



# DANONE

## FY 2014 Results

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February 20, 2015

# DISCLAIMER

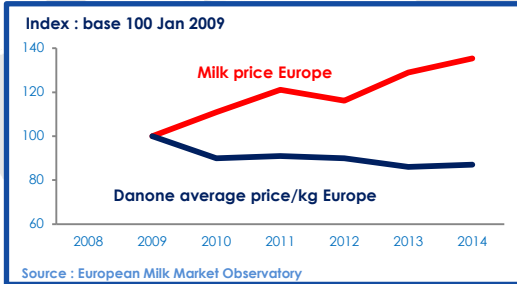


*This document contains certain forward-looking statements concerning Danone. Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the section "Risk Factors" in Danone's Registration Document (which is available on [www.danone.com](http://www.danone.com)). Danone undertakes no obligation to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy DANONE shares.*

*This document refers to financial indicators that are not defined by IFRS. For a detailed description of these indicators, please refer to the section "Financial indicators not defined in IFRS" of the press releases on its results published by Danone (which are available on [www.danone.com](http://www.danone.com)).*

*Due to rounding, the sum of values presented in this document may differ from totals as reported. Such differences are not material.*

# A YEAR OF TURBULENCES



## MILK PRICES



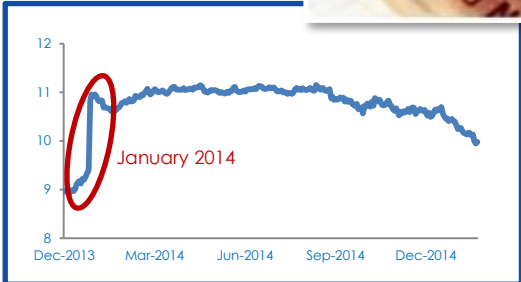
## UKRAINIAN TENSIONS



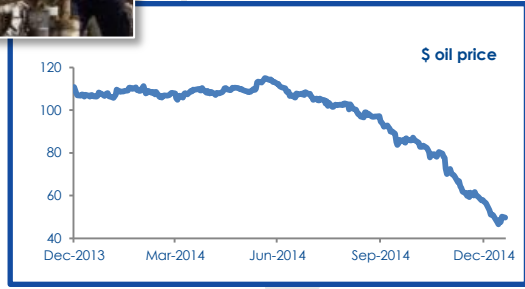
## OIL PRICE DECLINE



## ARGENTINA'S PESO DECLINE



## EBOLA

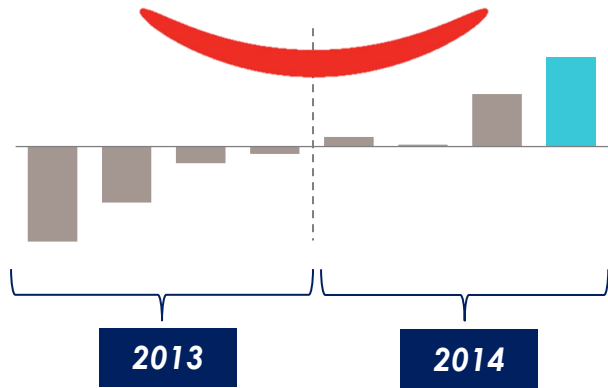


# 2014 KEY ACHIEVEMENTS

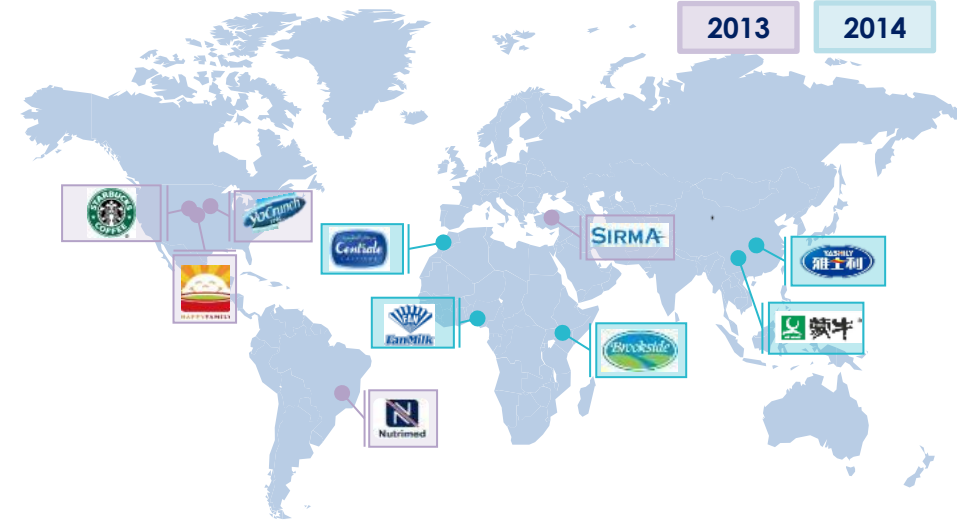


## MANAGING THE EQUATION IN EUROPE

Europe sales growth trend evolution



## PLANTING SEEDS FOR THE FUTURE



## ENHANCING OUR PLATFORMS



USA & Russia  
**N°1**  
 in MS



## CONSOLIDATING ASIA



# SOLID PERFORMANCE IN A VOLATILE ENVIRONMENT



	2014 targets announced FY 2013	FY 2014
Sales growth <sup>(1)</sup>	At least 4.5%	4.7%
Trading operating margin <sup>(1)</sup>	Stable $\pm$ 20bps	12.59% -12bps
Free cash-flow excluding exceptional items <sup>(2)</sup>	Around €1.5 bn	€1,401 mln

(1) Like-for-like: excludes the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation

(2) Free cash-flow excluding exceptional items: represents free cash-flow before cash-flows related to initiatives that may be taken by the Group to deploy the plan to generate savings and adapt organization in Europe

# 2014: A YEAR OF TRANSFORMATION

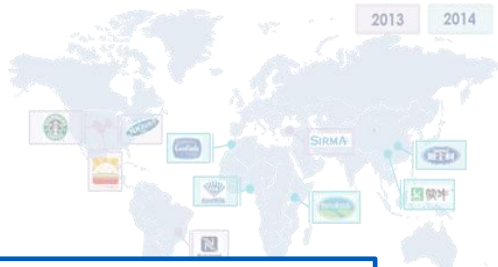
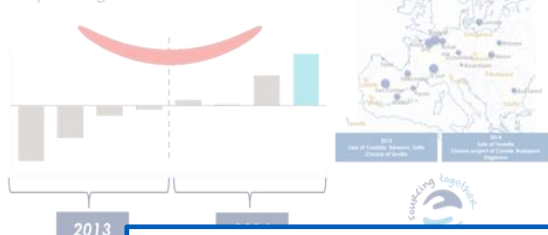


October

## MANAGING THE EQUATION IN EUROPE

## PLANTING SEEDS FOR THE FUTURE

Europe sales growth trend evolution



Operational agenda

New role  
Strengthened duties



Thoughts and design

Set up and implementation  
of a new governance



# GOVERNANCE – A NEW ORGANIZATION



**ONE BOARD**



15 Board members  
71% independent

**ONE CHAIRMAN**



**ONE CEO**



## Appointment of a new Board member (independent) proposed to next AGM



**SERPIL TIMURAY**

Age: **45 years old**  
Nationality: **Turkish**  
Position: **CEO Africa, Middle East and Asia Pacific Region, Member of the Executive Committee of Vodafone Group**



## 2015 Board composition characteristics (subject to the approval of the Shareholders' Meeting)

- Rate of independence: **77%**
- Percentage of women: **38%**
- Average age of Directors: **55.4 years**
- Percentage of Directors with non-French nationality: **31%**



**2014: A solid performance in a volatile environment** - Pierre-André Terisse, CFO

**2015: Priorities and stakes** – Emmanuel Faber, CEO

**Questions & Answers**

**2014 : A solid performance in a volatile environment - Pierre-André Terisse, CFO**

2015 : Priorities and stakes – Emmanuel Faber, CEO

Questions & Answers

# KEY FIGURES



Sales	€ 21,144 mln	+4.7% like-for-like <sup>(1)</sup> (0.7)% reported
Trading operating income	€ 2,662 mln	+3.7 % like-for-like <sup>(1)</sup> (5.2)% reported
Trading operating margin	12.59%	-12 bps like-for-like <sup>(1)</sup> (60) bps reported
Underlying net income	€ 1,561 mln	+3.6% like-for-like <sup>(1) (2)</sup> (4.6)% reported
Underlying EPS (fully diluted)	€ 2.62	+2.5% like-for-like <sup>(1)</sup> (5.6)% reported
Free cash-flow excluding exceptional items <sup>(3)</sup>	€ 1,401 mln	(9.6)% reported

(1) Like-for-like: excludes the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation

(2) Excluding non-current

(3) Free cash-flow excluding exceptional items: represents free cash-flow before cash-flows related to initiatives that may be taken by the Group to deploy the plan to generate savings and adapt organization in Europe

