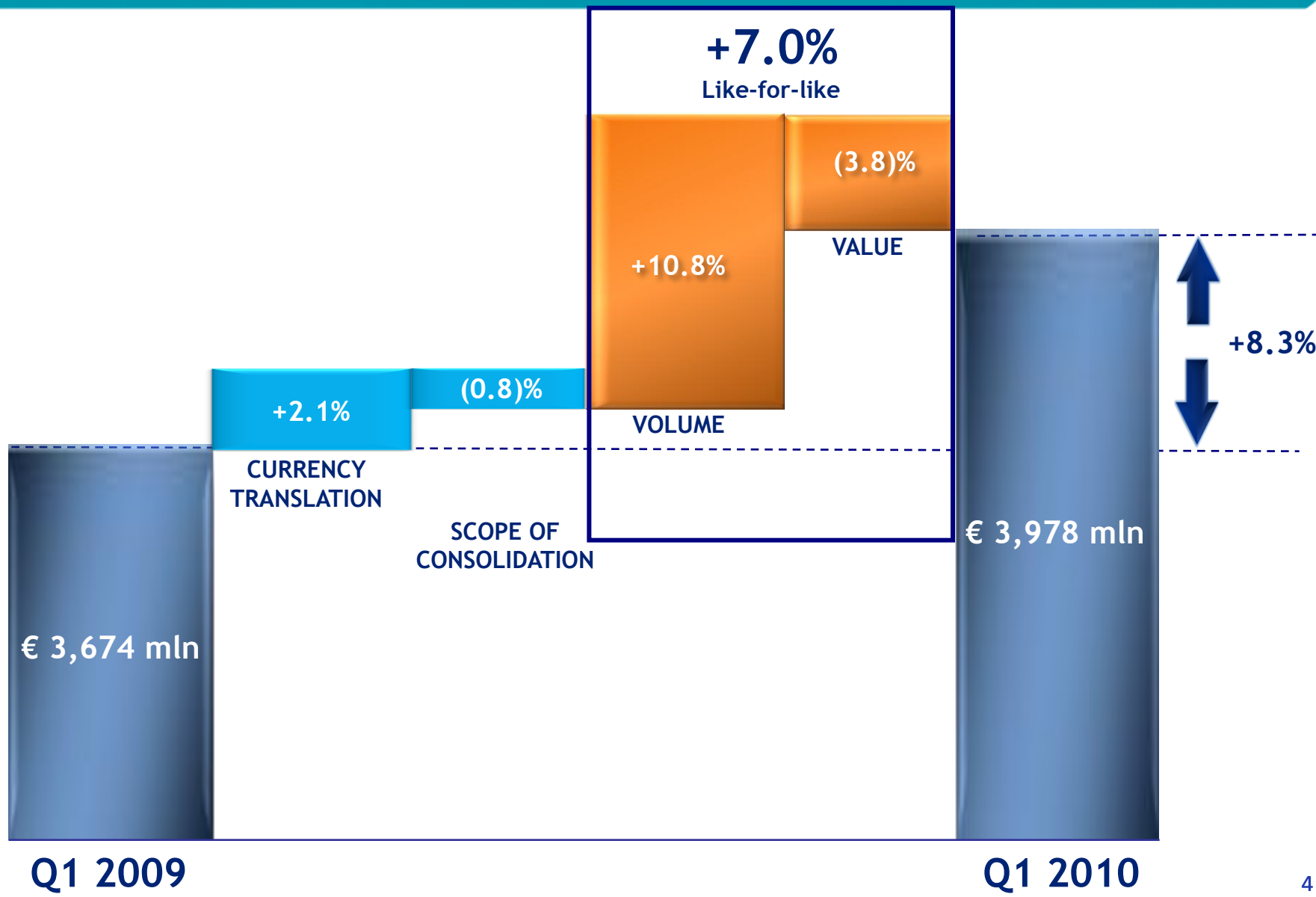
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# Strong start to the year, driven by double-digit volume growth

