



DANONE

Q3 2014 Results

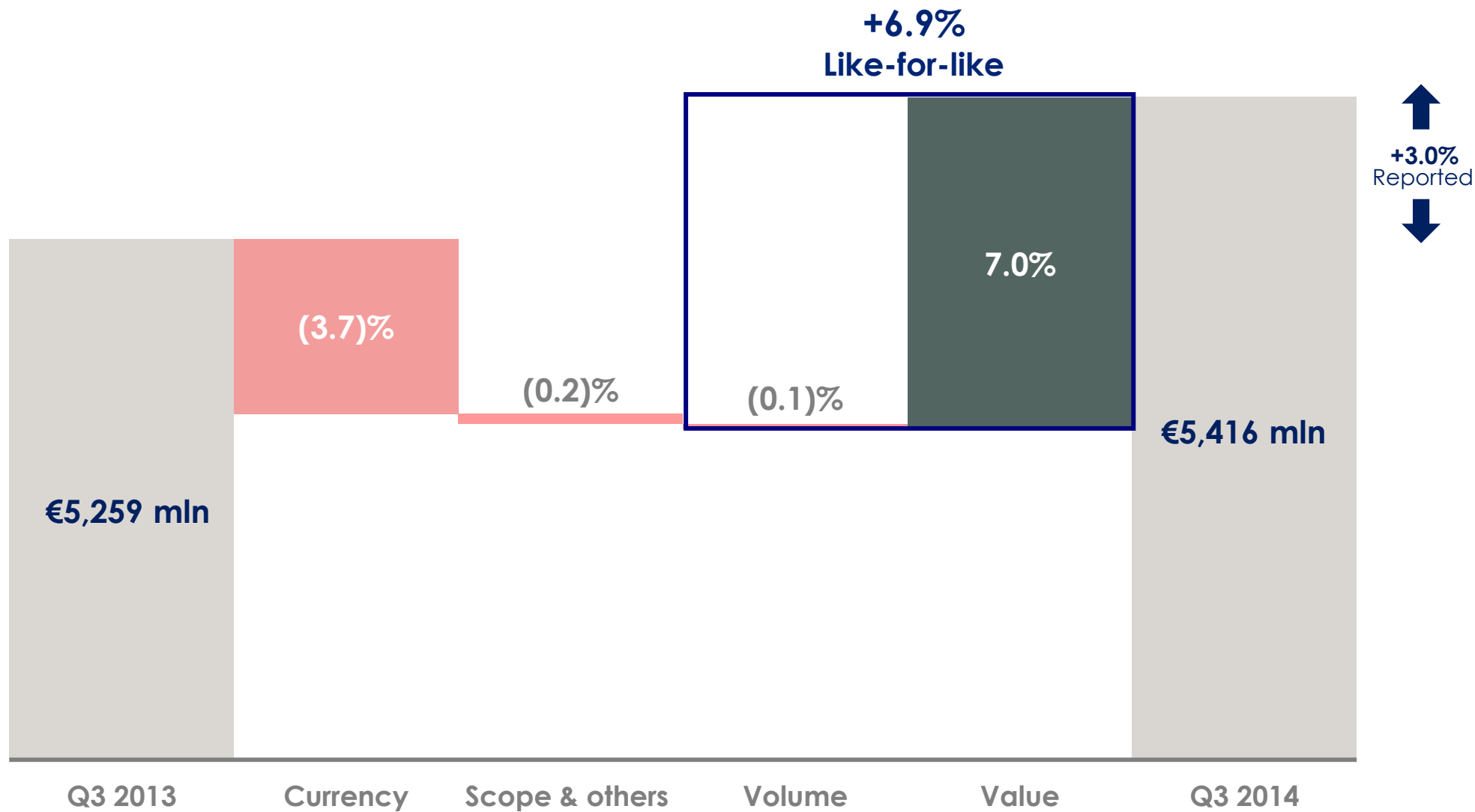
October 15, 2014



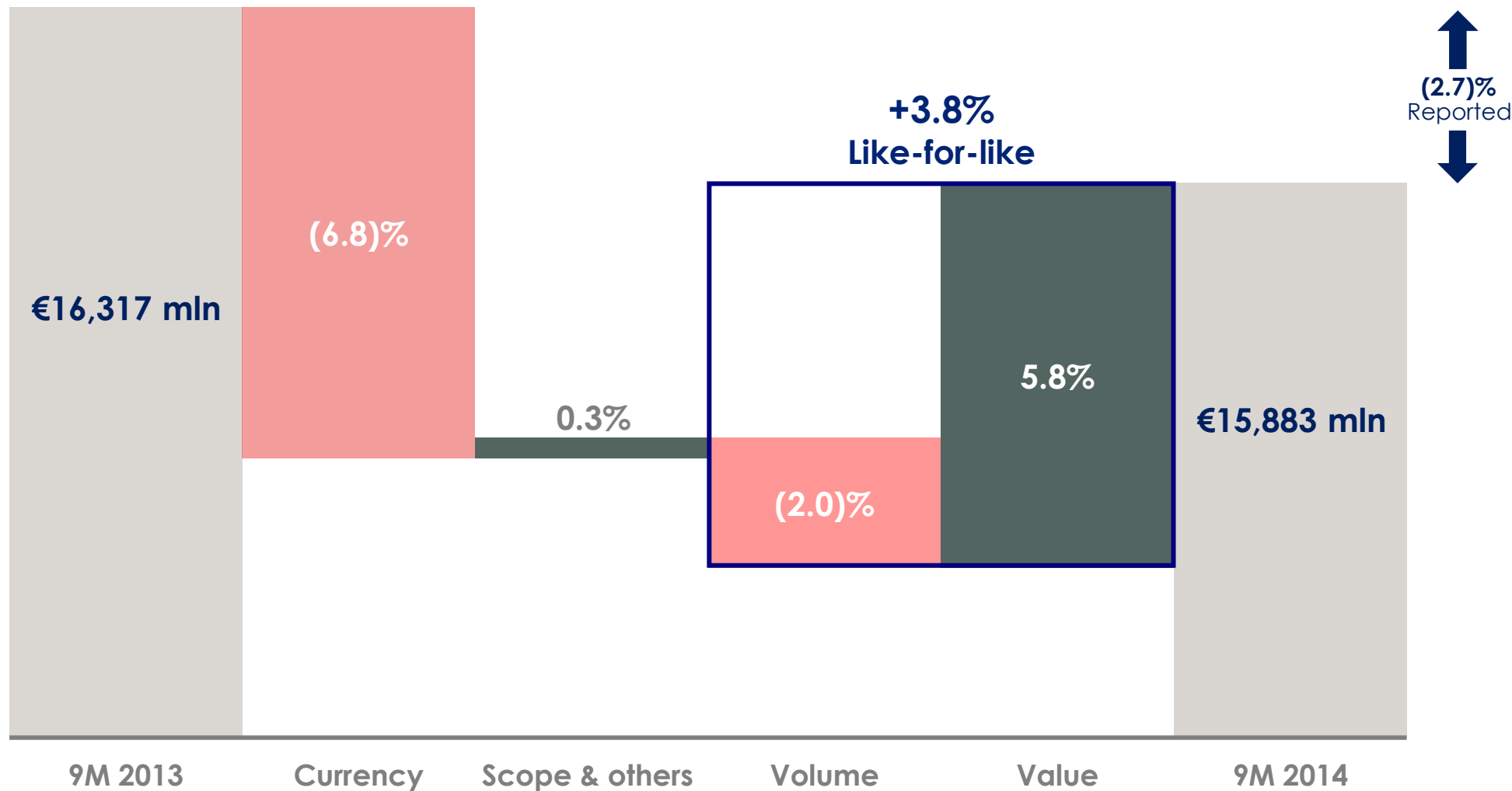
This document contains certain forward-looking statements concerning Danone. Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those 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). 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.