# 2014: KEYS TO READ OUR FINANCIAL PERFORMANCE



## EUROPE: SIGNS OF SUCCESS

\* **High inflation** → Mix management price increase 2014

\* **Margin stabilized**



## ALMA: NAVIGATING IN VOLATILE MARKETS

\* **Forex** Argentine treatment FanMilk impairment

\* **Investment** Asia Africa

## CIS: HOLDING TIGHT IN ADVERSE MARKET CONDITIONS

Milk cost **+20%**



volume

Fermented & milk

volume

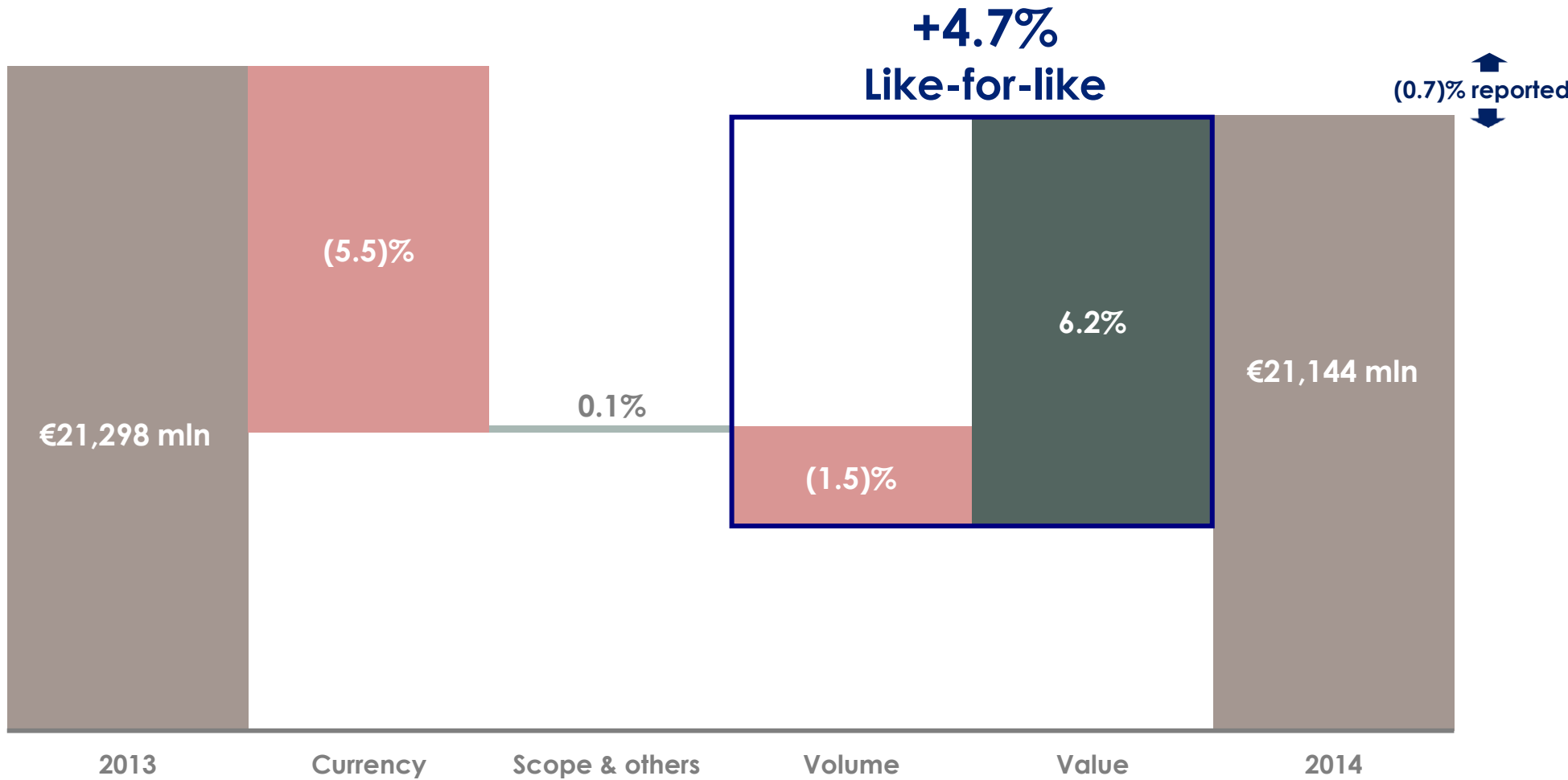
## ELN ASIA: ONE YEAR AFTER, RECOVERY WELL ADVANCED

\* **Dumex slow recovery**

\* **e-commerce** & **Mom and Baby stores**



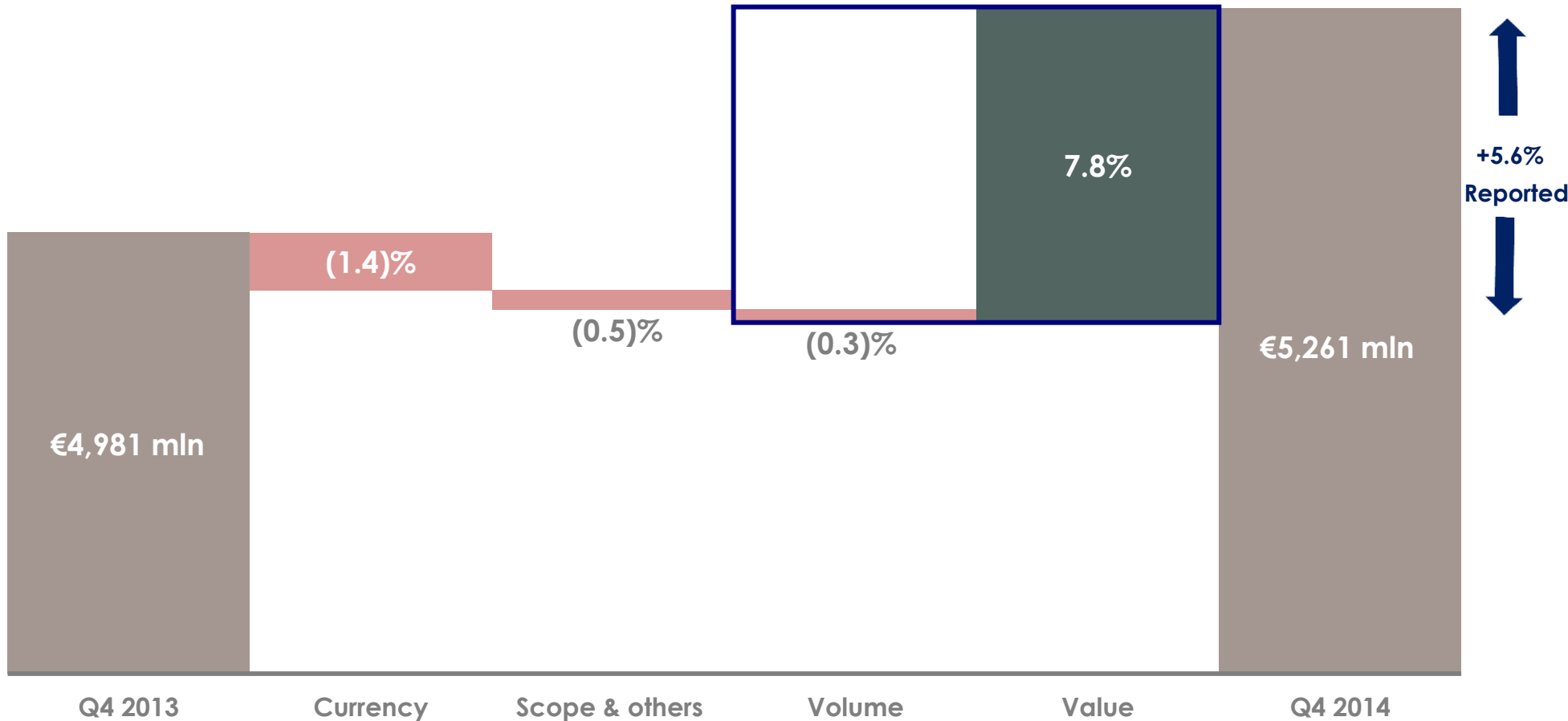
# FY 2014 - SALES GROWTH ANALYSIS



# Q4 2014 - SALES GROWTH ANALYSIS



**+7.5%**  
**Like-for-like**

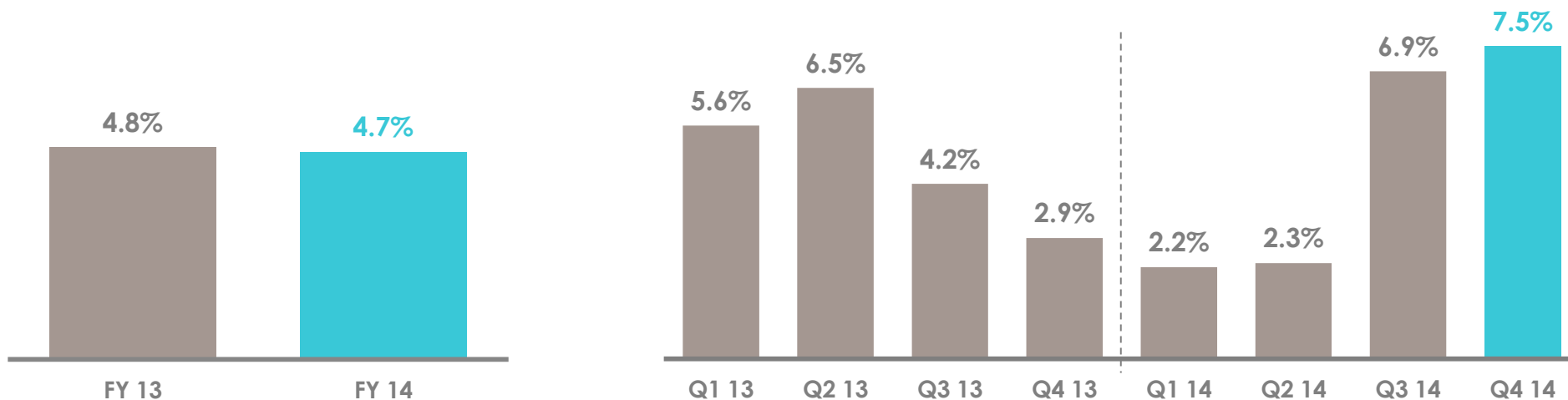


# TOTAL COMPANY – A SOLID PERFORMANCE IN A VOLATILE ENVIRONMENT



## Like-for-like sales growth

Q4 2014 figures after treatment of over inflation for the full year



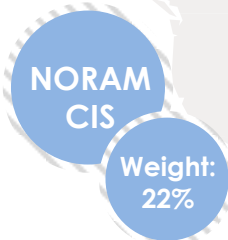
- \* Solid performance in all markets
- \* V-shape year after the Fonterra false alert
- \* Key progresses to reinforce/strengthen platforms for 2015

# GEOGRAPHICAL DYNAMICS



DANONE

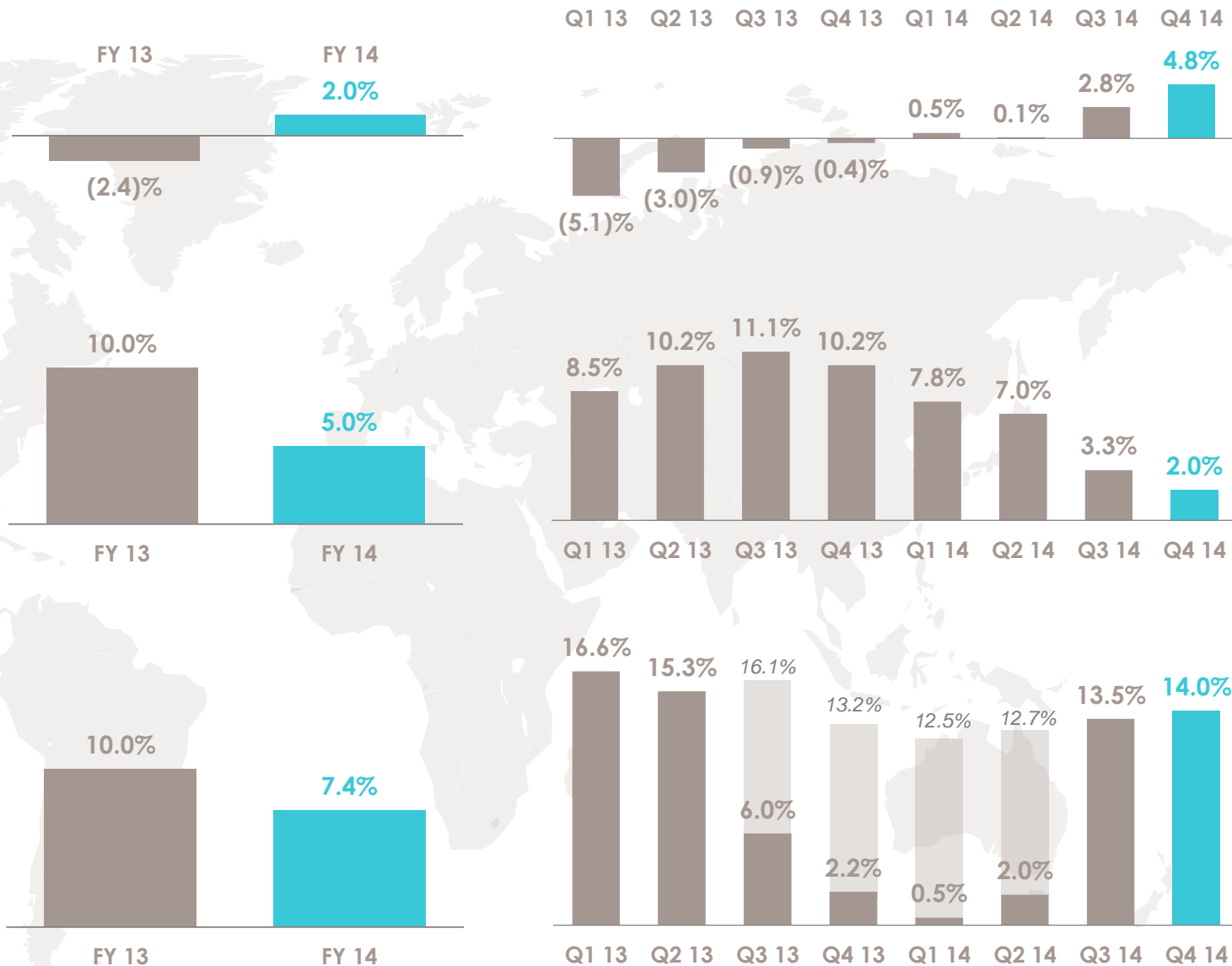
Weight based on 2014 sales



USA+Canada+CIS



AsiapacLatamMiddleEastAfrica



Actual      Excluding 8 recall markets





# Sales performance by Division

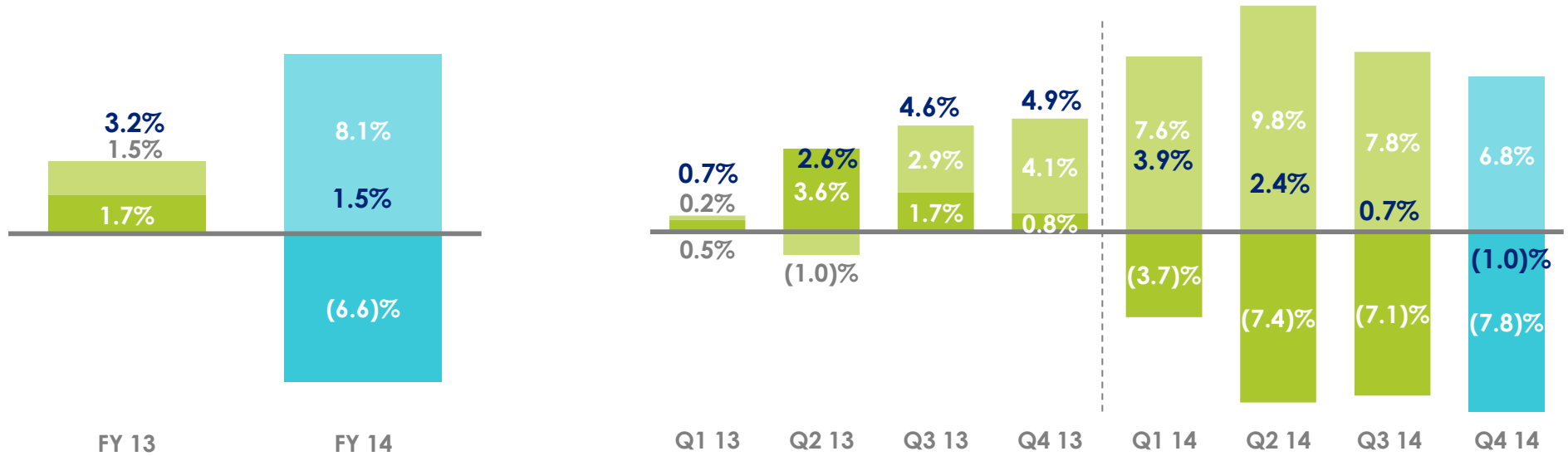
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# FRESH DAIRY PRODUCTS – FOCUSING ON KEY BATTLES TO FACE EXCEPTIONAL MILK INFLATION



## Like-for-like sales growth

Price/mix  
Volume



- \* Price & mix management to offset milk inflation
- \* Adapting portfolio in all regions

# FRESH DAIRY PRODUCTS – Selected innovations Q4



**Activia Superfruits**  
Russia



**Danone Cremoso**  
Spain



**Dan'up relaunch**  
Brazil



**Yogurissimo Cremix & Slick**  
Argentina



**Actimel Kids**  
Russia

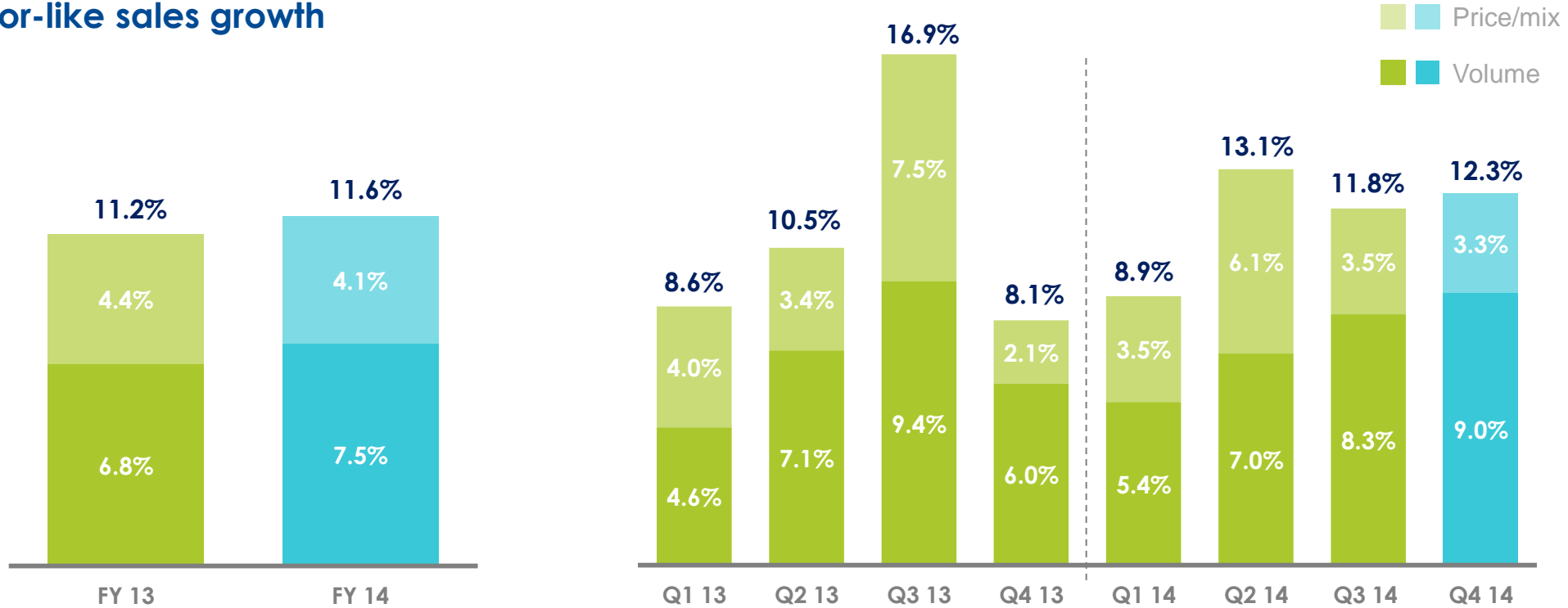


**Danimals Squeezables**  
United States

# WATERS – SUSTAINED STRONG GROWTH



## Like-for-like sales growth



- \* Very solid volume dynamics in mature & emerging markets
- \* Favorable mix driven primarily by Asia & Aquadrinks development