## *Like-for-like sales growth*



# Sales growth analysis - Q1 10



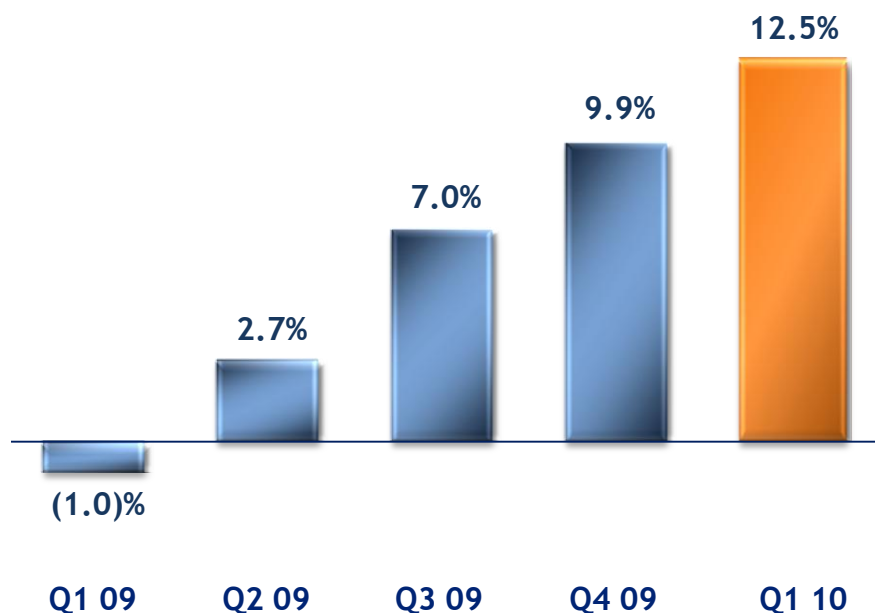


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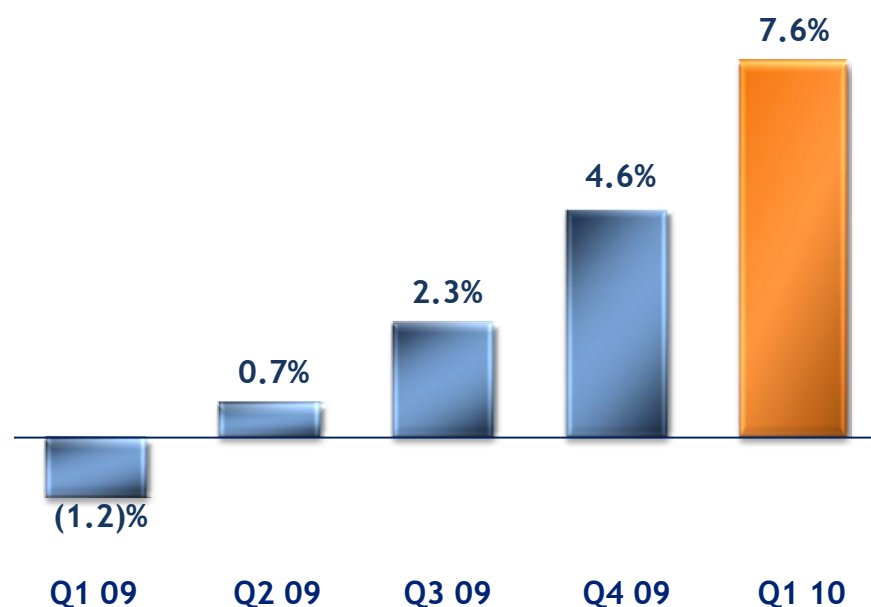
## **Sales performance by division**

