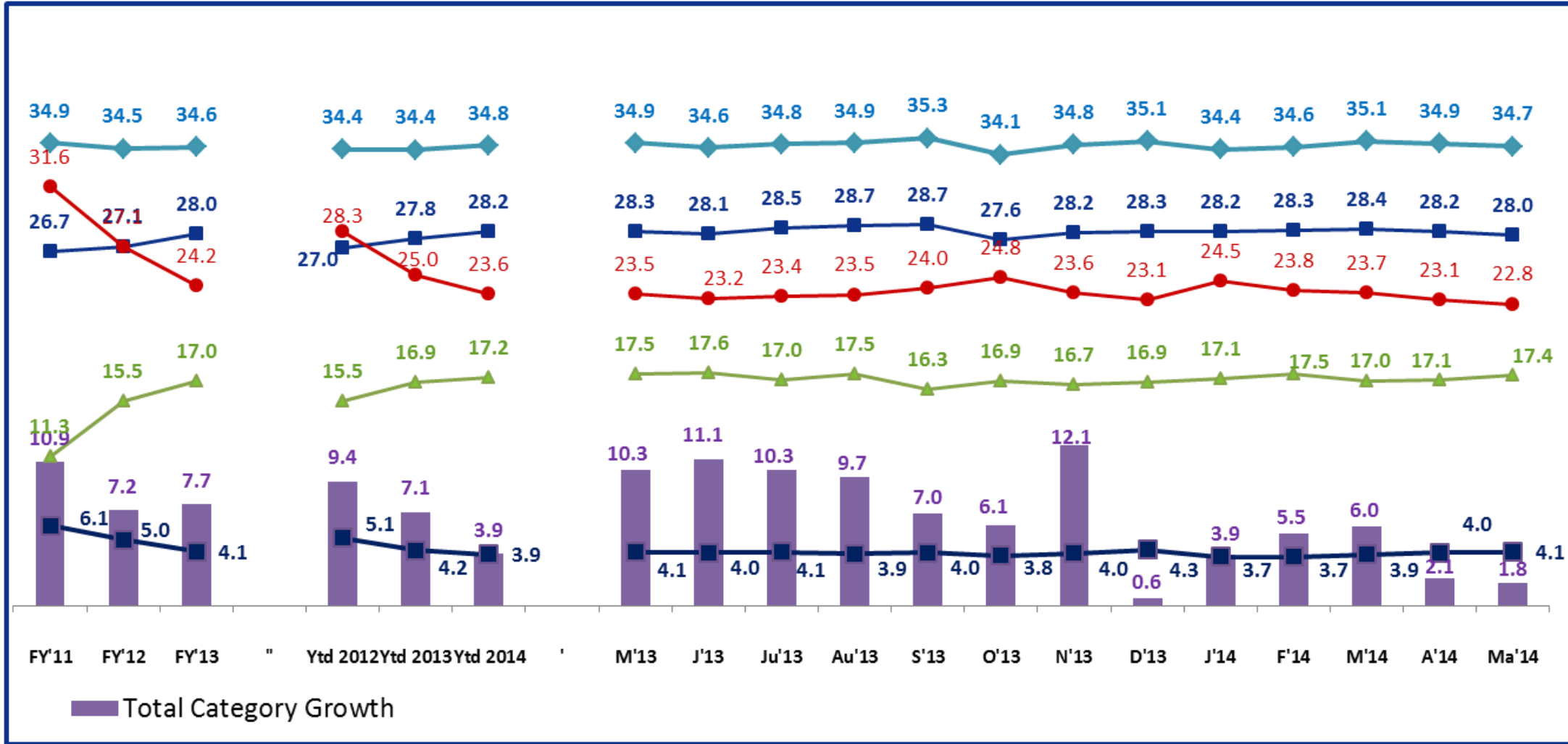




DANNON US

MARIANO LOZANO
GENERAL MANAGER DANONE NORTH AMERICA

QUICK UPDATE ON CURRENT SITUATION



Competitor 1

Competitor 2



Source: IRI data: MULO (includes Food, Drug, Mass, Walmart, Club (Ex Costco), Dollar, and Military). 4 Week ending May 25, 2014