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

Q3 2014 - SALES GROWTH ANALYSIS



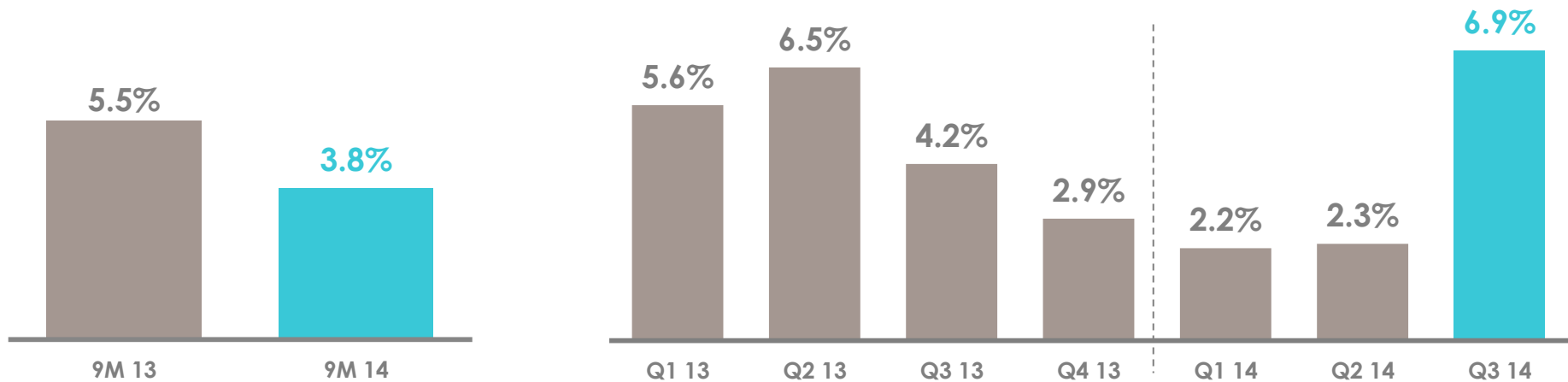
9M 2014 - SALES GROWTH ANALYSIS



TOTAL GROUP – SOLID UNDERLYINGS ON LOW COMPS

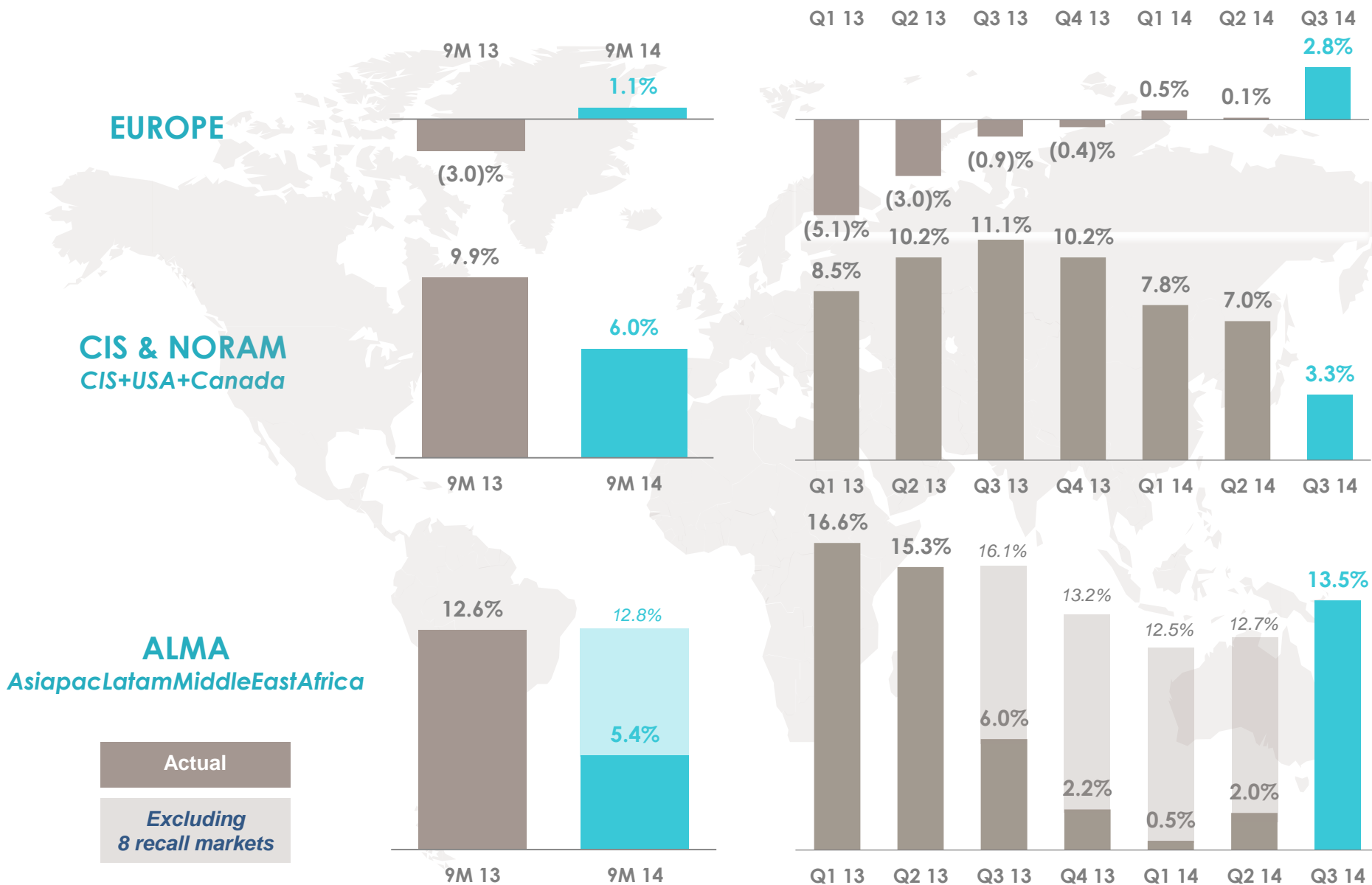


Like-for-like sales growth



- * Solid performance in all markets despite tougher consumption trends
- * Reverse effect of the Fonterra false alert
- * Good progress against priorities

GEOGRAPHICAL DYNAMICS



A young child with curly brown hair is eating from a white yogurt container. The child is looking upwards and to the right with a curious expression. The background is a solid light blue. In the upper left corner, there are three small white star-like icons. A white rectangular box on the left side of the image contains the text 'Sales performance by Division' in a dark blue, sans-serif font. Below the text is a thin horizontal line that is blue on the left and brown on the right.