# FRESH DAIRY - Continued acceleration of volume and sales growth

*Volume growth*



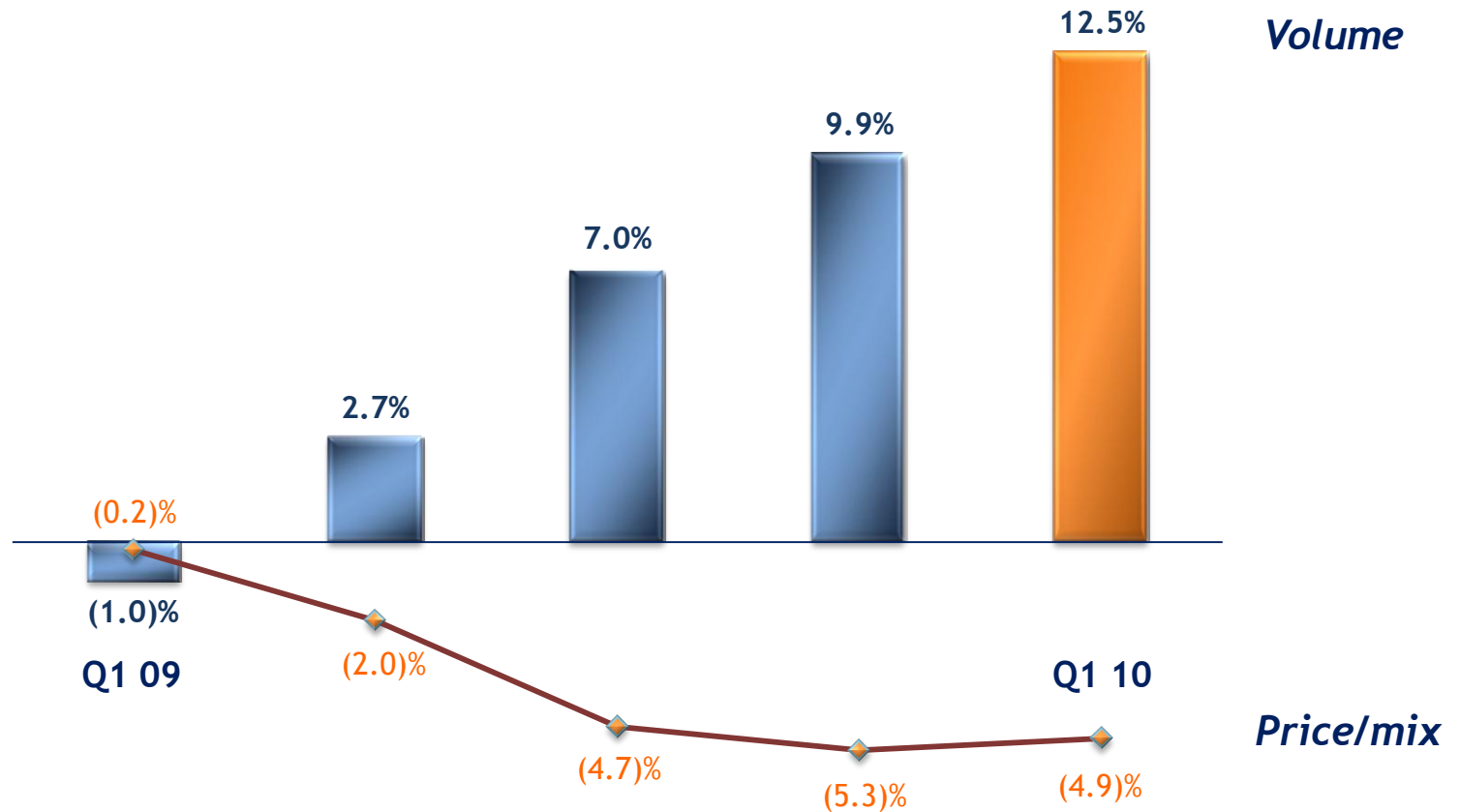
*Like-for-like sales growth*



- More than 95% of sales delivered positive volume growth
- Significant sales growth improvement witnessed in the US, Russia and France
- Continued market share gains in majority of markets