LIFE OF THE US CONSUMERS IS DEFINED BY THESE MACRO TRENDS

OBESITY EPIDEMIC

2/3

overweight or obese



CONVENIENCE/FREEDOM



- > Less Fuss
- > Less Mess
- > On-the-Go
- > Bite-size

SNACKING

90%

snack through the day



DESIRE FOR HONEST, SIMPLE FOODS



70%

interest in local foods/farmers' markets

Healing Foods

Can health bars and yogurt really fend off illness? The latest evidence

In recent years, much of the biggest news in food sales has focused on some of the tiniest ingredients: probiotics, microbes that benefit your health. But now they're not the only "biotic" generating headlines—and sales. Prebiotics are showing up in health bars, cereals, and more. These are not microbes, but a type of soluble fiber that nourishes the good bacteria in your gut. Prebiotics are often added to foods billed as "high in fiber" (they may be listed on the label as inulin or chicory root extract). But what do probiotics and prebiotics do for you? How do you know



Behind Every Business Decision

Dr. Oz's Favorite Healthy Foods

[Pin it](#) [Tweet](#) [g+1](#) [Like](#) 1k



Yogurt,
the food trend
of the decade



YOGURT IS SHOWING STRONG AND CONSISTENT GROWTH

Yogurt continues to grow in value

Yogurt \$ Sales (in Bn) and Growth vs YAG



...And is making major contributions to total store

✓ Fastest growth among top 15 edible categories

✓ #2 in absolute dollar growth

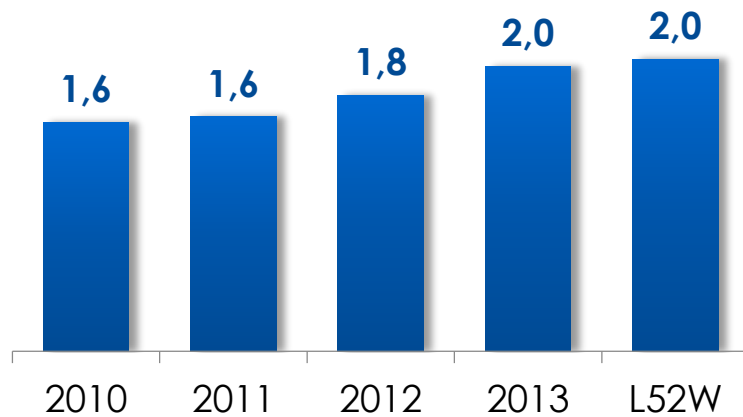
✓ Larger than many iconic categories



DANNON IS DRIVING THE YOGURT GROWTH

Dannon growth exceeds category

Dannon \$ Sales (in B)

