

## 21.1 Share Capital

### 21.1.1 Share Capital as of February 28, 2010

---

As of February 28, 2010, the Company's share capital amounted to €161,747,712.50, fully paid, and divided into 646,990,850 common shares of the same class with a par value of €0.25 per share. Each share gives a right to ownership of a proportion of the Company's assets, profits and any liquidation surplus, based on the percentage of share capital that it represents.

The comparison between the number of shares in issue as of December 31, 2008 and December 31, 2009 is detailed in the table included in Section 21.1.7 – Changes in the share capital over the last five fiscal years.

### 21.1.2 Shares Not Representing Share Capital

---

The Company has not issued shares not representing share capital.

### 21.1.3 Treasury Stock

---

#### **PURCHASE BY THE COMPANY OF ITS OWN SHARES**

The Board of Directors may, pursuant to legal provisions, purchase the Company's shares on the market.

The Shareholders' Meeting of April 29, 2008 authorized the Board of Directors, for an eighteen-month period, to repurchase an amount of the Company's shares representing a maximum of 10% of the share capital of the Company at a maximum purchase price of €80 per share.

Subsequently, the Shareholders' Meeting of April 23, 2009, authorized the Board of Directors, for an eighteen-month period, to repurchase an amount of the Company's shares representing a maximum of 10% of the share capital of the Company at a maximum purchase price of €65 per share. This authorization cancelled and replaced the authorization previously granted by the Shareholders' Meeting of April 29, 2008.

Over the course of 2009 and up to February 28, 2010, the Company did not repurchase any of its own shares.

The following table details the allocation of treasury shares repurchased up to April 2007 pursuant to the authorizations granted by Shareholders' Meetings, it being specified that since that date the Company has not repurchased any of its own shares:

<b>Date of Shareholders' Meeting authorizing the share repurchase program</b>	<b>Use of repurchase</b>	<b>Number of repurchased shares</b>	<b>Total value of repurchased shares</b>
April 27, 2006	Cancellation of shares	4,156,173	€ 469,118,405
	Stock purchase option plans	155,186	€ 18,036,537
	Acquisitions	1,814,037	€ 171,067,712
April 26, 2007	Cancellation of shares	2,467,050	€ 290,228,560
	Stock purchase option plans	806,564	€ 97,744,110
	Acquisitions	–	–

During 2009, the Company carried out the following transactions on its previously repurchased shares:

- 858,746 shares were transferred to employees following the exercise of stock options;
- 1,915,450 shares and 780,000 shares were reallocated successively in April and in November 2009 from the coverage of acquisitions to the coverage of stock purchase options to take account either of the stock purchase options granted in 2009, or adjustments to the number of stock purchase options made following the share capital increase of June 25, 2009;
- 1,844,442 shares were cancelled;

- none of the Company's own shares were repurchased.

In addition, the Board of Directors will submit to the Shareholders' Meeting to be held on April 22, 2010, a resolution valid for eighteen months, which will cancel and replace the authorization granted by the Shareholders' Meeting of April 23, 2009, to repurchase an amount of the Company's shares representing a maximum of 10% of the share capital of the Company (for purposes of illustration, 64,699,085 shares as of December 31, 2009, representing a maximum aggregate purchase amount of €3,881,945,100) at a maximum purchase price of €60 per share.

The purpose of the share repurchase program is the following:

- the allocation of shares deriving from the exercise of stock purchase options by the Company's employees, officers and directors, and employees, officers and directors of companies or economic interest groups in which the Company holds, directly or indirectly, at least 10% of the share capital or voting rights;
- the implementation of any plan for the free allocation of shares to all or to certain eligible employees, directors and officers;
- the sale of shares to employees (either directly or through an employee savings mutual fund) within the framework of employee stock ownership programs or company savings plans;
- the delivery of shares upon the exercise of rights attached to securities giving rights to the Company's share capital;
- the retention or eventual delivery of shares as payment or in exchange, particularly with regard to acquisitions;
- the cancellation of shares up to the maximum legal limit;
- boosting the market for the shares pursuant to a liquidity contract concluded with an investment service provider in accordance with the Ethical Charter recognized by the French Financial Markets Authority.

Pursuant to applicable regulations, shares may be purchased, sold, exchanged or transferred, by any available means, on all markets, including multilateral trading systems, or over-the-counter, including the purchase or sale of blocks of shares. These means include the use of any financial contract, under the conditions authorized by the French Financial Markets Authority.

These transactions may be carried out at any time for a period of 18 months as from April 22, 2010, with the exception of periods during which a public tender offer for the Company's securities has been made, within the limits indicated in the applicable regulations.

## **CANCELLATION OF SHARES AND CAPITAL REDUCTIONS FOLLOWING SHARE REPURCHASES**

The Shareholders' Meeting of April 23, 2009 granted an authorization to the Board of Directors for twenty-four months to cancel shares repurchased in the context of a share repurchase program subject to a limit of 10% of the existing share capital on the day of the meeting.

Under a similar authorization granted by the Shareholders' Meeting of April 26, 2007, 1,844,442 shares were cancelled by the Board of Directors on April 23, 2009, which reduced the share capital by a total par value of €0.5 million and the additional paid-in of €93.3 million.

## **TREASURY SHARES HELD BY THE COMPANY**

As of February 28, 2010, the Company held, directly or indirectly, 33,238,732 shares (comprising 27,258,727 shares held by the Company and 5,980,005 shares held by its Spanish subsidiary Danone SA) with a total value of €1,011 million, including:

- 16,543,650 shares for the coverage of stock purchase option plans and debt securities giving access to the capital of the Company;
- 10,715,077 shares for use in connection with acquisitions.

Based on the closing prices of the Company's share on Friday February 26, 2010 (*i.e.* €42.95), the market value of the 33,238,732 treasury shares held as of that date amounted to €1,427 million. A positive or negative variation of 10% in the price of the Company's share would result in a variation of €143 million in the market value of the Company's treasury shares and shares held by subsidiaries.