# WATERS – Selected innovations Q4



**X-Mas Evian by Kenzo**  
Worldwide



**X-Mas Badoit**  
Worldwide



**Salus Uno**  
Uruguay



**Mizone Fire**  
China



**We by Ser**  
Argentina

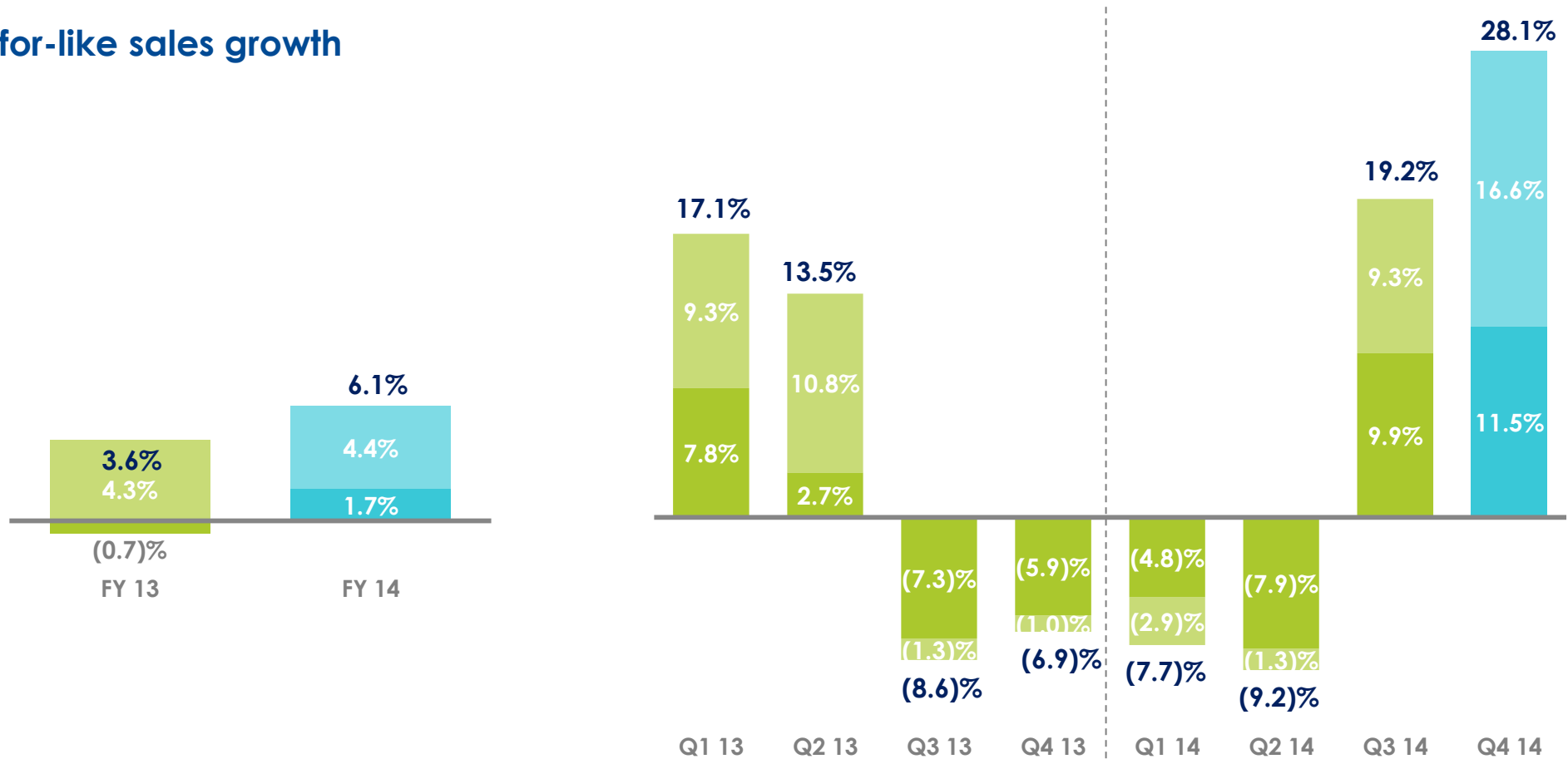


**Villa del Sur Levité sachet**  
Argentina

# EARLY LIFE NUTRITION – REBUILD STRONG PLATFORMS OF GROWTH



## Like-for-like sales growth



\* Asia market recovery enhanced by global Internet development

\* Europe solid; rest of ALMA strong



# EARLY LIFE NUTRITION – Selected innovations Q4



**Aptamil Pronutra+ Milk Cereals**  
Switzerland



**Milupa Profutura Mama**  
Germany



**Nutrilon AR**  
Argentina



**Aptamil Profutura**  
Germany

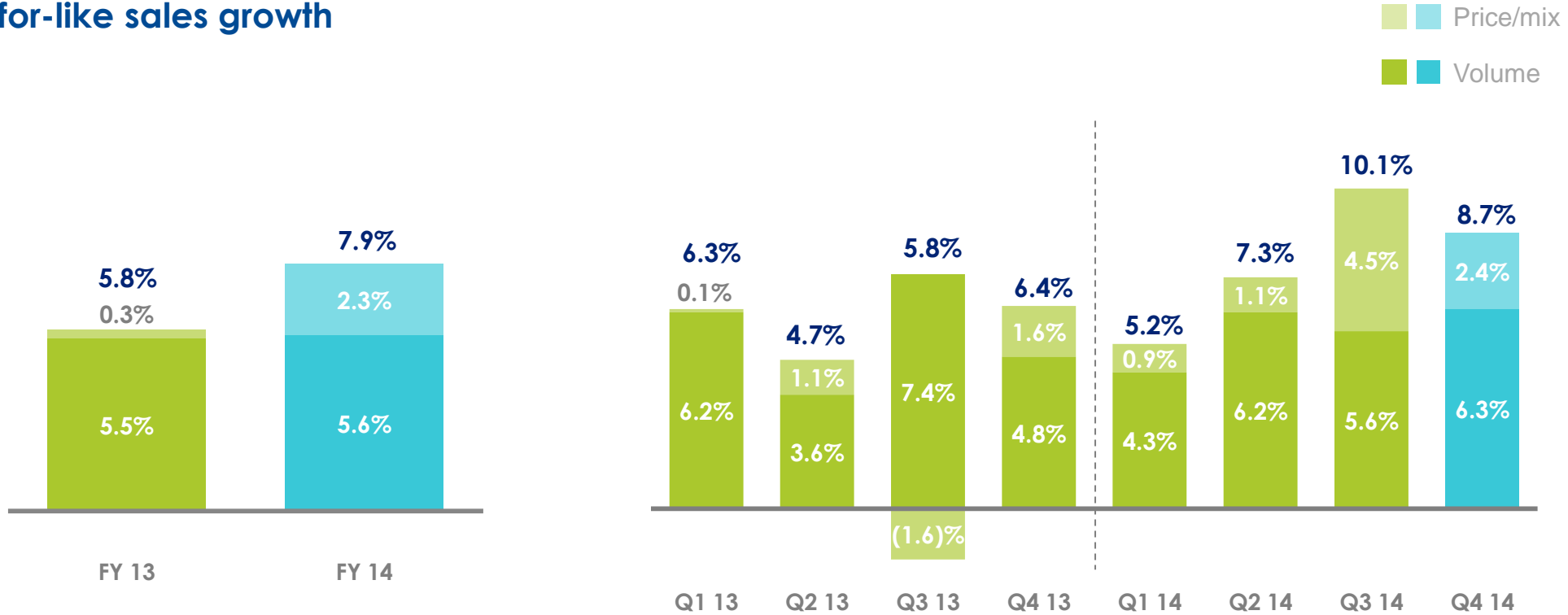


**Nutrilon Profutura**  
Argentina

# MEDICAL NUTRITION – IMPROVING DYNAMICS



## Like-for-like sales growth



- \* Key dynamics of growth in emerging markets
- \* Outstanding growth of pediatrics across regions





**Lophlex LQ Juicy**  
13 countries



**NutriApp**  
to monitor calorie and protein intake  
Netherlands



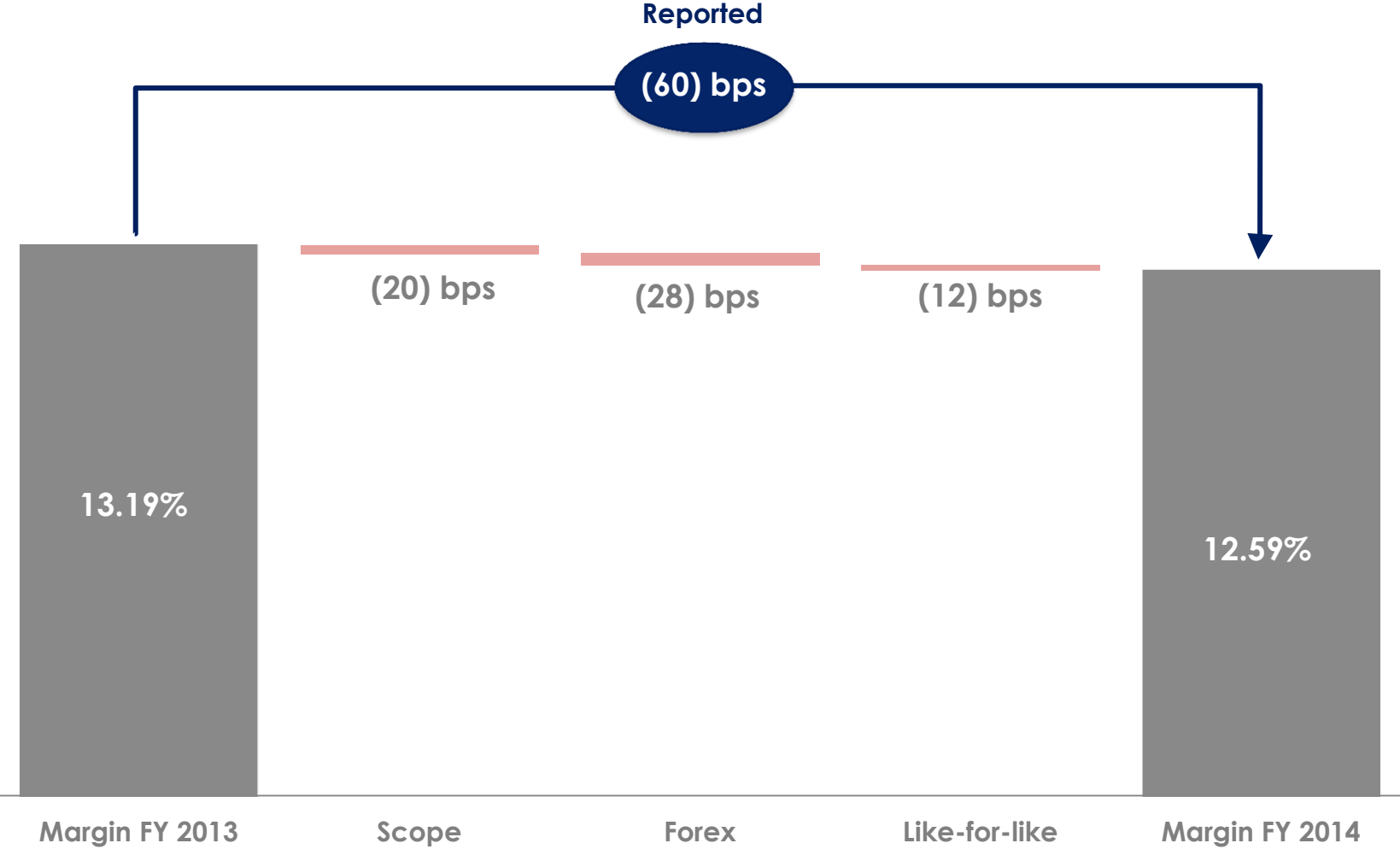
**Infatrini**  
Worldwide

# TRADING OPERATING INCOME AND MARGIN



<i>€ mln</i>	FY 2013	FY 2014
Trading operating income	2,809	2,662
Other operating items	(681)	(511)
Operating income	2,128	2,151
Trading operating margin	13.19%	12.59%