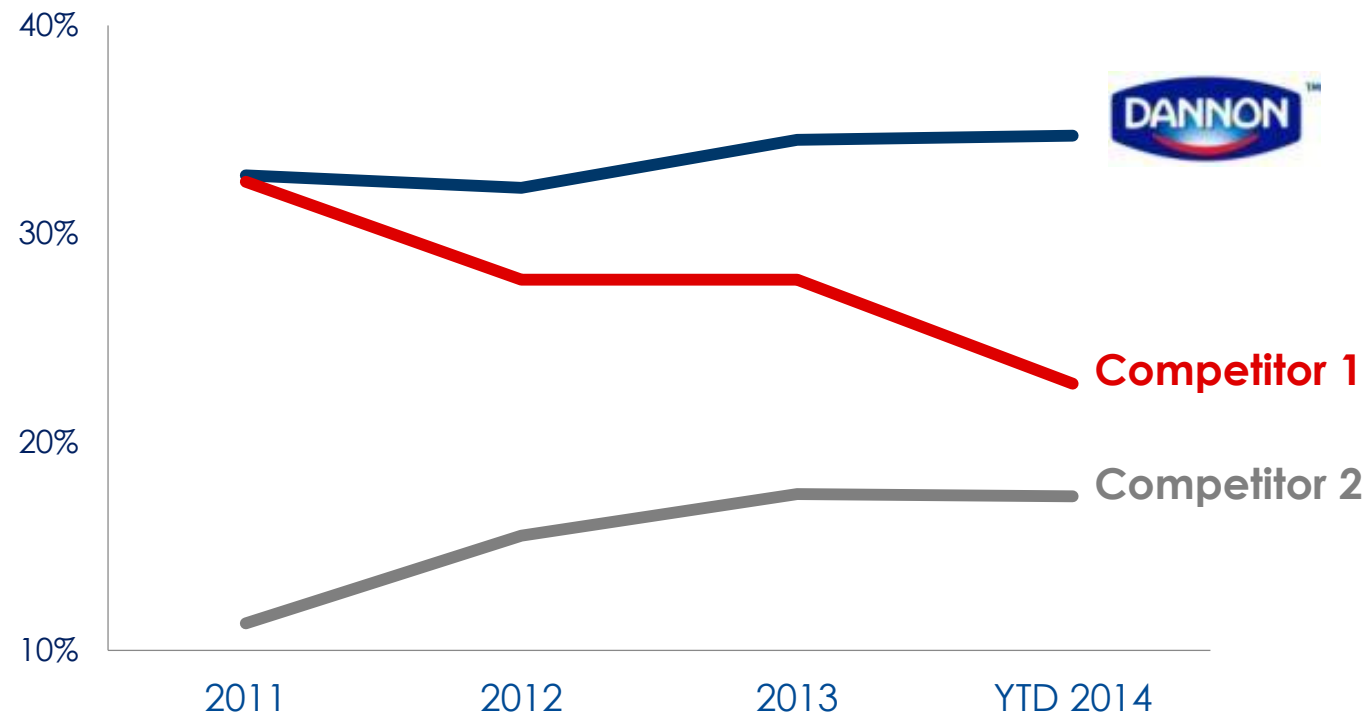


Growth vs YAG

	2011	2012	2013	L52W
Yogurt	+10.9	+7.2	+7.7	+6.4
Dannon	+2.9	+9.0	+11.3	+9.8

Dannon is the leading market force

Market Share Evolution



BREAKING NEWS

The Greek Yogurt
EXPLOSION
BusinessWeek

Greek Yogurt Food
DOMINATION
THE HUFFINGTON POST

Greek Yogurt Causes a **STIR**
With Triple-digit Gains
Chicago Tribune

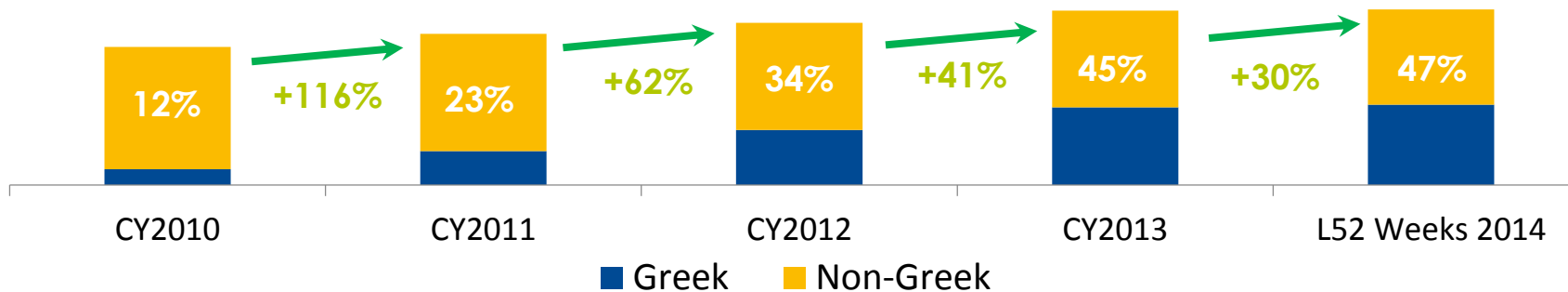
Greek-Yogurt **CRAZE**
THE WALL STREET JOURNAL
WSJ