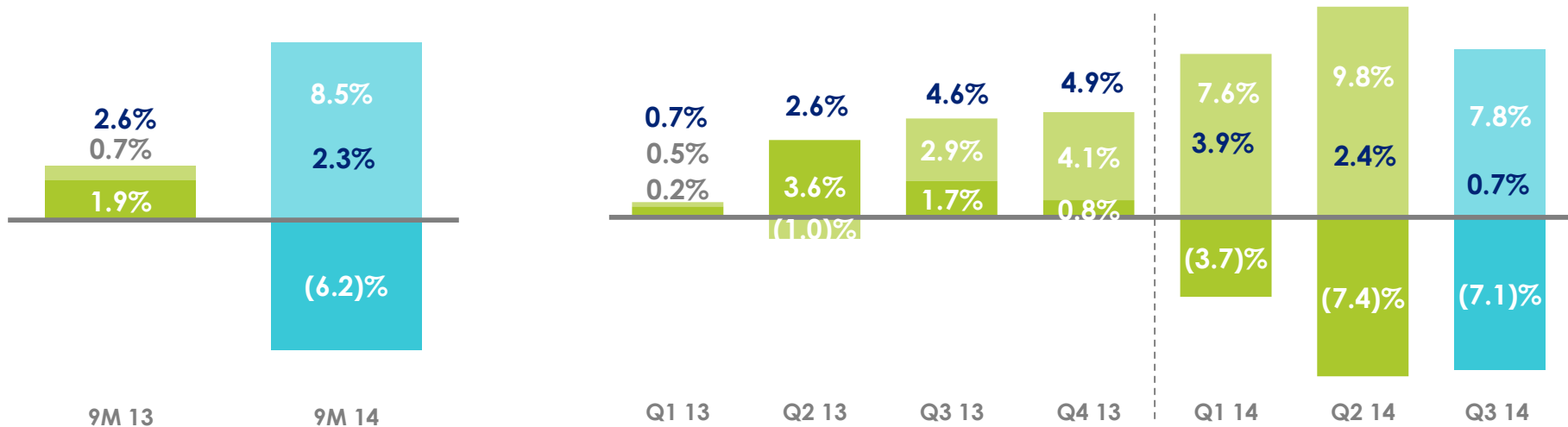
Sales performance by Division

FRESH DAIRY PRODUCTS – FOCUSING ON KEY BATTLES



Like-for-like sales growth

Price/mix
Volume

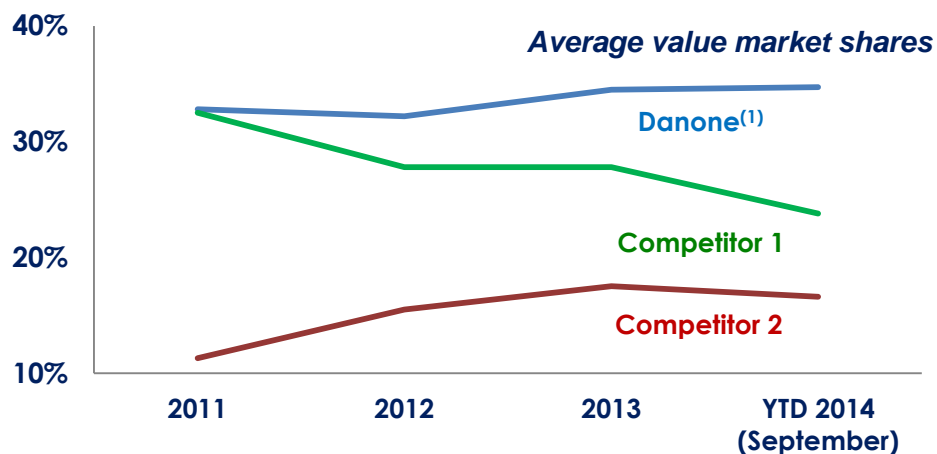


- * Price/volume rebalancing to cover milk inflation
- * Adapting portfolio in all regions