# FRESH DAIRY - Price/mix growth is expected to return to positive territory in H2 10

*Like-for-like growth*



## FRESH DAIRY - Withdrawal of 2 claim applications from EFSA approval process

- Application of the European Regulation on health and nutrition claims continues to be insufficiently clear
- A new meeting between the EFSA and stakeholders has been set for the 1st of June
- Consequently, the division has decided to withdraw 2 applications (one for Activia, one for Actimel) that were filed under article 13.5 and for which an opinion from the EFSA was expected in the coming weeks
- Marketing communication continues to be adapted in the European countries
- New advertising in the UK and France, not using a specific claim, has not led to any noticeable impact on sales trends





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# FRESH DAIRY- Selected innovations



Actimel spoonable  
Spain



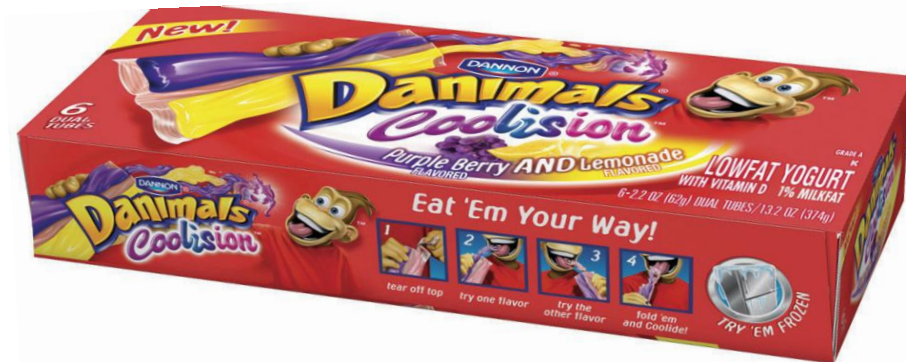
Danino Yoghurt, 40 gr cubes  
Turkey



Danone Chiquita  
Joint-Venture



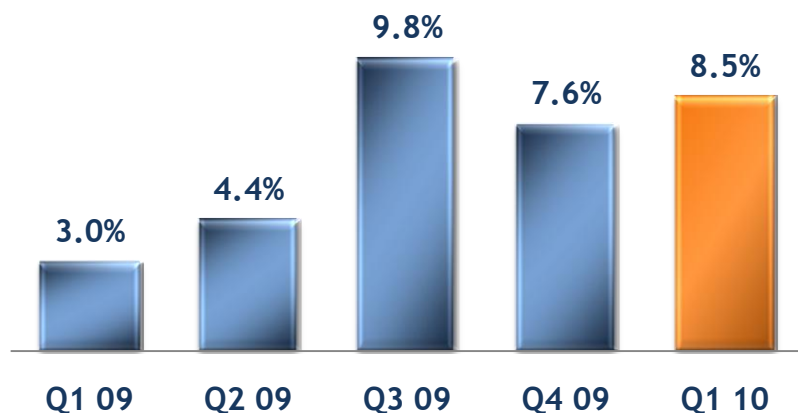
Activia Moment of Pleasure  
Russia



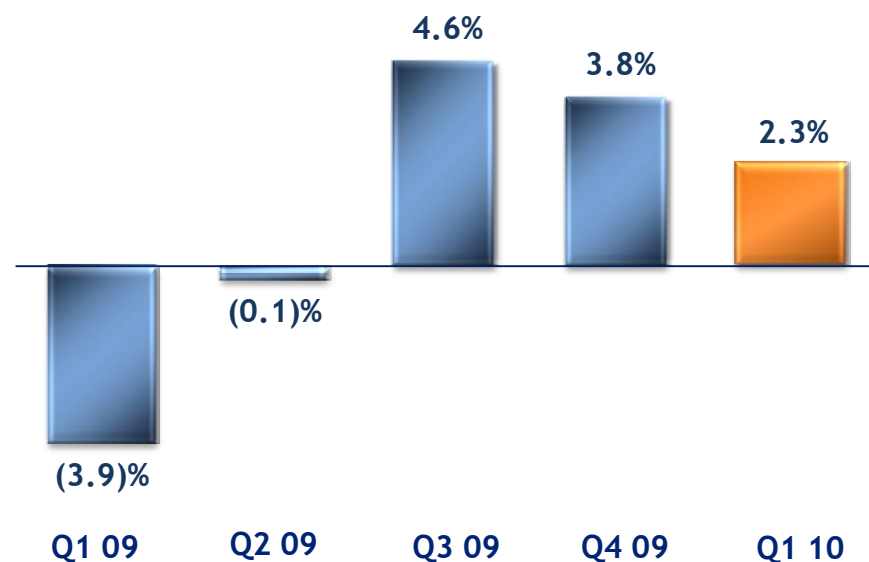
Danimals Coolision  
USA

# WATERS - Continued strength in developing markets offset by challenges in W-Eur & Japan

*Volume growth*



*Like-for-like sales growth*



- Continued strong volume growth offset by negative mix effect
- Continued strong double-digit growth in developing markets
- Developed markets: volume growth stabilized but situation remains challenging, most notably in Japan and Spain

# BABY NUTRITION - Continued strong broad-based volume-driven growth



- Strong, volume-driven (+8.9%) growth
- Continued double-digit growth in milk portfolio
- Weaning food category continues to be under pressure
- Continued market share gains in majority of markets



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# BABY NUTRITION - Selected innovations



Pregnancy & Lactation products  
France & Ireland



Almiron Multicereales Bifidus  
Spain



Mellin 1.2 Kg  
Italy



SGM re-launch  
Indonesia

# MEDICAL NUTRITION - Continued strong performance



- Sales growth continues to be predominantly volume-driven (+8.2%)
- Performance is broad-based across regions and across product groups
- Progress of Alzheimer's and HIV projects continue to be on track