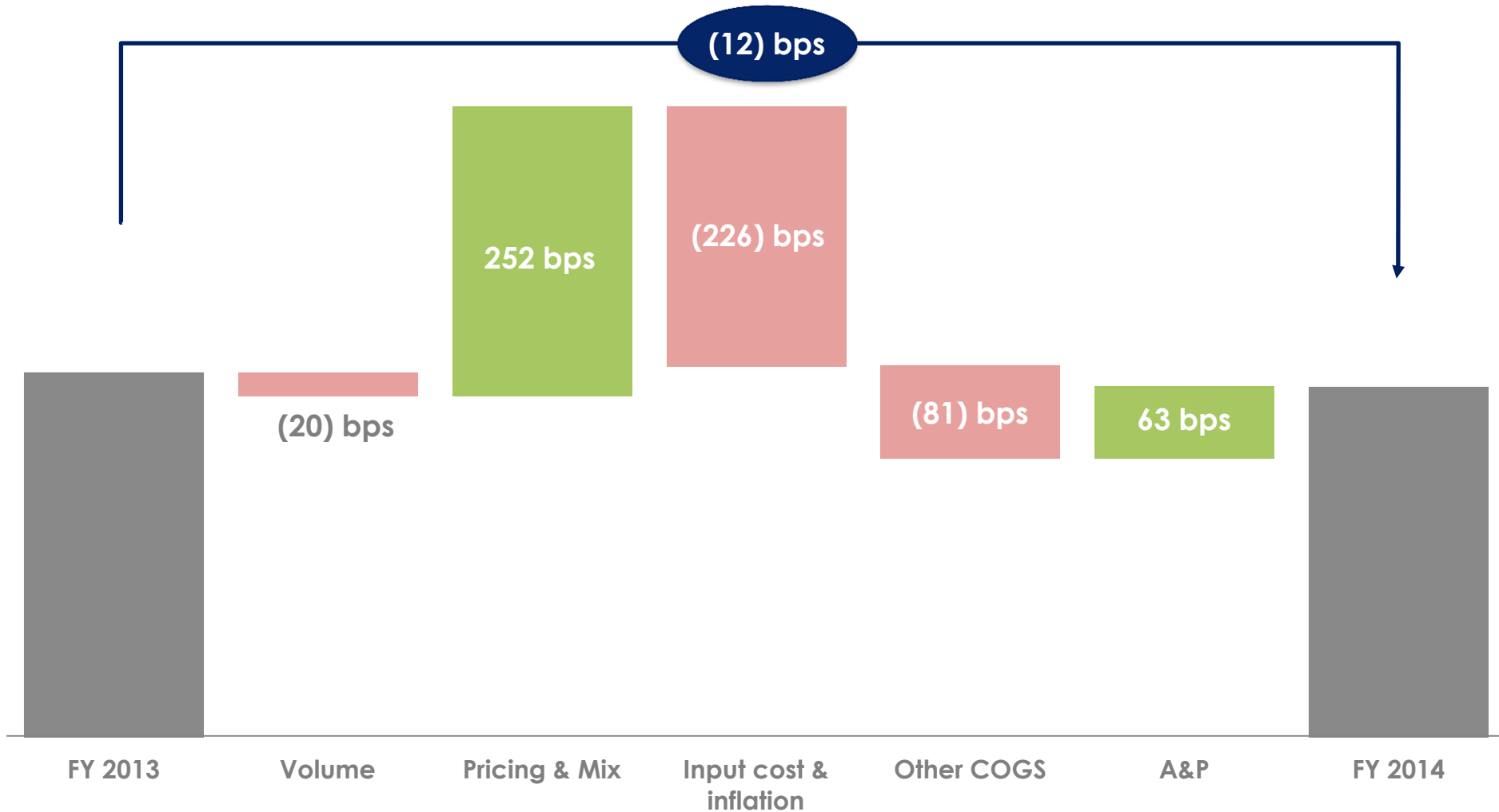
# 2014 - MARGIN DEVELOPMENT



# 2014 - MANAGING INFLATION THROUGH PRICE & MIX



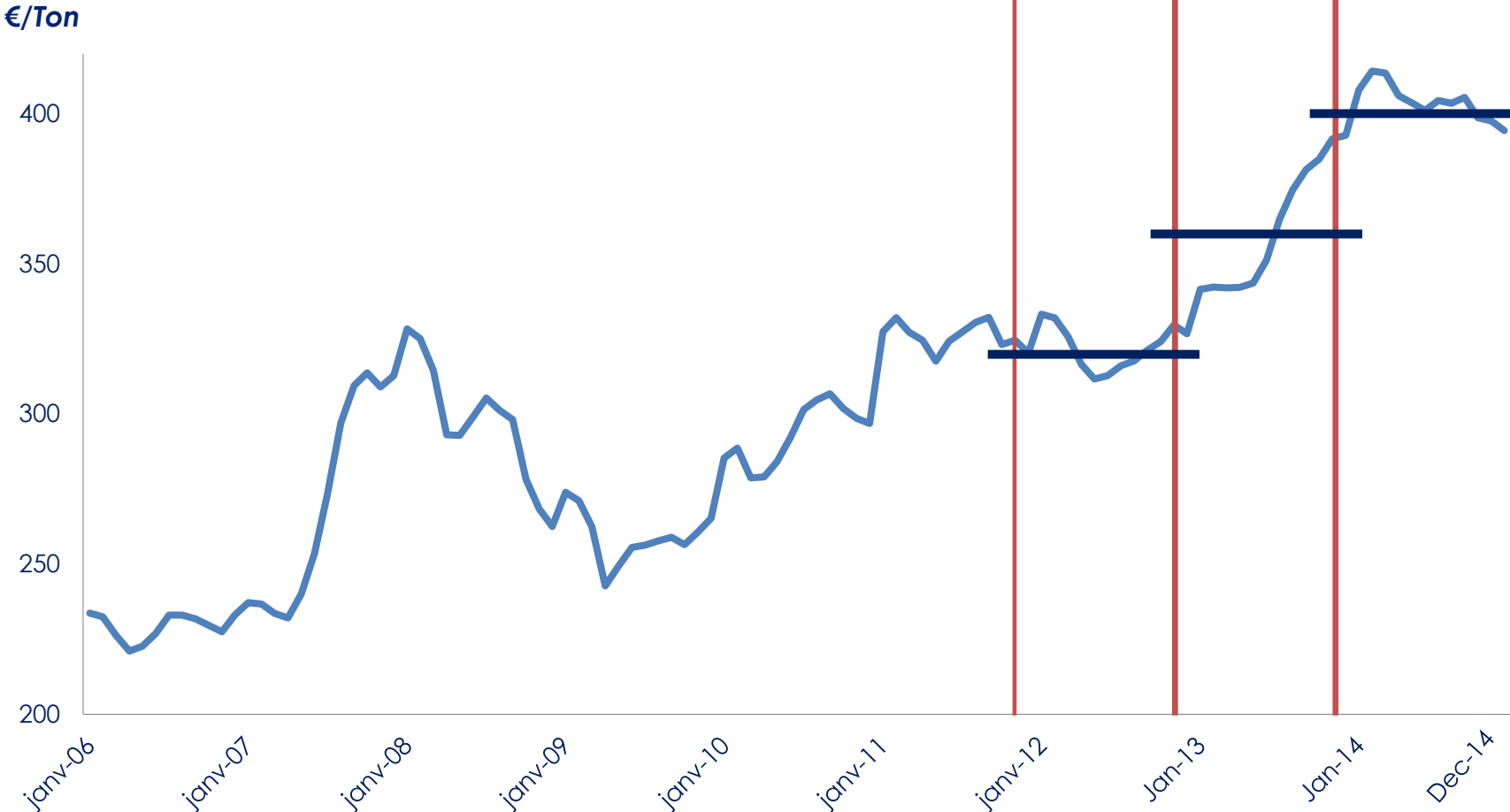
## LIKE-FOR-LIKE MARGIN BRIDGE



# RECORD MILK PRICES



## DANONE FARMGATE PRICE 2006-2014



# TRADING OPERATING MARGIN

## by business line & geographical area



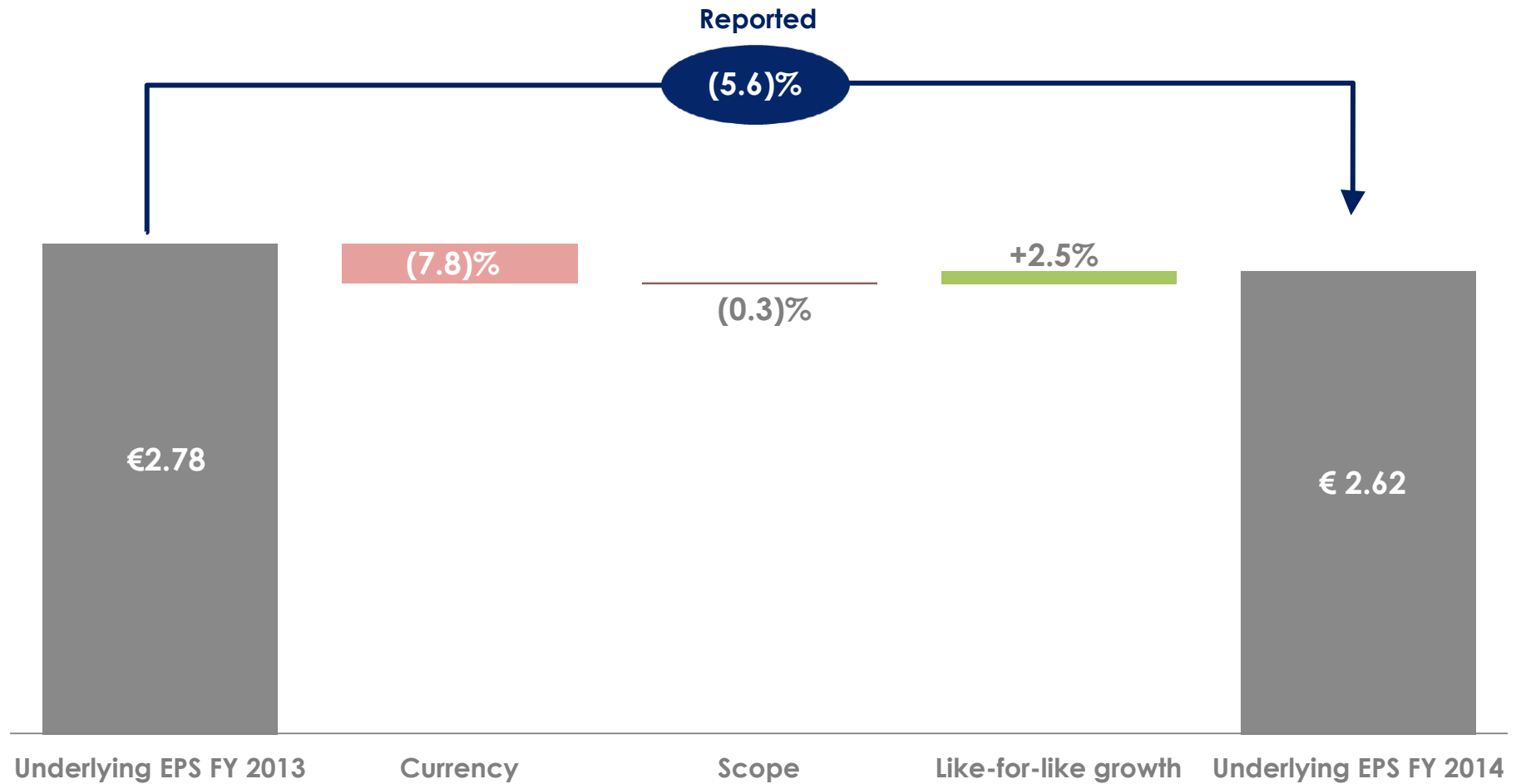
€ mln	FY 2013	FY 2014	Like-for-like change
Fresh Dairy Products	10.35%	9.28%	(67) bps
Waters	13.04%	12.88%	+93 bps
Early Life Nutrition	19.62%	18.83%	(40) bps
Medical Nutrition	18.16%	18.28%	+89 bps
Europe	14.42%	15.67%	+158 bps
CIS+Noram	9.56%	8.56%	(63) bps
ALMA	14.03%	11.60%	(157) bps
<b>Total</b>	<b>13.19%</b>	<b>12.59%</b>	<b>(12) bps</b>

# FROM OPERATING INCOME TO EPS



€ mln	FY 2013 underlying	FY 2014 underlying	Non-current items	FY 2014
<b>Trading operating income</b>	2,809	2,662	-	2,662
Other operating items		-	(511)	(511)
<b>Operating income</b>	2,809	2,662	(511)	2,151
Total financial expenses	(311)	(309)	(3)	(312)
Income tax	(750)	(716)	117	(599)
Net income of affiliates	50	66	(52)	14
Net income	1,798	1,703	(450)	1,253
Non-controlling interests	162	142	(7)	134
<b>Net income - Group share</b>	1,636	1,561	(442)	1,119
Fully diluted number of share mln	588	596		
<b>Fully diluted underlying EPS €</b>	€ 2.78	€ 2.62		