FRESH DAIRY PRODUCTS USA – LEADING CATEGORY THROUGH GREEK & INNOVATION



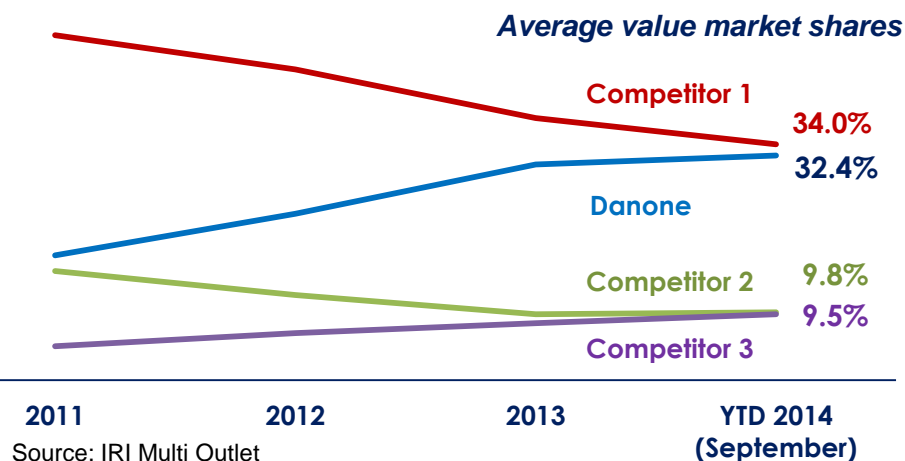
LEADING THE YOGURT CATEGORY



⁽¹⁾ Danone : including Stonyfield and YoCrunch

Source: IRI Multi Outlet

CO-LEADING THE GREEK YOGURT SEGMENT



Source: IRI Multi Outlet

DANNON'S FUTURE GROWTH PILLARS

Consumers



Retailers



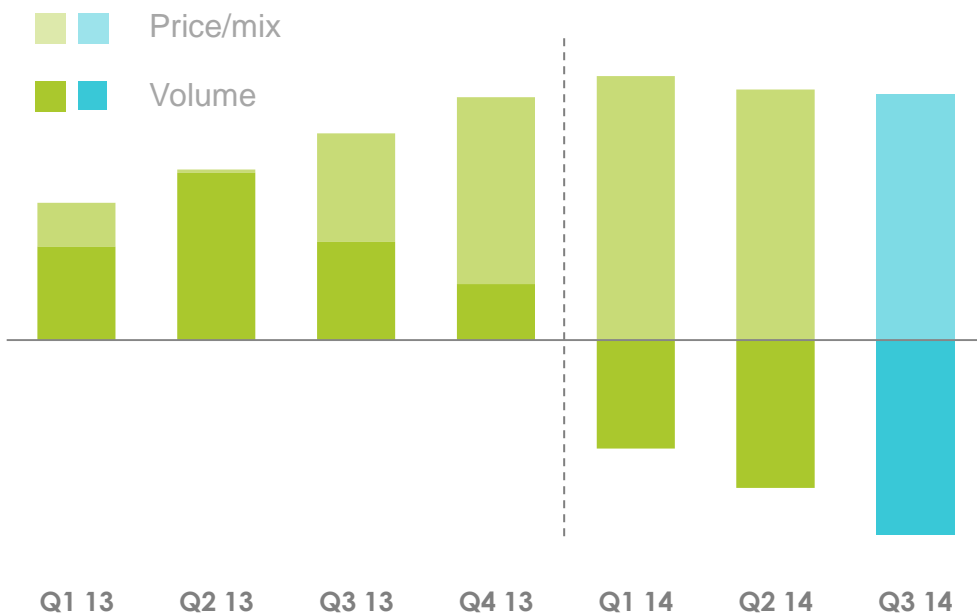
Partners



FRESH DAIRY PRODUCTS CIS – KEEP BUILDING A STRONG LOCAL MODEL



CIS PERFORMANCE



Q3 RUSSIAN SALES BREAKDOWN



Q3 BRANDS VOLUME GROWTH



FRESH DAIRY PRODUCTS - SELECTED INNOVATIONS Q3



Light & Fit Protein Shake
USA



**YoCrunch Greek with
Kellogg's flakes**
USA



**Yogurt Frappuccino
at Starbucks**
Worldwide



Danette
Canada



Activia Fruit Fusion
Europe



Danone DanFrut
Mexico

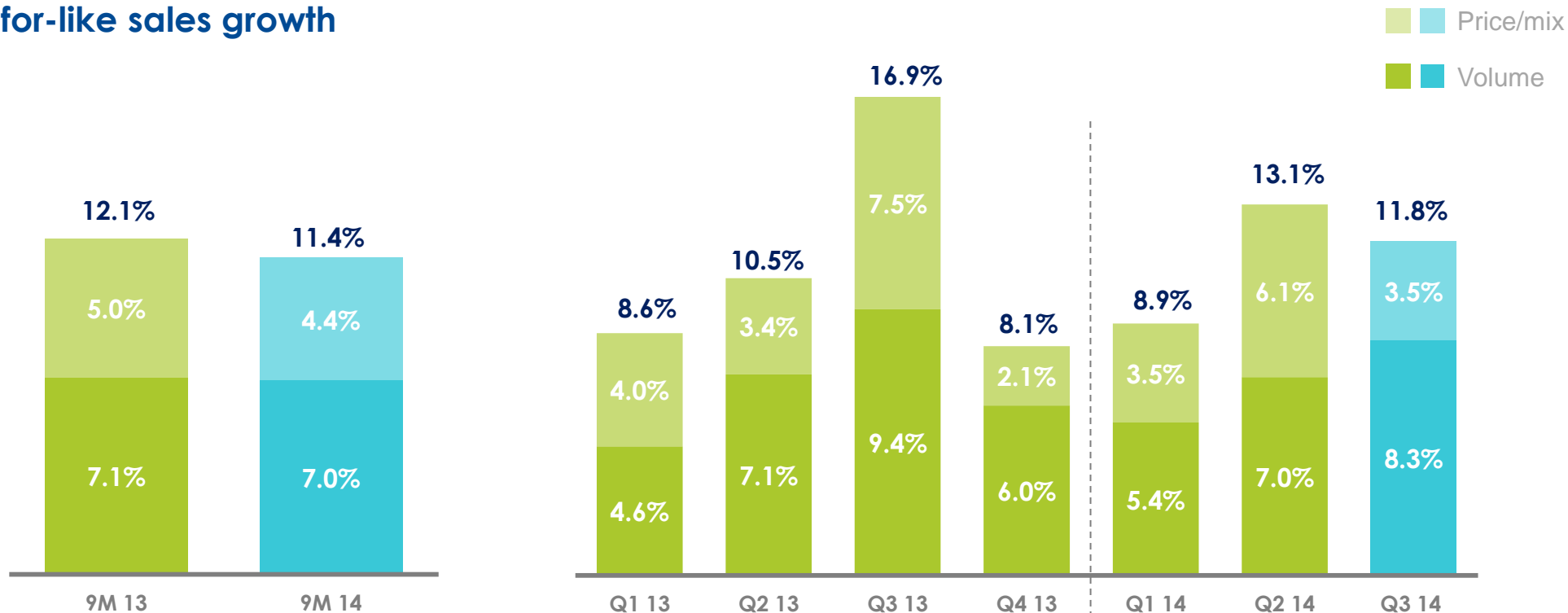


Danio minis
France

WATERS – HEALTHY SUSTAINED GROWTH



Like-for-like sales growth



- * Solid volume growth in all regions
- * Favorable mix driven by Asia and positive Europe