# MEDICAL NUTRITION - Selected innovations



NutriniDrink Unflavoured  
Paediatric oral supplement  
UK & Ireland



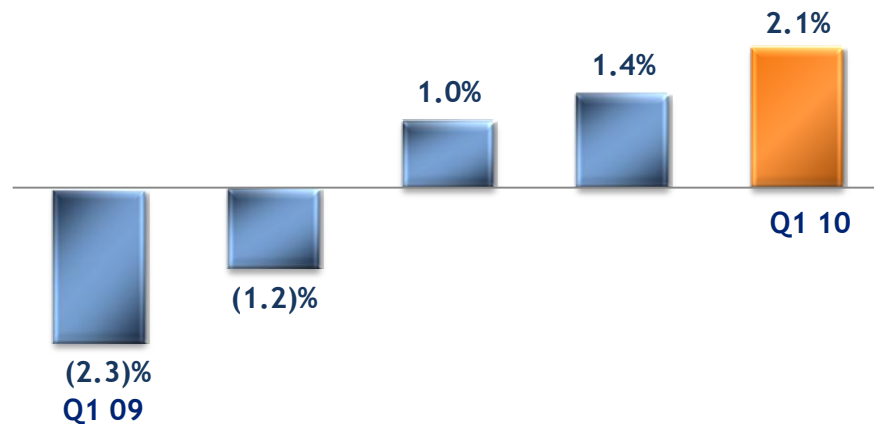
Nutilus Aqua  
Italy & Belgium



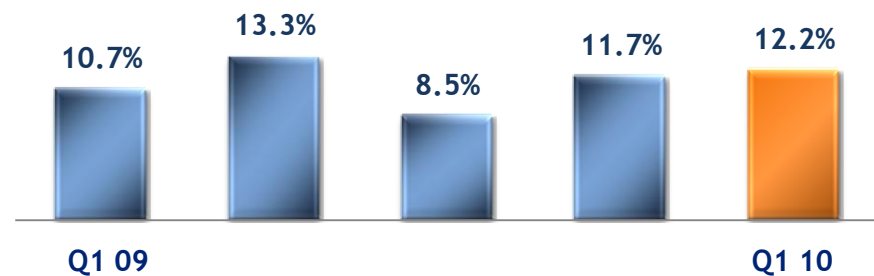
Respifor  
Brazil

# Broad-based geographic growth

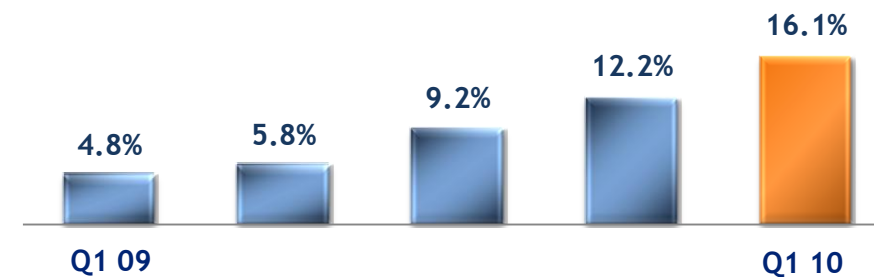
## EUROPE



## ASIA\*



## REST OF THE WORLD





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# OUTLOOK



## Objectives 2010

**Sales growth<sup>1</sup>**

**At least +5%**

**Free cash flow**

**At least +10%**

**EBIT margin<sup>1</sup>**

**Stable margin**

<sup>1</sup> Based on constant scope of consolidation and constant exchange rates

# APPENDIX

# Impact of currency and scope

	Dairy	Waters	Baby Nutrition	Medical Nutrition	Group
Reported sales growth	+9.4%	+1.0%	+10.2%	+11.8%	+8.3%
Currency	+1.7%	+2.7%	+2.5%	+2.5%	+2.1%
Scope of consolidation	+0.1%	(4.0)%	(0.8)%	+0.0%	(0.8)%
Like-for-like sales growth	+7.6%	+2.3%	+8.5%	+9.3%	+7.0%

# Q1 2010 sales by business & geographical area

€ mln	Q1 2009	Q1 2010	Like-for-like sales growth