# EPS DOWN ON FOREX, UP WITHOUT FOREX AND SCOPE

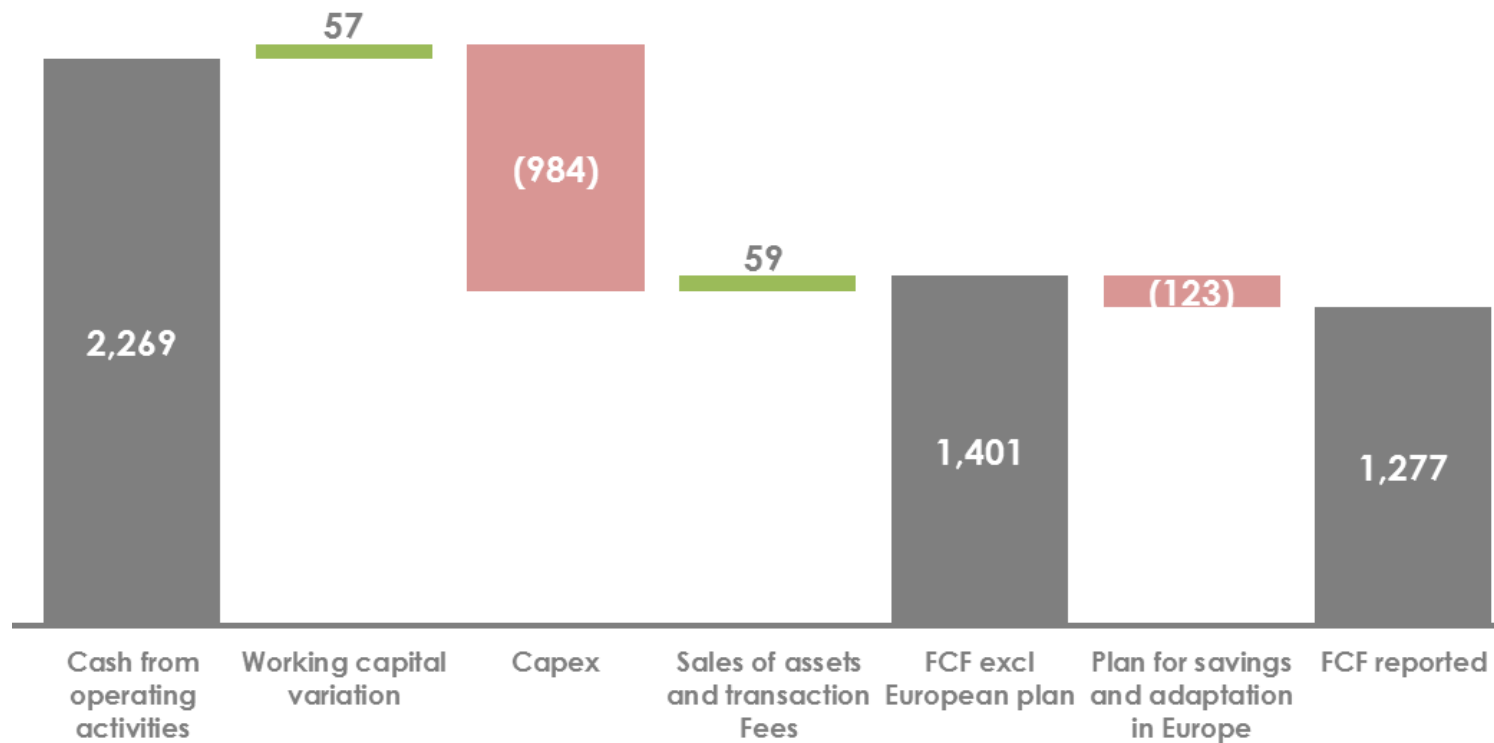




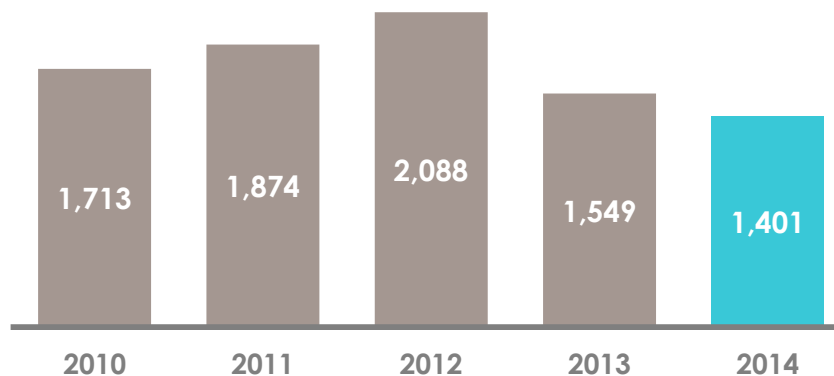
# CASH BRIDGE



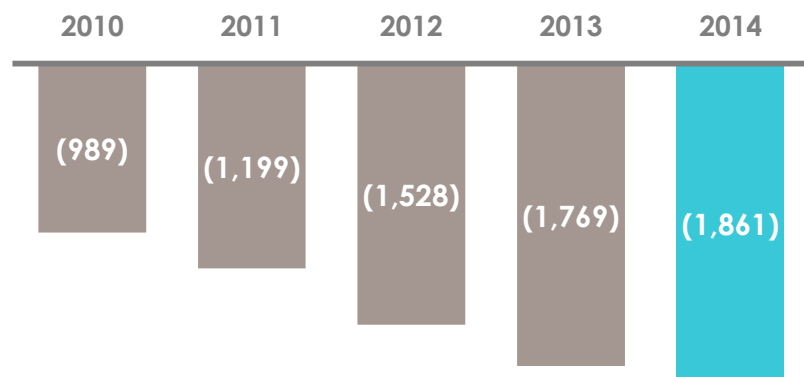
€ mln



## FREE CASH-FLOW EXCLUDING EXCEPTIONAL ITEMS (€ MLN)

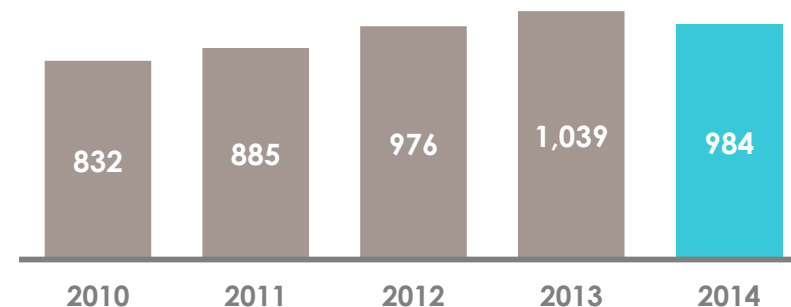


## WORKING CAPITAL (€ MLN)



% of sales -5.8% -6.2% -7.3% -8.3% -8.8%

## CAPITAL EXPENDITURES (€ MLN)

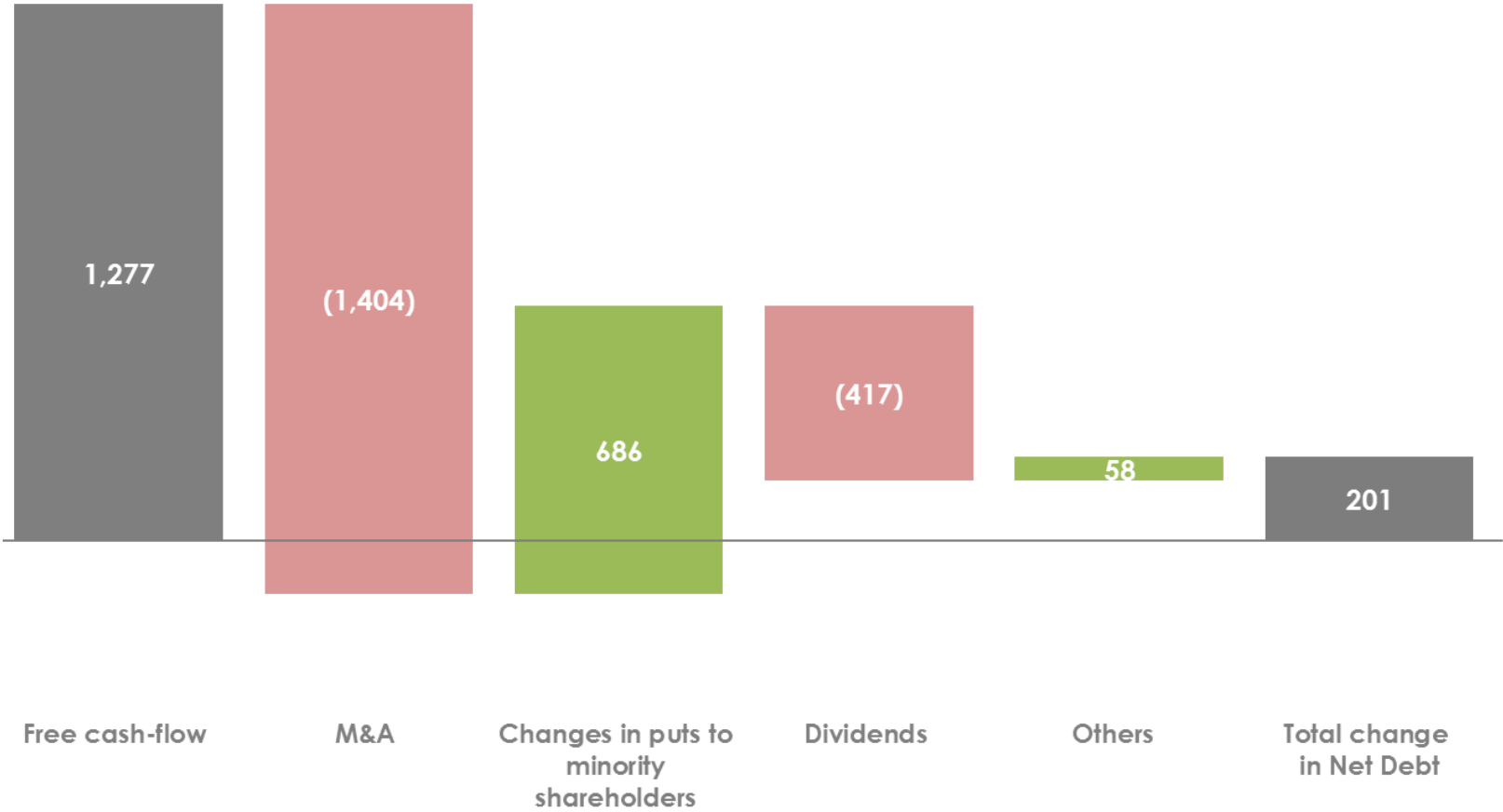


% of sales 4.9% 4.6% 4.7% 4.9% 4.7%

# 2014 - FCF TO NET DEBT CHANGE



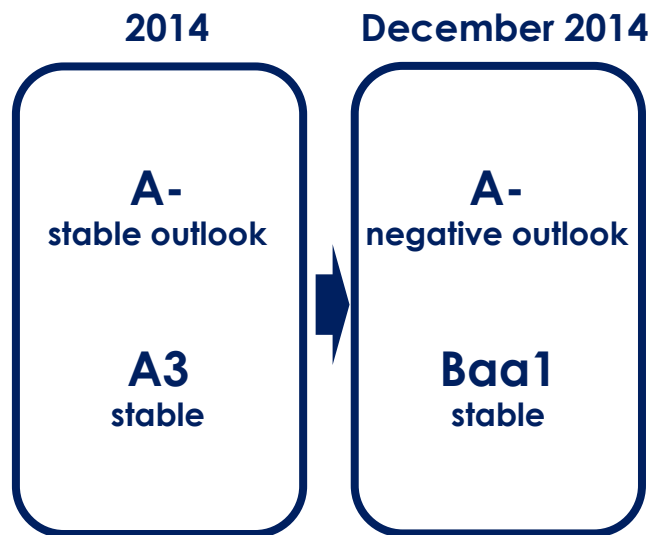
€ mln



# A NEW RATING FOR MORE FLEXIBILITY AND A CONFIRMED HIGH-QUALITY SIGNATURE



## CHANGE OF RATING



## €1.3BN DUAL-TRANCHE BOND ISSUE

*Including a tranche of 10-year fixed rate bonds of €750 million, priced at mid swap +48 basis points (coupon of 1.125%).*



# SYNTHETIC BALANCE SHEET



## Assets<sup>(1)</sup>

## Liabilities

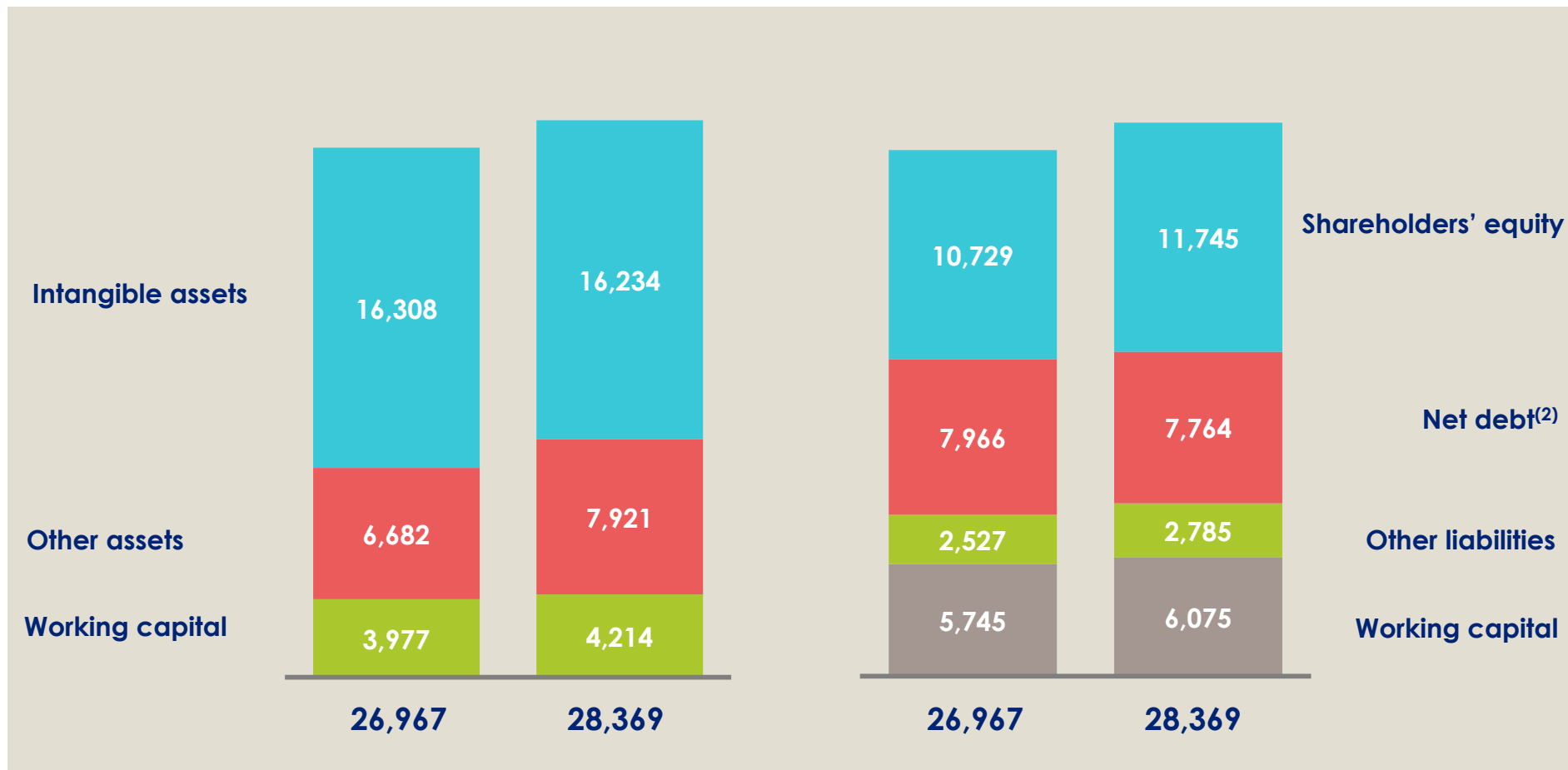
€ mln

December 13

December 14

December 13

December 14



(1) Excluding assets included in net debt

(2) Net of cash, cash equivalents, marketable securities, other short term investments and financial instrument assets

# 2014 CSR ACHIEVEMENTS: CONTINUING TO BUILD SUSTAINABLE PERFORMANCE



**BRINGING HEALTH  
THROUGH FOOD TO  
AS MANY PEOPLE AS  
POSSIBLE**



**-42 %**

**Carbon intensity  
2008-2014**

On track to meet objective of  
>50% reduction 2008-2020



**-4 %**

**Water intensity  
in 2014**

On track to meet objective of  
>60% reduction 2000-2020



**-17 %**

**Lost time accident  
frequency rate in 2014**

From 2,3% in 2013  
to 1,9% in 2014

2014: A solid performance in a volatile environment - Pierre-André Terisse, CFO

**2015: Priorities and stakes** – Emmanuel Faber, CEO

Questions & Answers

# KEY PRIORITIES SINCE OCTOBER 2014



## A NEW EXECUTIVE TEAM

<p><b>EMMANUEL FABER</b> Born on January 22, 1964 CEO and Vice-Chairman, Board of Directors, appointed to the Executive Committee in 2000</p>	<p><b>BERTRAND AUSTRUY</b> Born on September 15, 1973 General Secretary, appointed to the Executive Committee in 2015</p>	<p><b>MARC BENOÎT</b> Born on April 8, 1964 Executive Vice President Human Resources, appointed to the Executive Committee in 2014</p>	<p><b>CÉCILE CABANIS</b> Born on December 13, 1971 Chief Financial Officer, appointed to the Executive Committee in 2015</p>	<p><b>FRANCISCO CAMACHO</b> Born on April 10, 1955 Executive Vice President, Waters, appointed to the Executive Committee in 2011</p>
<p><b>FELIX MARTIN GARCIA</b> Born on October 13, 1990 Executive Vice President, Early Life Nutrition, appointed to the Executive Committee in 2008</p>	<p><b>FLEMMING MORGAN</b> Born on September 29, 1905 Executive Vice President, Medical Nutrition, appointed to the Executive Committee in 2009</p>	<p><b>JEAN-PHILIPPE PARÉ</b> Born on August 12, 1957 Executive Vice President, Research and Development, appointed to the Executive Committee in 2011</p>	<p><b>PIERRE-ANDRÉ TÊRISSÉ</b> Born on April 20, 1966 Executive Vice President Africa, appointed to the Executive Committee in 2008</p>	<p><b>GUSTAVO VALLE</b> Born on April 5, 1984 Executive Vice President Fresh Dairy Products, appointed to the Executive Committee in 2015</p>

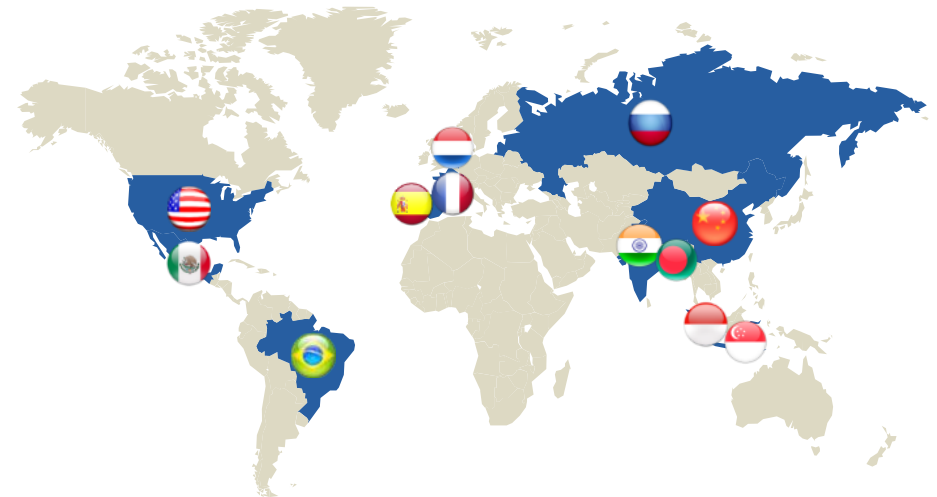
## 4 CATEGORIES



## A NEW BUSINESS ORGANIZATION



## A DEEP DIVE INTO BUSINESS





# TRANSFORM OUR ORGANIZATION TO ENHANCE BUSINESS PERFORMANCE



## KEY TRANSFORMATION INITIATIVES IN EUROPE



## A NEW WAY OF DOING BUSINESS IN AN INTEGRATED MANNER



# LEVERAGE OUR STRENGTHS AND OPPORTUNITIES



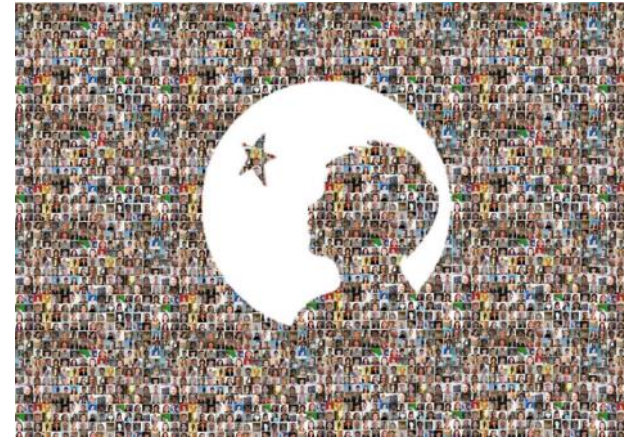
## OUR MISSION



## OUR STRONG BRANDS

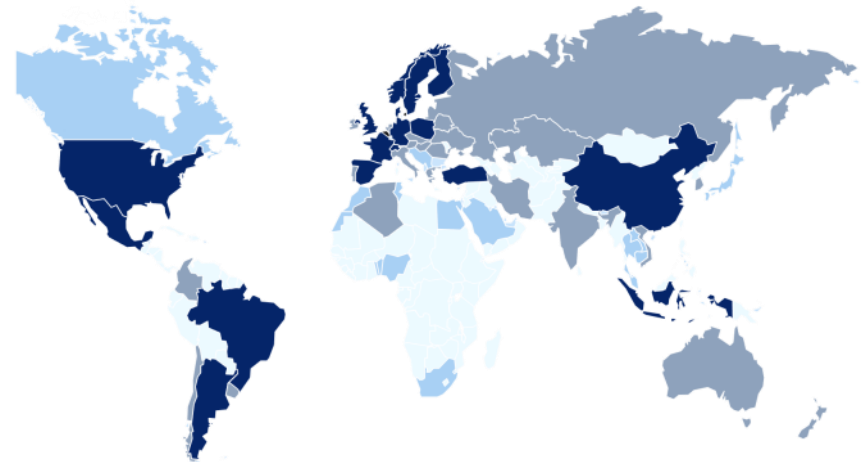


## OUR TALENTS



81% LONG-TERM COMMITMENT

## OUR GEOGRAPHICAL FOOTPRINT



# DANONE 2020 AS A GUIDING VISION



**2020**

**DANONE**

# 2015: A FIRST STEP TOWARDS 2020



2014



2015



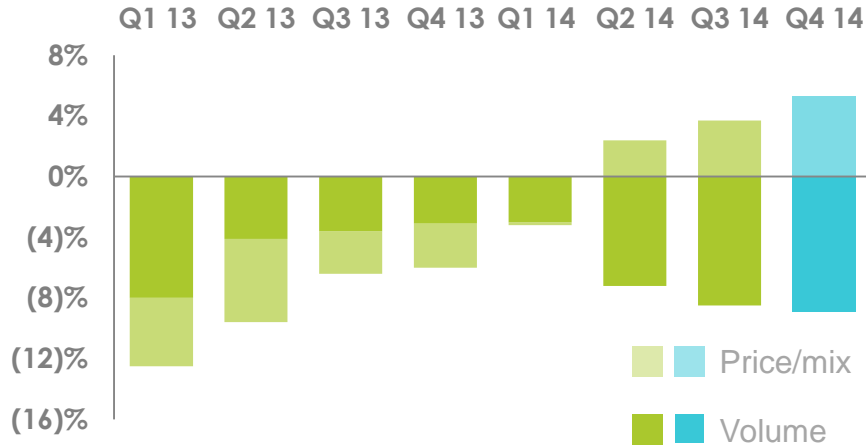
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# EUROPE - REINFORCE OUR BASE CAMP