WATERS - SELECTED INNOVATIONS Q3



Gotta by Bonafont
Mexico



Akmina Limongiller
Turkey



New identity for Volvic
Worldwide



Bonafont mineralizada
Mexico



Mizone Isotonic
Indonesia

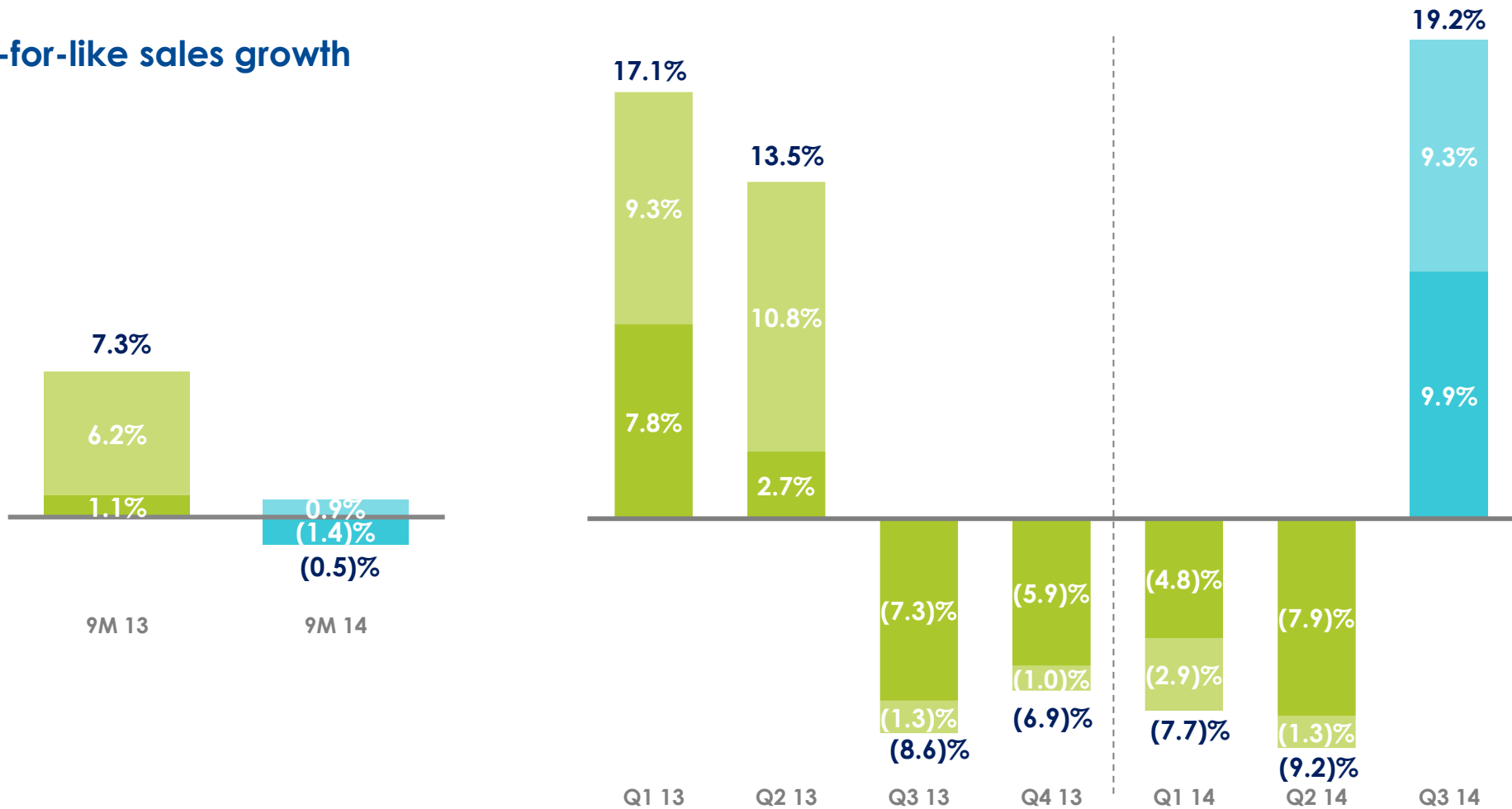


Żywiec Zdrój new format
Poland

EARLY LIFE NUTRITION – BACK TO GROWTH



Like-for-like sales growth



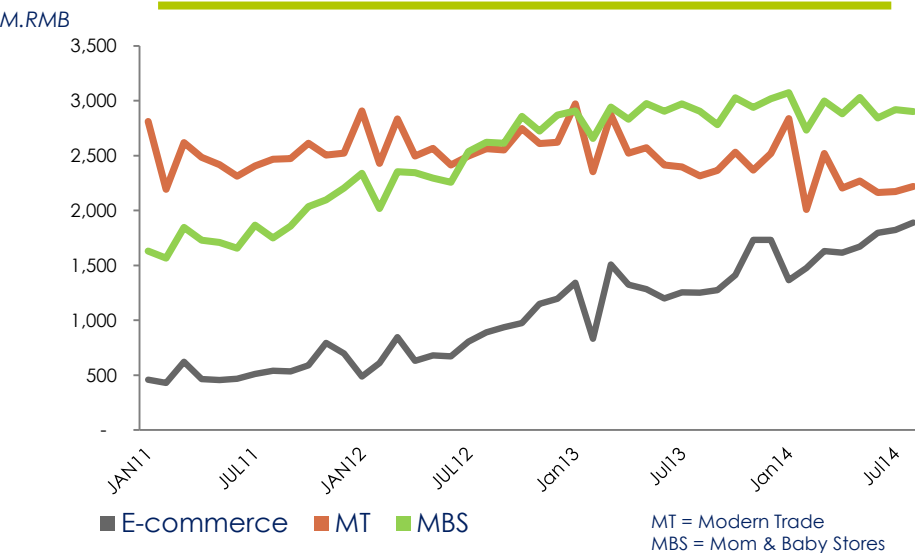
* Asian markets recovery progressing

* Europe solid, rest of ALMA strong

Price/mix
Volume

EARLY LIFE NUTRITION CHINA – BUILDING A STRONGER PLATFORM

GLOBAL SALES VALUE PER CHANNEL



SUSTAINABILITY ENABLERS

Build category recognition

Master geographies and channels

Be the closest to mums

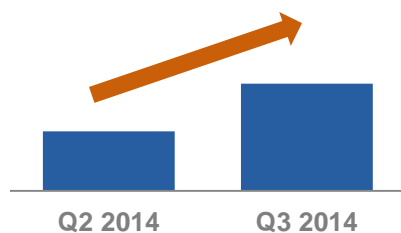
Efficient investment model to secure profitability