Fresh Dairy Products	2,121	2,319	+7.6%
Waters	614	620	+2.3%
Baby Nutrition	723	797	+8.5%
Medical Nutrition	216	242	+9.3%
Europe	2,190	2,275	+2.1%
Asia	471	527	+12.2%
Rest of World	1,013	1,176	+16.1%
<b>GROUP</b>	<b>3,674</b>	<b>3,978</b>	<b>+7.0%</b>

# Q1 2010 like-for-like sales growth

## Breakdown volume/value

<i>Like-for-like</i>	Volume	Value	Total
Fresh Dairy Products	+12.5%	(4.9)%	+7.6%
Waters	+8.5%	(6.2)%	+2.3%
Baby Nutrition	+8.9%	(0.4)%	+8.5%
Medical Nutrition	+8.2%	+1.1%	+9.3%
Europe	+6.4%	(4.3)%	+2.1%
Asia	+15.0%	(2.8)%	+12.2%
Rest of World	+16.2%	(0.1)%	+16.1%
<b>GROUP</b>	<b>+10.8%</b>	<b>(3.8)%</b>	<b>+7.0%</b>

# Changes in exchange rates

## 40% of sales denominated in €

	% total Q1 10 sales	Q1 10 vs Q1 09 (avg)	FY 09 vs FY 08 (avg)
US Dollar	9%	(6)%	(11)%
Mexican Peso	5%	+6%	(9)%
Argentinian Peso	5%	+5%	(20)%
British Pound	5%	+3%	(5)%
Chinese Yuan	5%	(6)%	(11)%
Indonesian Rupee	5%	+18%	+6%
Russian Rouble	4%	+7%	(15)%
Polish Zloty	4%	+13%	+8%
Brazilian Real	4%	+21%	+16%
Canadian Dollar	2%	+13%	+3%
Turkish Lira	2%	+4%	- 7%