## BREAKDOWN VOLUME/VALUE GROWTH (%)



## 2014 BRANDS PERFORMANCE

### Q4 performance

Positive in Germany, Italy & UK

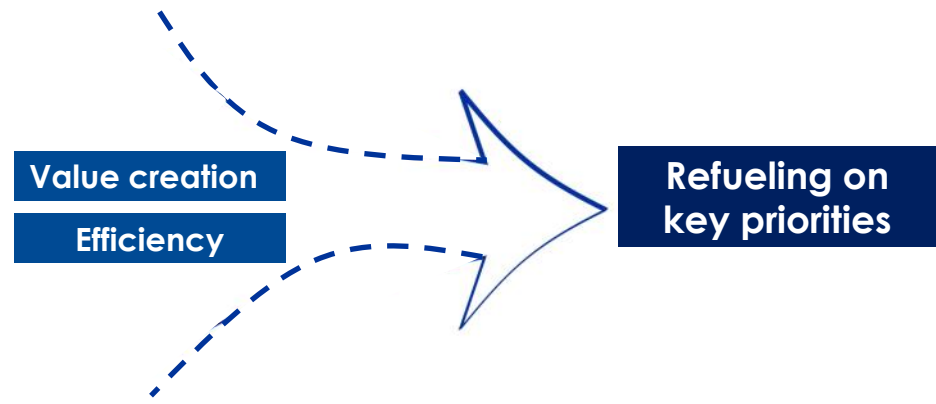
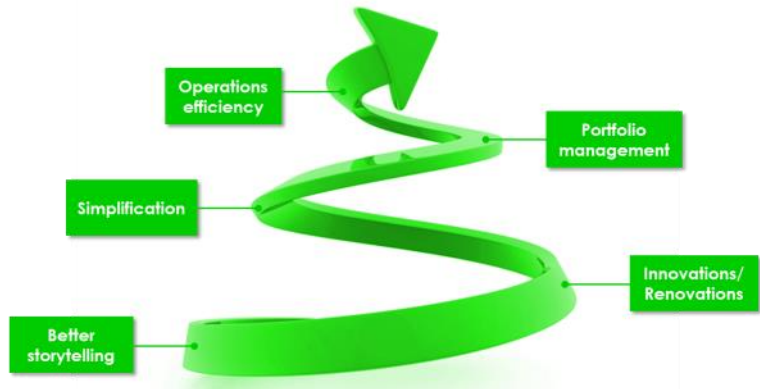
Positive in France & Iberia

### Full-year performance

+7.6%

€ 20 mln

## RE-INVENT EUROPE



# EUROPE – MEDICAL NUTRITION

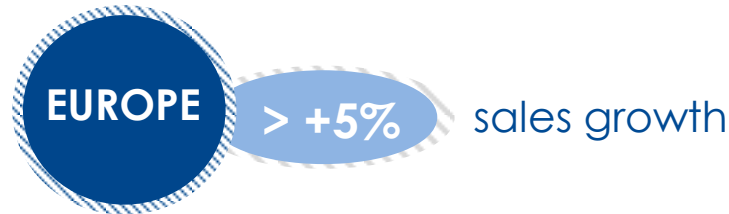


## PERFORMANCE IMPROVEMENT IN A TOUGH CONTEXT

Reimbursement pressure



Competition intensity



## TRUSTED BRANDS CONTINUOUSLY INNOVATING



**NutriApp**

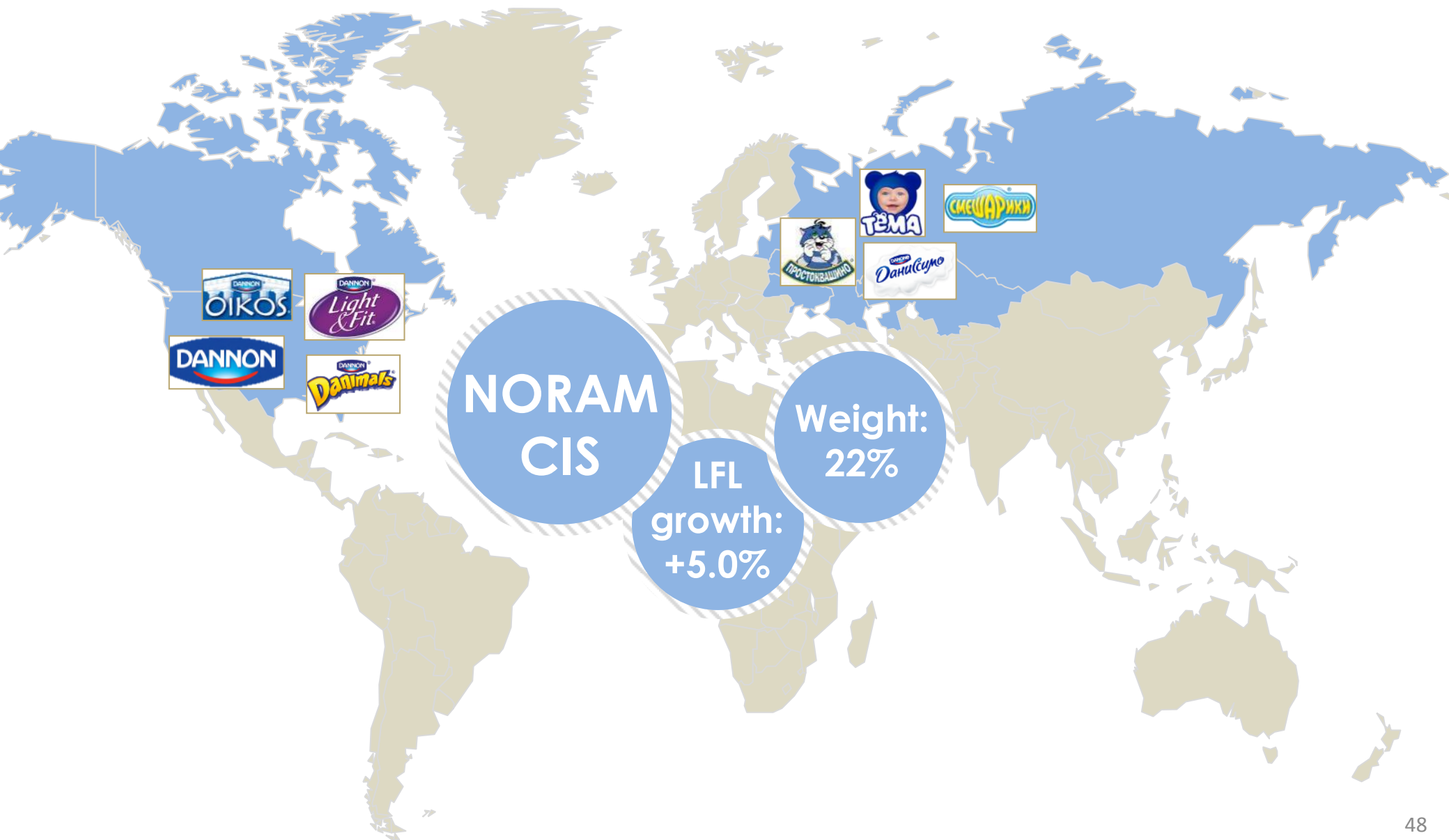
Co-developed with a leading academic centre to monitor calorie and protein intake

## STRONG LEADER IN WESTERN EUROPE



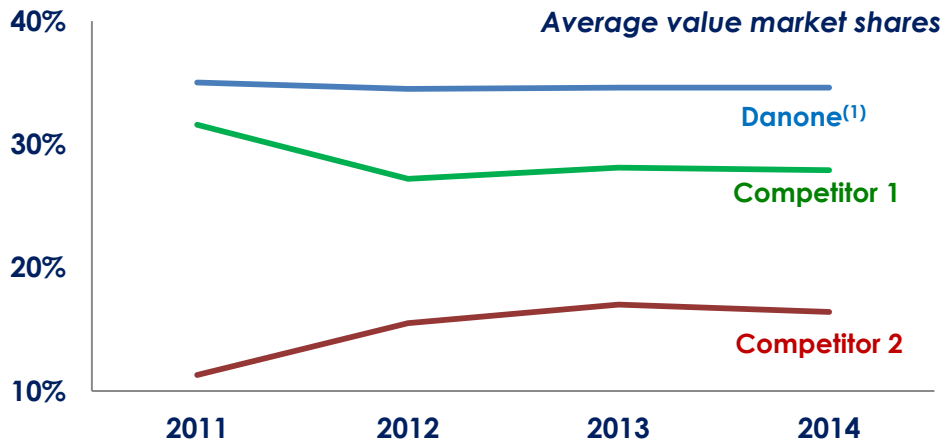
▶ **Key player to further develop a market offering strong growth perspectives**

# NORAM / CIS - TWO POWERHOUSES IN LARGE MARKETS





## LEADING THE YOGURT CATEGORY

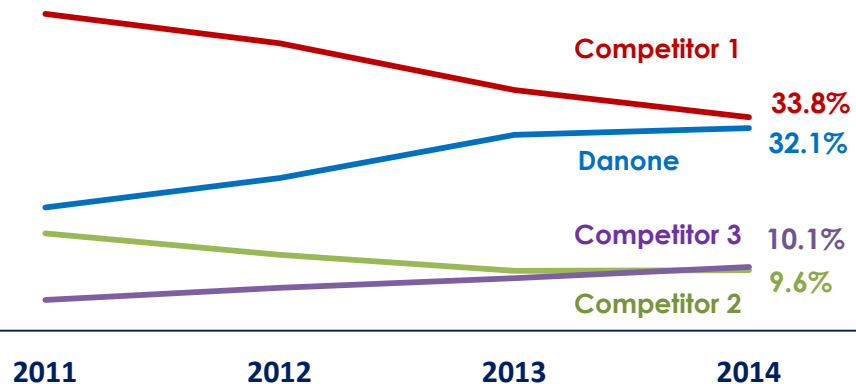


<sup>(1)</sup> Danone : including Stonyfield and YoCrunch

Source: IRI Multi Outlet

## CO-LEADING THE GREEK YOGURT SEGMENT

Average value market shares



Source: IRI Multi Outlet

## DANNON'S FUTURE GROWTH PILLARS

### CONSUMERS



### RETAILERS



### PARTNERS



## RUBLE DEVALUATION



## SOLID LOCAL PLATFORM

- Local brands volume >80% of total portfolio



- 100% local milk sourcing



- 100% local production



## RUSSIAN MILK PRICE INFLATION EVOLUTION



## 2014 BRANDS SALES GROWTH



+19%



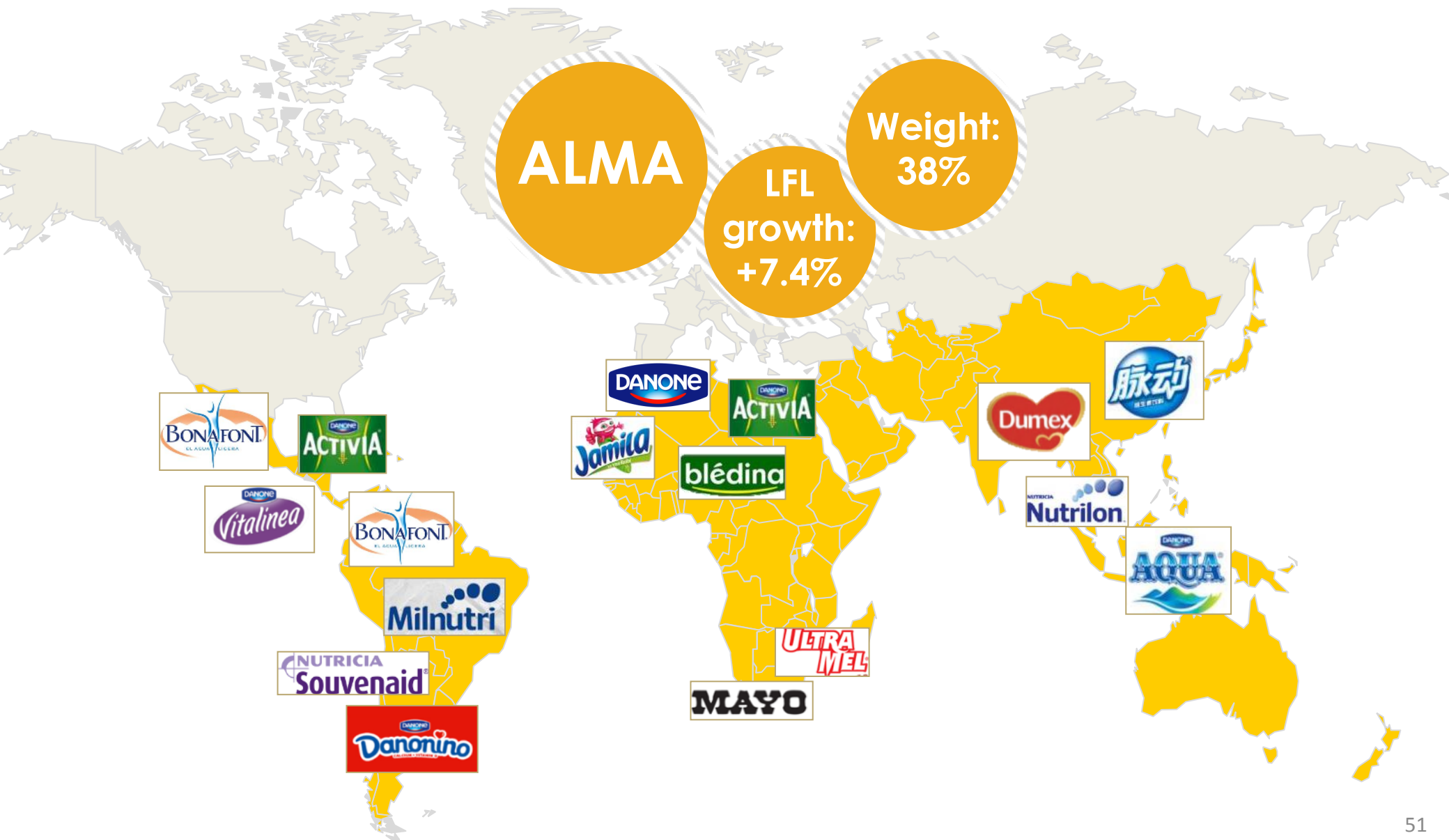
+18%



+29%

with volume growth

# ALMA – A GROWTH PLATFORM FOR TODAY & TOMORROW



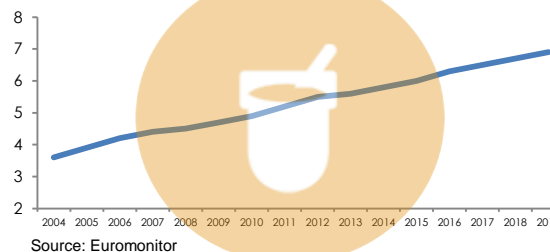


## LATAM KEY-DRIVER COUNTRIES



## SOLID MODEL BEYOND INFLATION

### PCC yogurt (kg/pers) evolution



## INNOVATIONS IN ALL BUSINESSES TO DRIVE GROWTH





## WATERS: BRAND & CATEGORY PERFORMANCE

2014 sales growth



## ELN INDONESIA: A GROWING BUSINESS

#1 >40% MS with 3 brands



## A STRATEGIC ALLIANCE WITH MENGNIU



Danone's stake in Mengniu: 9.9%  
 → 2<sup>nd</sup> biggest shareholder behind COFCO