Secure global supply chain

SUCCESSFUL NUTRILON PLATINUM LAUNCH



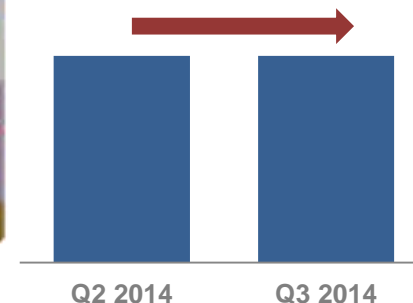
Sales evolution



SLOW RECOVERY OF DUMEX



Sales evolution



EARLY LIFE NUTRITION - SELECTED INNOVATIONS Q3



Nutrilon Cereals
Russia



Dumex Advance Nutri™
Thailand



Milupa Pouches
Switzerland



Vital Precinutri
Argentina

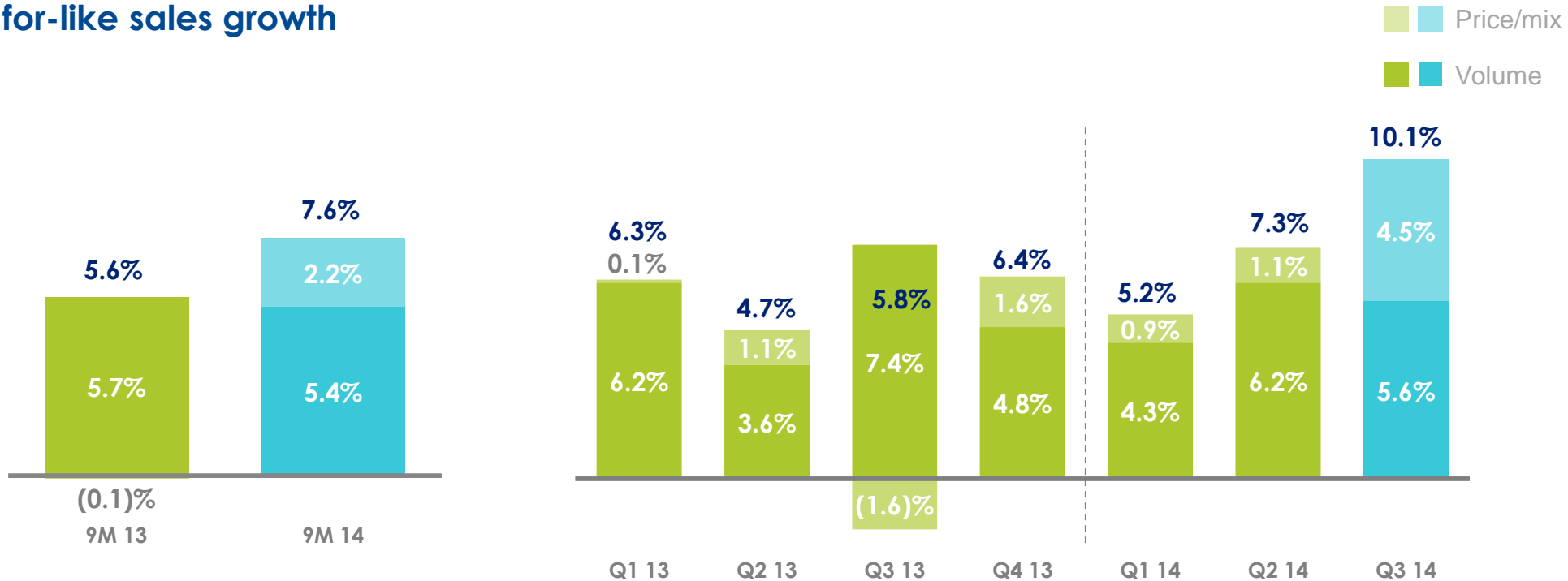


Olvarit Friends Pouches
The Netherlands

MEDICAL NUTRITION – CONFIRMED TRENDS



Like-for-like sales growth



- * Strong performance in Europe and confirmed trends of growth in emerging markets
- * Outstanding performance of Pediatrics

MEDICAL NUTRITION - SELECTED INNOVATIONS Q3



KetoCal

*Drug resistant epilepsy
Brazil*



Fortimel Compact Energy

*New recipe & improved texture
10 countries incl. Germany, Italy
and France*



Neocate MCT

*Upgraded formulation
Turkey*

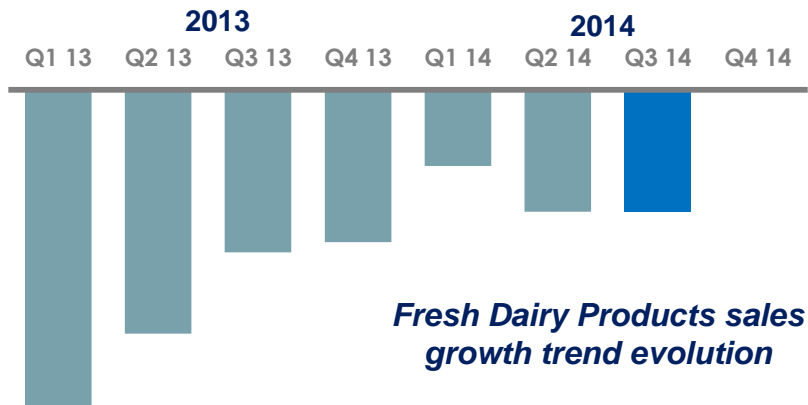
2014 OUTLOOK



H2 2014 AGENDA - DELIVER ON 2014 KEY PRIORITIES



TURNING AROUND EUROPE



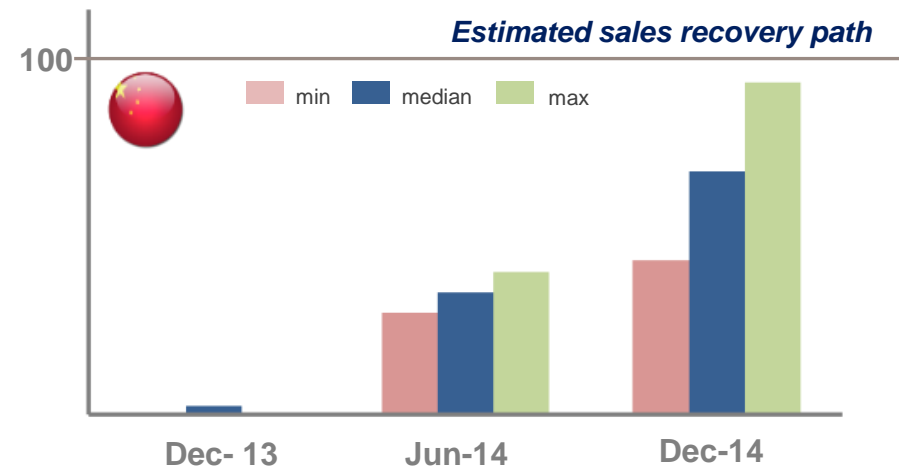
GROW AND NAVIGATE IN ALMA



KEEP WINNING CIS & NORAM



TURN ELN ENGINE BACK TO FULL SPEED



2014 objectives

Sales growth ⁽¹⁾	+4.5% to +5.5%
Trading operating margin ⁽¹⁾	Stable ± 20 bps
Free cash-flow excluding exceptional items ⁽²⁾	around €1.5 bn