Danone's stake in Mengniu/Danone Dairy joint-venture: 20%

- #1 in yogurt with 23% MS
- Top 3 brands: >50 % portfolio

Danone's stake in Yashili: 25%



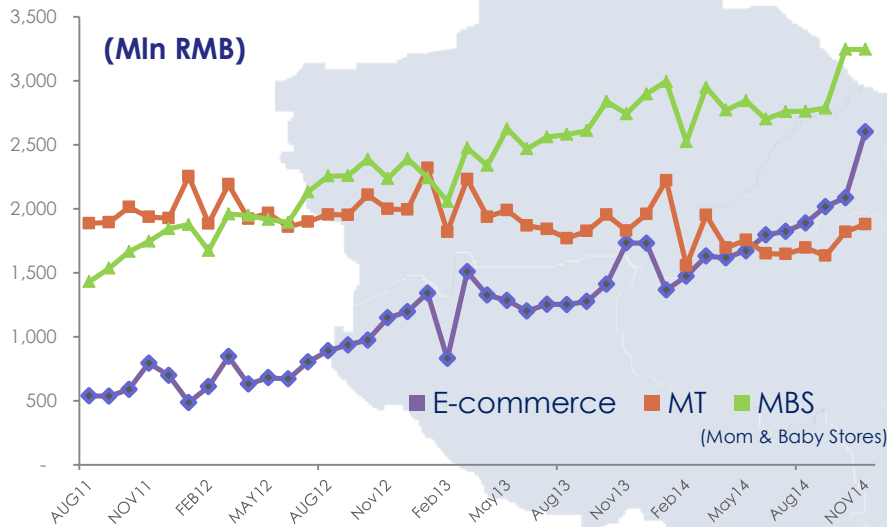
# ALMA - EARLY LIFE NUTRITION CHINA



## A BROAD PORTFOLIO COVERING ALL BABIES' NEEDS



## GLOBAL SALES VALUE PER CHANNEL



## NUTRILON: INTENSIFY CONNECTIONS WITH CONSUMERS



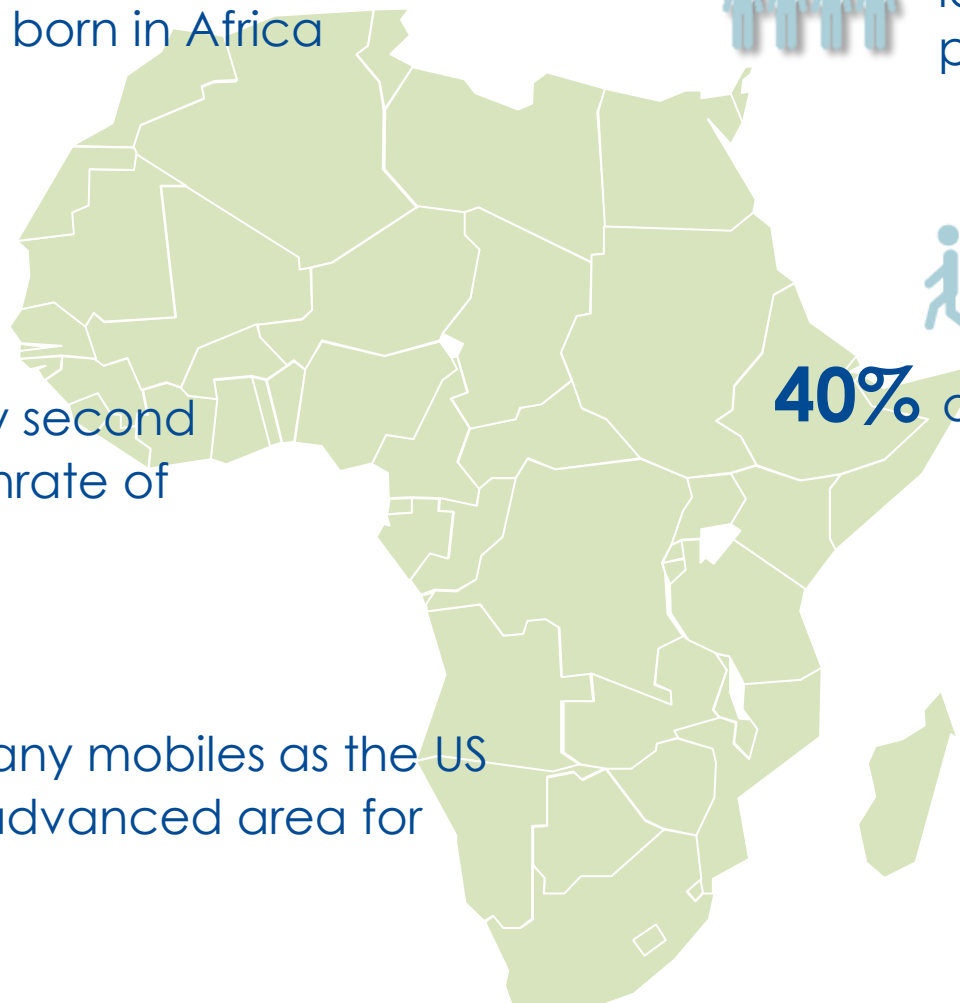
# ALMA – AFRICA, A LAND OF OPPORTUNITIES (AND CHALLENGES)



**1 in 4** of the world's children is born in Africa



By 2035, Africa will have a larger working age population than China



**40%** of Africans are under 15

**1.2 birth** every second in Africa, for a birthrate of 35.4 per 1,000

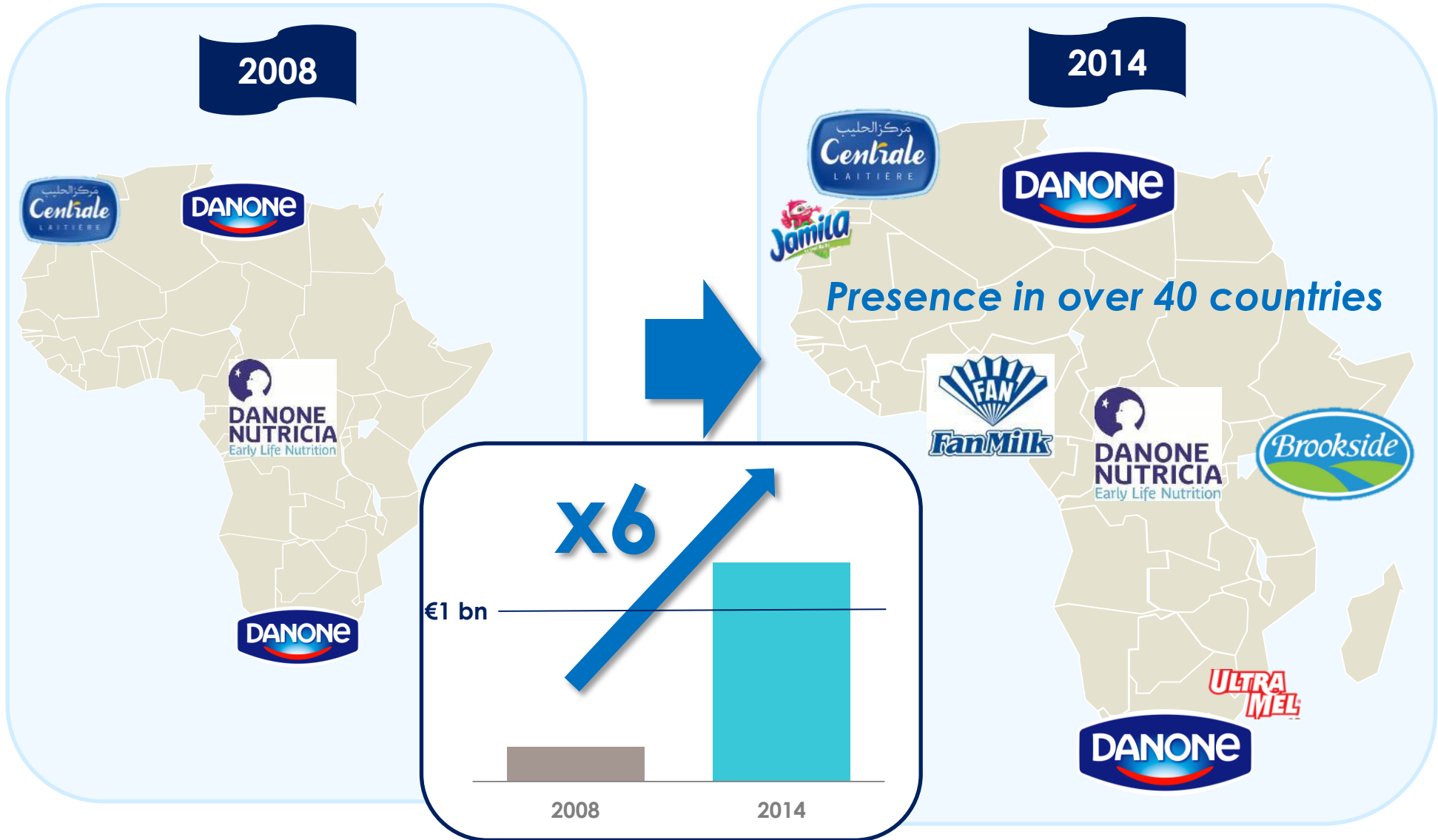


15 of the fastest growing cities in the world between 2015-2020



**Twice** as many mobiles as the US and the most advanced area for mobile money

# ALMA - AFRICA, BUILDING THE PLATFORM





# A CONTINUED CHALLENGING ENVIRONMENT



# 2015: ENHANCE OUR STRENGTHS AND KEEP BUILDING A SUSTAINABLE MODEL



## OPTIMIZE



Margin

## INVEST



## BUILD

categories



## NURTURE

LIVELIHOODS

danone)communities

# 2020

DANONE



# 2015 GUIDANCE: ANCHOR THE MODEL



## 2015 objectives

Sales growth <sup>(1)</sup>	4% to 5%
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Trading operating margin <sup>(1)</sup>	Slightly up
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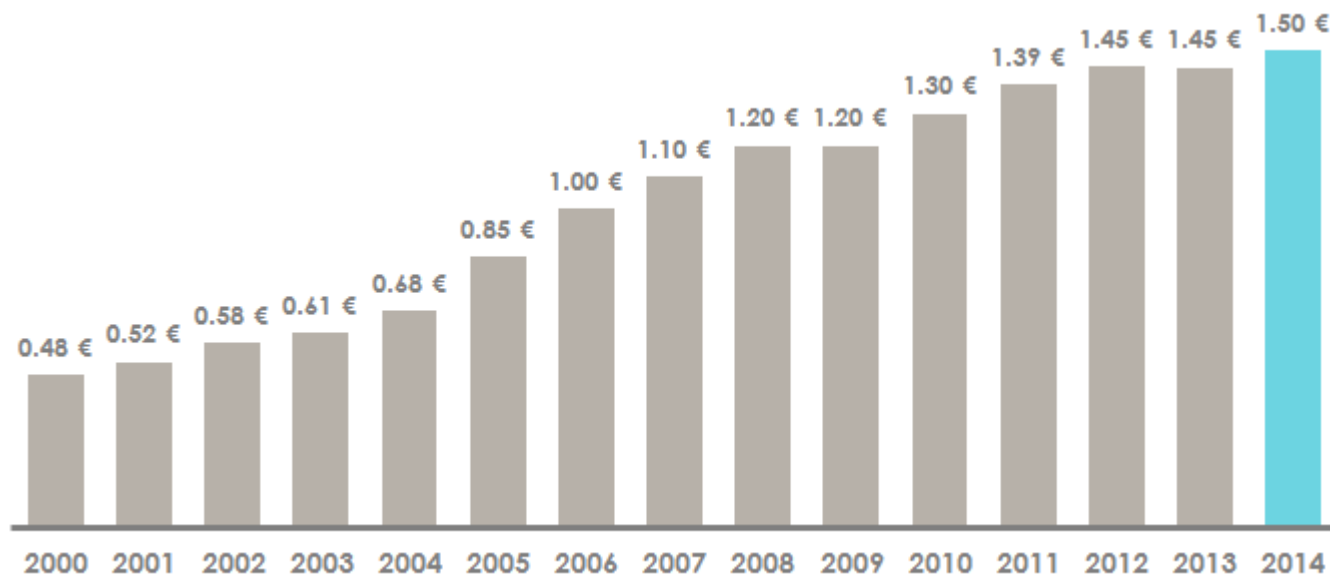
(1) Like-for-like: excludes the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation

# PROPOSAL TO INCREASE DIVIDEND AT THE NEXT AGM



Dividend proposed at the next AGM on April 29<sup>th</sup>, 2015 :

- ✓ € 1.50 per share (+5 ct vs. 2013)
- ✓ Payment in either cash or shares at shareholders' option



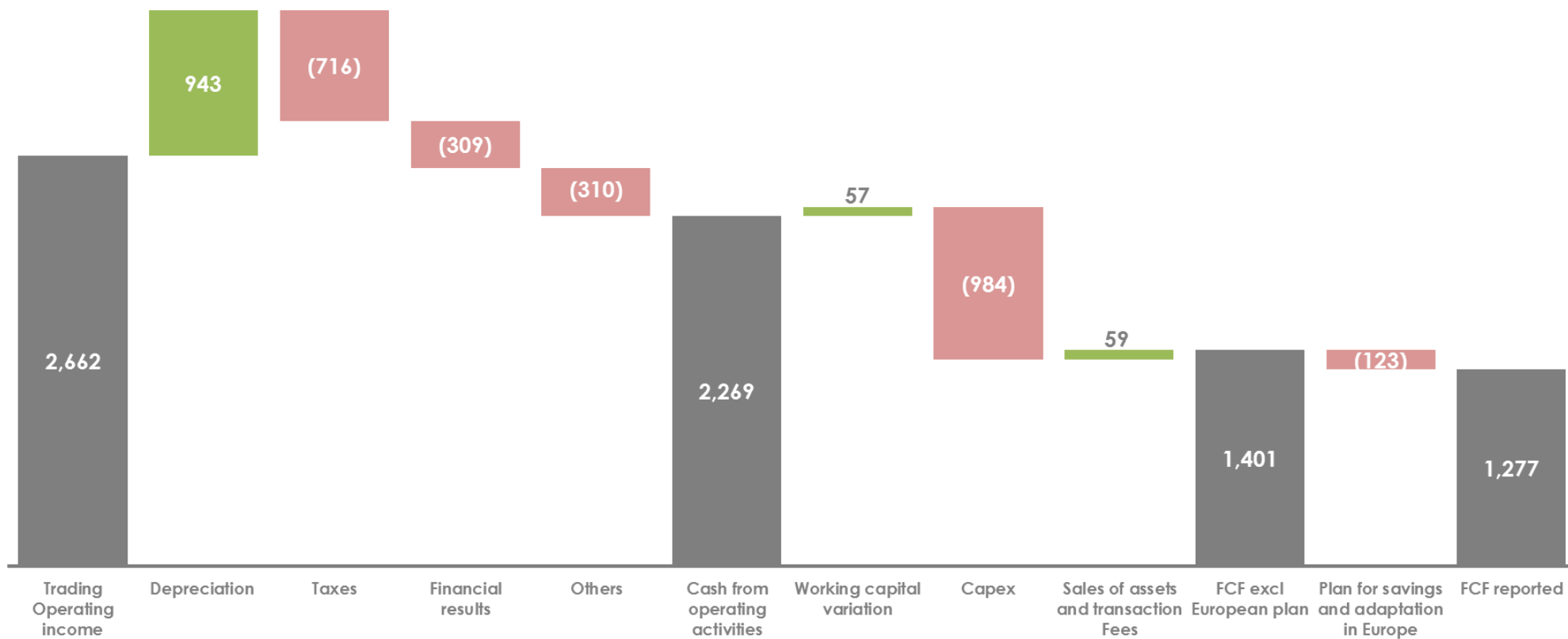


# APPENDIX

# CASH BRIDGE



€ mln



# TAX RATE DEVELOPMENT

€ mln	FY 2013	FY 2014
<b>Total income tax (reported)</b>	<b>(604)</b>	<b>(599)</b>
<b>Reported tax rate</b>	<b>32.4%</b>	<b>32.6%</b>
<b>Non-current income tax<sup>(1)</sup></b>	<b>146</b>	<b>117</b>
<b>Current income tax</b>	<b>(750)</b>	<b>(716)</b>
<b>Underlying tax rate</b>	<b>30.0%</b>	<b>30.5%</b>

(1) Tax related to non-current items

# SHARE PRICE & SHAREHOLDING



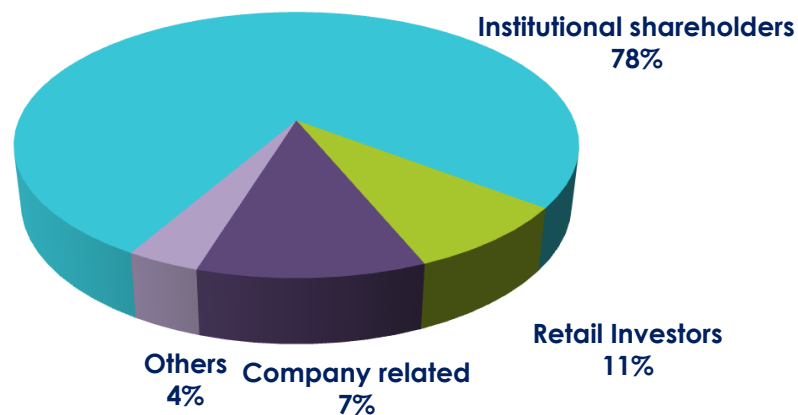
## DANONE SHARE PRICE EVOLUTION



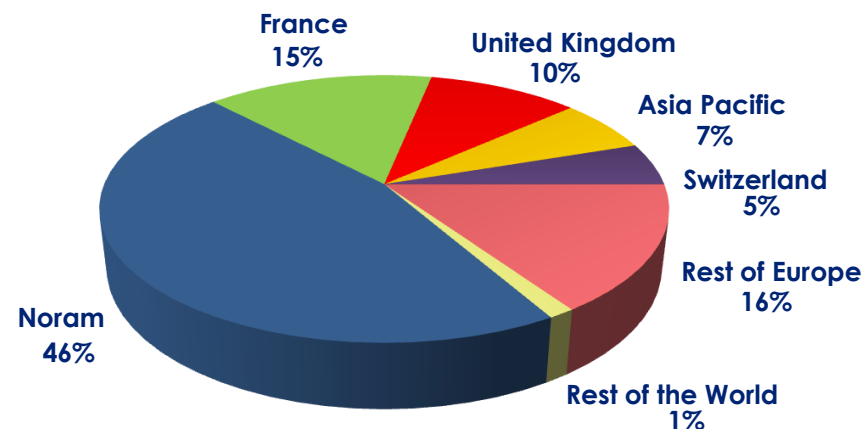
## DANONE STOCK PERFORMANCE<sup>(1)</sup>

Absolute	+4.1%
Relative vs. CAC 40	+3.6%
Relative vs. Eurostoxx 50	+2.9%

## SHAREHOLDING BY INVESTOR TYPE <sup>(2)</sup>



## INSTITUTIONAL SHAREHOLDING BY GEOGRAPHY <sup>(2)</sup>



(1) At 31/12/2014

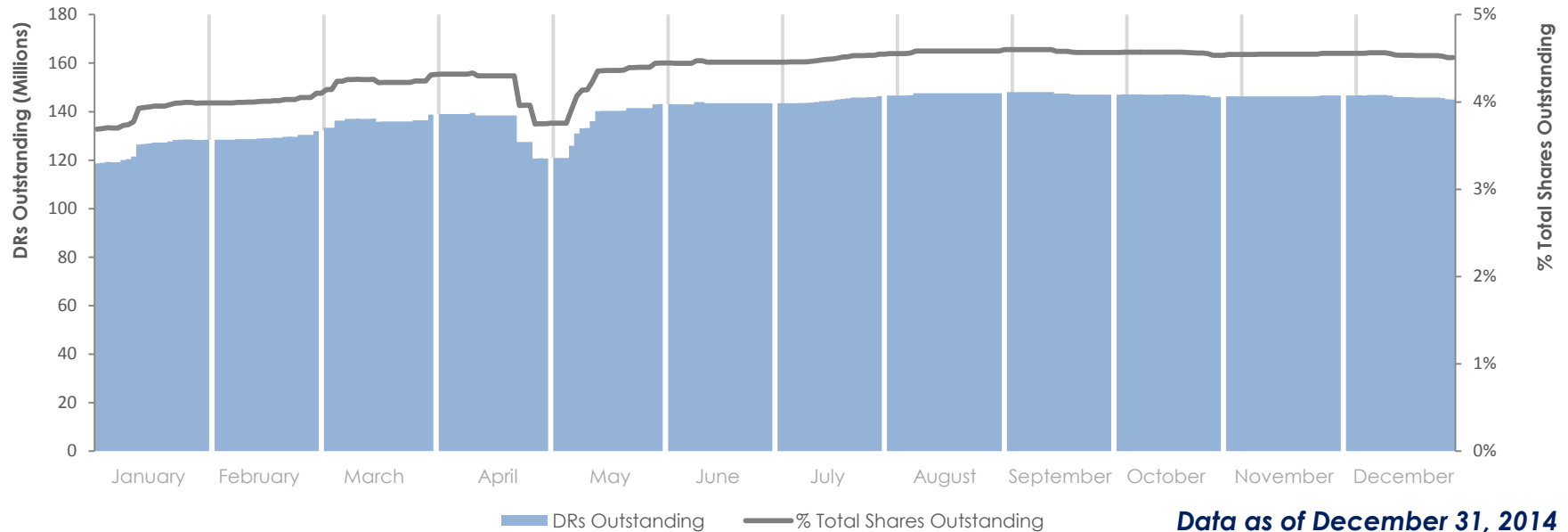
(2) Danone conducted a survey of the Company's identifiable shareholders in August 2014



# ADR PROGRAM



## DRs Outstanding as a % of Total Shares Outstanding



- \* **Ticker:** DANOY
- \* **CUSIP Number:** 23636T100
- \* **Exchange:** OTC QX ([www.otcqx.com/qx/market/quote?symbol=DANOY](http://www.otcqx.com/qx/market/quote?symbol=DANOY))
- \* **Ratio (ADR: ord):** 5:1
- \* **Depository Bank:** J.P. Morgan
- \* **ADR Depository Bank contact:** Jim Reeves +1 212 552 8928 / [DRX\\_depo@jpmorgan.com](mailto:DRX_depo@jpmorgan.com)

# IMPACT OF CURRENCIES AND SCOPE - Q4 2014



	Fresh Dairy Products	Waters	Early Life Nutrition	Medical Nutrition	Total
<b>Reported sales growth</b>	<b>(5.6)%</b>	<b>+14.6%</b>	<b>+29.7%</b>	<b>+10.3%</b>	<b>+5.6%</b>
<b>Currency</b>	<b>(4.0)%</b>	<b>+2.1%</b>	<b>+1.1%</b>	<b>+1.5%</b>	<b>(1.4)%</b>
<b>Scope of consolidation</b>	<b>(0.6)%</b>	<b>+0.2%</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>(0.5)%</b>
<b>Like-for-like sales growth</b>	<b>(1.0)%</b>	<b>+12.3%</b>	<b>+28.1%</b>	<b>+8.7%</b>	<b>+7.5%</b>

# IMPACT OF CURRENCIES AND SCOPE - FY 2014



	Fresh Dairy Products	Waters	Early Life Nutrition	Medical Nutrition	Total
<b>Reported sales growth</b>	<b>(5.6)%</b>	<b>+7.2%</b>	<b>+3.1%</b>	<b>+6.7%</b>	<b>(0.7)%</b>
<b>Currency</b>	<b>(6.9)%</b>	<b>(5.2)%</b>	<b>(3.6)%</b>	<b>(1.4)%</b>	<b>(5.5)%</b>
<b>Scope of consolidation</b>	<b>(0.2)%</b>	<b>+0.8%</b>	<b>+0.6%</b>	<b>+0.2%</b>	<b>+0.1%</b>
<b>Like-for-like sales growth</b>	<b>+1.5%</b>	<b>+11.6%</b>	<b>+6.1%</b>	<b>+7.9%</b>	<b>+4.7%</b>

# Q4 2014

## SALES BY BUSINESS & GEOGRAPHICAL AREA



€ mln	Q4 2013	Q4 2014	Like-for-like sales growth
Fresh Dairy Products	2,854	2,693	(1.0)%
Waters	823	944	+12.3%
Early Life Nutrition	956	1,241	+28.1%
Medical Nutrition	348	384	+8.7%
Europe	1,969	2,105	+4.8%
CIS+Noram	1,170	1,042	+2.0%
ALMA	1,842	2,114	+14.0%
<b>Total</b>	<b>4,981</b>	<b>5,261</b>	<b>+7.5%</b>

# FY 2014

## SALES BY BUSINESS & GEOGRAPHICAL AREA



€ mln	FY 2013	FY 2014	Like-for-like sales growth
<b>Fresh Dairy Products</b>	<b>11,790</b>	<b>11,129</b>	<b>+1.5%</b>
<b>Waters</b>	<b>3,903</b>	<b>4,186</b>	<b>+11.6%</b>
<b>Early Life Nutrition</b>	<b>4,263</b>	<b>4,397</b>	<b>+6.1%</b>
<b>Medical Nutrition</b>	<b>1,342</b>	<b>1,432</b>	<b>+7.9%</b>
<b>Europe</b>	<b>8,197</b>	<b>8,522</b>	<b>+2.0%</b>
<b>CIS+Noram</b>	<b>4,713</b>	<b>4,525</b>	<b>+5.0%</b>
<b>ALMA</b>	<b>8,388</b>	<b>8,097</b>	<b>+7.4%</b>
<b>Total</b>	<b>21,298</b>	<b>21,144</b>	<b>+4.7%</b>

# Q4 2014 LIKE-FOR-LIKE SALES GROWTH BREAKDOWN VOLUME/VALUE



<i>Like-for-like</i>	Volume	Price/mix	Total
Fresh Dairy Products	(7.8)%	+6.8%	(1.0)%
Waters	+9.0%	+3.3%	+12.3%
Early Life Nutrition	+11.5%	+16.6%	+28.1%
Medical Nutrition	+6.3%	+2.4%	+8.7%
Europe	+0.0%	+4.8%	+4.8%
CIS+Noram	(8.0)%	+10.0%	+2.0%
ALMA	+3.7%	+10.3%	+14.0%
<b>Total</b>	<b>(0.3)%</b>	<b>+7.8%</b>	<b>+7.5%</b>

# FY 2014 LIKE-FOR-LIKE SALES GROWTH BREAKDOWN VOLUME/VALUE



<i>Like-for-like</i>	Volume	Price/mix	Total
Fresh Dairy Products	(6.6)%	+8.1%	+1.5%
Waters	+7.5%	+4.1%	+11.6%
Early Life Nutrition	+1.7%	+4.4%	+6.1%
Medical Nutrition	+5.6%	+2.3%	+7.9%
Europe	(0.9)%	+2.9%	+2.0%
CIS+Noram	(6.9)%	+11.9%	+5.0%
ALMA	+0.5%	+6.9%	+7.4%
<b>Total</b>	<b>(1.5)%</b>	<b>+6.2%</b>	<b>+4.7%</b>

# CASH FLOW STATEMENT



€ mln	2013	2014
Operating income	2,809	2,662
Financial income	(311)	(309)
Income tax	(750)	(716)
Non-current income	(487)	(397)
Depreciation and amortization	711	956
Net change in provisions	78	(51)
Dividend received from equity accounted affiliates	27	18
Other cash items	(35)	(99)
Other non-cash items	91	90
Cash flow provided by operating activities, excluding changes in net working capital	2,133	2,154



# CASH FLOW STATEMENT



€ mln

	2013	2014
Cash flow provided by operating activities, excluding changes in net working capital	2,133	2,154
<b>Change in working capital</b>	<b>224</b>	<b>35</b>
Cash flow from operations	2,357	2,189
<b>Capital expenditure</b>	<b>(1,039)</b>	<b>(984)</b>
<b>Proceeds from the sale of industrial assets</b>	<b>79</b>	<b>67</b>
<b>Business acquisitions and other investments, net of cash and cash equivalent acquired</b>	<b>(1,246)</b>	<b>(1,070)</b>
<b>Proceeds from the sale of businesses</b>	<b>70</b>	<b>34</b>
<b>Change in long-term loans and other long-term assets</b>	<b>(18)</b>	<b>(14)</b>
Cash flow used in investing activities and disposals	(2,155)	(1,966)

# CASH FLOW STATEMENT



<i>€ mln</i>	2013	2014
Increase in capital and additional paid-in capital	37	33
Purchases of treasury stock (net of disposal)	(793)	13
Dividends paid to Danone shareholders	(848)	(307)
Transactions with non controlling interests*	(213)	(471)
Settlement of debt hedge financial instruments	54	(4)
Bonds issued or raised during the period	2,900	150
Bonds repaid during the period	(193)	(618)
Increase (decrease) in other current and non-current financial debt	(111)	312
Increase (decrease) in other short-term investments	(1,176)	535
Cash flow used in financing activities	(344)	(357)
Exchange rate differences	(157)	45
Increase (decrease) in cash	(298)	(89)

\* including dividends and capital increase

# CHANGES IN EXCHANGE RATES

## 28.7% OF SALES DENOMINATED IN €



	% total FY 14 sales	FY 14 vs FY 13 (avg)	Q4 14 vs Q4 13 (avg)
US dollar	10.1%	(0.1)%	8.9%
Russian ruble	9.4%	(17.1)%	(26.2)%
Chinese yuan	6.5%	(0.3)%	7.9%
Indonesian rupiah	5.4%	(12.0)%	2.7%
British pound	5.4%	5.3%	6.5%
Mexican peso	5.1%	(4.0)%	2.5%
Brazilian real	4.7%	(8.2)%	(2.6)%
Argentine peso	4.3%	(32.4)%	(22.4)%
Moroccan Dirham	2.9%	0.1%	1.8%
Polish zloty	2.5%	0.3%	(0.6)%