(1) Like-for-like : Based on constant scope of consolidation, constant exchange rates and accounting principles

(2) Free cash-flow excluding exceptional items : cash-flows provided or used by operating activities less capital expenditure net of disposals, excluding acquisition costs related to business combinations and earn-outs related to business combinations and paid subsequently to acquisition date and before cash-flows related to initiatives that may be taken by the Group to deploy the plan to generate savings and adapt its organizations in Europe

H2 IN LINE WITH OUR AGENDA OF...



**STRONG
PROFITABLE
SUSTAINABLE**

GROWTH

APPENDIX

Q3 2014 - IMPACT OF CURRENCIES AND SCOPE



	Fresh Dairy Products	Waters	Early Life Nutrition	Medical Nutrition	Total
Reported sales growth	(4.0)%	+7.4%	+17.3%	+10.0%	+3.0%
Currency	(4.8)%	(4.0)%	(1.6)%	(0.1)%	(3.7)%
Scope of consolidation	+0.1%	(0.4)%	(0.3)%	(0.0)%	(0.2)%
Like-for-like sales growth	+0.7%	+11.8%	+19.2%	+10.1%	+6.9%

9M 2014 - IMPACT OF CURRENCIES AND SCOPE



	Fresh Dairy Products	Waters	Early Life Nutrition	Medical Nutrition	Total
Reported sales growth	(5.6)%	+5.3%	(4.6)%	+5.4%	(2.7)%
Currency	(7.8)%	(7.2)%	(5.1)%	(2.5)%	(6.8)%
Scope of consolidation	(0.1)%	+1.1%	+1.0%	+0.3%	+0.3%
Like-for-like sales growth	+2.3%	+11.4%	(0.5)%	+7.6%	+3.8%

Q3 2014 - SALES BY BUSINESS & GEOGRAPHICAL AREA



€ mln	Q3 2013	Q3 2014	Like-for-like sales growth
Fresh Dairy Products	2,913	2,796	+0.7%
Waters	1,089	1,169	+11.8%
Early Life Nutrition	924	1,084	+19.2%
Medical Nutrition	333	366	+10.1%
Europe	2,068	2,156	+2.8%
CIS+Noram	1,183	1,153	+3.3%
ALMA	2,008	2,107	+13.5%
Total	5,259	5,416	+6.9%

9M 2014 - SALES BY BUSINESS & GEOGRAPHICAL AREA



€ mln	9M 2013	9M 2014	Like-for-like sales growth
Fresh Dairy Products	8,936	8,436	+2.3%
Waters	3,080	3,243	+11.4%
Early Life Nutrition	3,307	3,155	(0.5)%
Medical Nutrition	994	1,048	+7.6%
Europe	6,228	6,417	+1.1%
CIS+Noram	3,543	3,483	+6.0%
ALMA	6,546	5,983	+5.4%
Total	16,317	15,883	+3.8%

Q3 2014 LIKE-FOR-LIKE SALES GROWTH

Breakdown volume/value



<i>Like-for-like</i>	Volume	Price/mix	Total
Fresh Dairy Products	(7.1)%	+7.8%	+0.7%
Waters	+8.3%	+3.5%	+11.8%
Early Life Nutrition	+9.9%	+9.3%	+19.2%
Medical Nutrition	+5.6%	+4.5%	+10.1%
Europe	(0.9)%	+3.7%	+2.8%
CIS+Noram	(6.9)%	+10.2%	+3.3%
ALMA	+3.9%	+9.6%	+13.5%
Total	(0.1)%	+7.0%	+6.9%

9M 2014 LIKE-FOR-LIKE SALES GROWTH

Breakdown volume/value



<i>Like-for-like</i>	Volume	Price/mix	Total
Fresh Dairy Products	(6.2)%	+8.5%	+2.3%
Waters	+7.0%	+4.4%	+11.4%
Early Life Nutrition	(1.4)%	+0.9%	(0.5)%
Medical Nutrition	+5.4%	+2.2%	+7.6%
Europe	(1.2)%	+2.3%	+1.1%
CIS+Noram	(6.5)%	+12.5%	+6.0%
ALMA	(0.7)%	+6.1%	+5.4%
Total	(2.0)%	+5.8%	+3.8%

CHANGES IN EXCHANGE RATES

28.6% of 9M sales denominated in €



	% total 9M 14 sales	9M 14 vs 9M 13 (avg)	Q3 14 vs Q3 13 (avg)
US dollar	10.1%	(2.8)%	(0.0)%
Russian ruble	9.8%	(13.3)%	(9.6)%
Chinese yuan	6.9%	(2.8)%	(0.7)%
British pound	5.3%	4.9%	7.6%
Indonesian rupiah	5.3%	(16.7)%	(9.2)%
Mexican peso	5.2%	(6.0)%	(1.6)%
Brazilian real	4.6%	(10.1)%	0.6%
Argentine peso	3.8%	(35.7)%	(32.7)%
Moroccan dirham	2.9%	(0.5)%	0.0%
Polish zloty	2.6%	0.6%	1.7%