Greek Yogurt Has Been All The **RAGE**
abc NEWS

GREEK YOGURT HAS BEEN A MAJOR ENGINE OF GROWTH

Greek claims nearly half of category dollars

\$ Share and Growth Rates of the Greek segment



Protein/Filling

Balance of Health & Taste

Authentic/Special

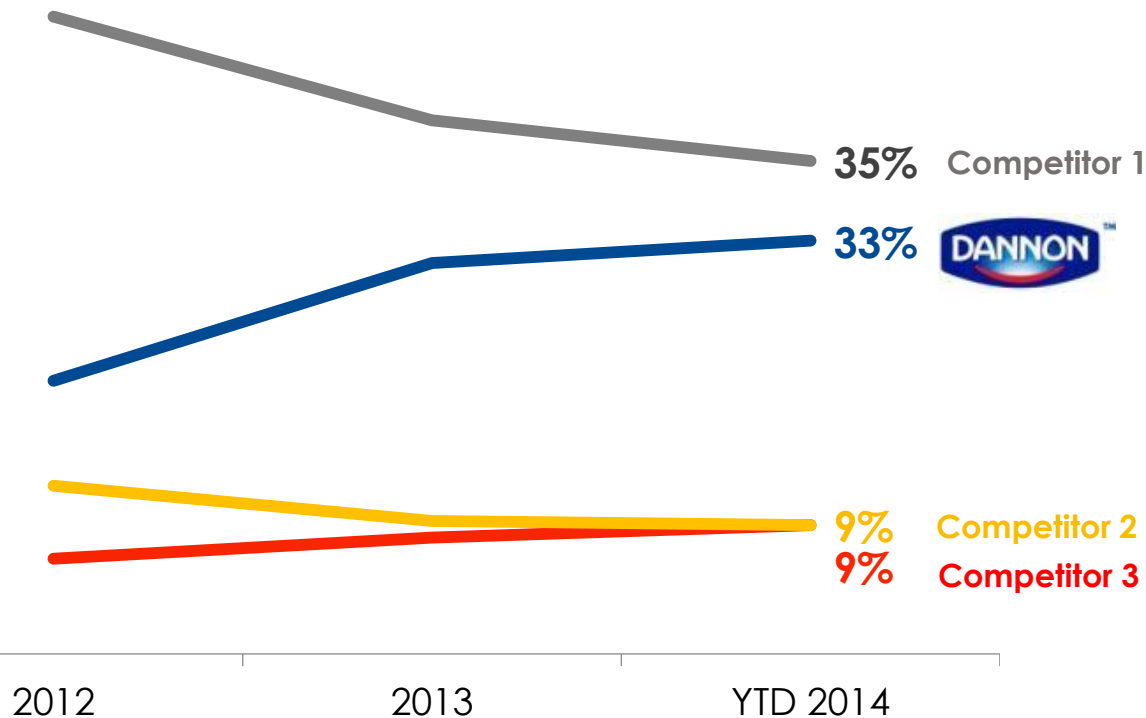
Price per Pound



1.7x

DANNON IS A STRONG PLAYER IN THE GREEK SEGMENT

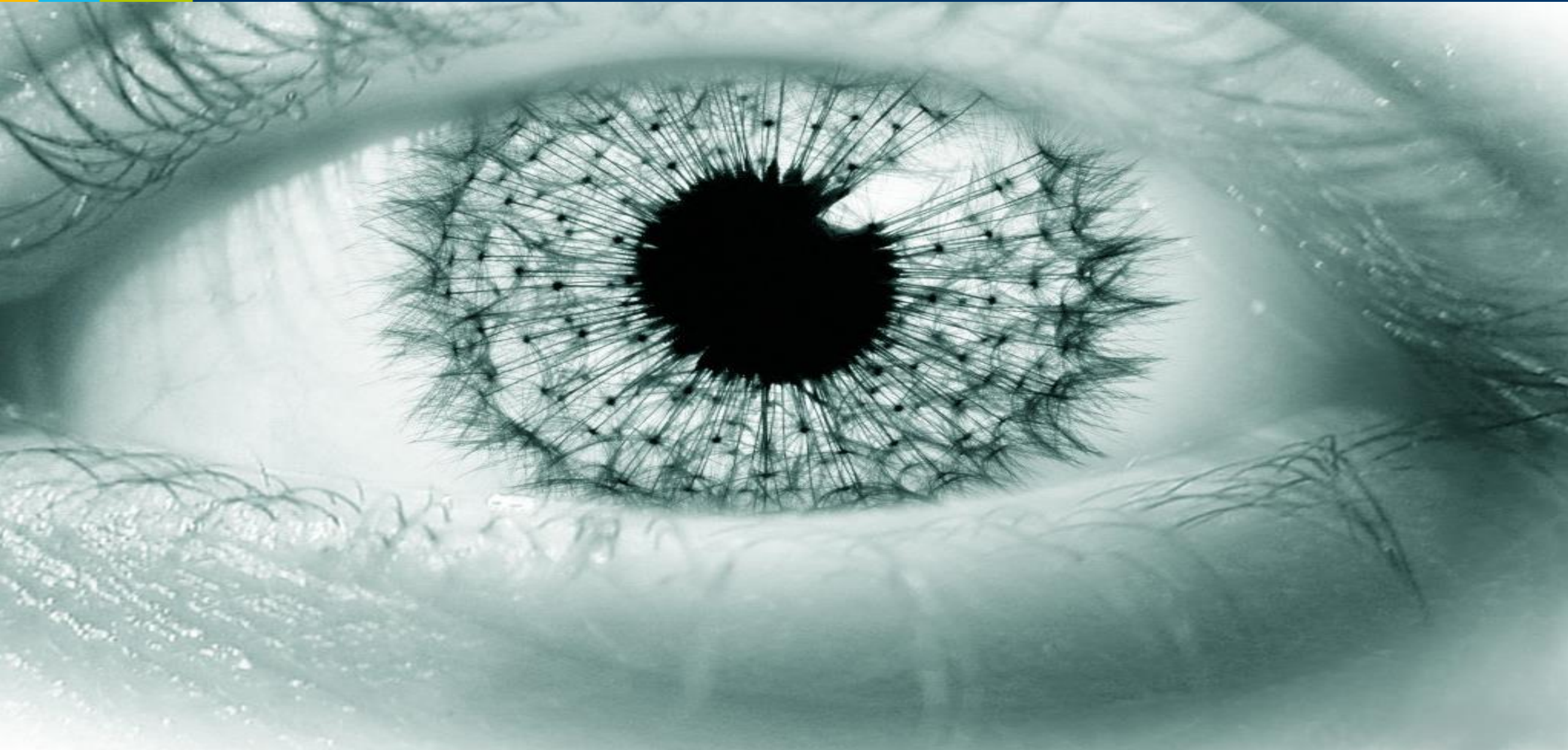
Dannon has rapidly gained share in Greek



With a portfolio of strong brands



WHAT DOES THE FUTURE HOLD?



PILLARS OF DANONE / DANNON'S FUTURE GROWTH

01

Innovation

**Consumer
Engagement**

**Category
Advocacy**

02

**Working with
retailers**

03

**Engaging with
our partners**

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INNOVATION WILL MEET NEW MOMENTS OF CONSUMPTION

Indulgence

Cheesecake Inspired



Puddings



On-the-go

Light & Fit Protein Shakes



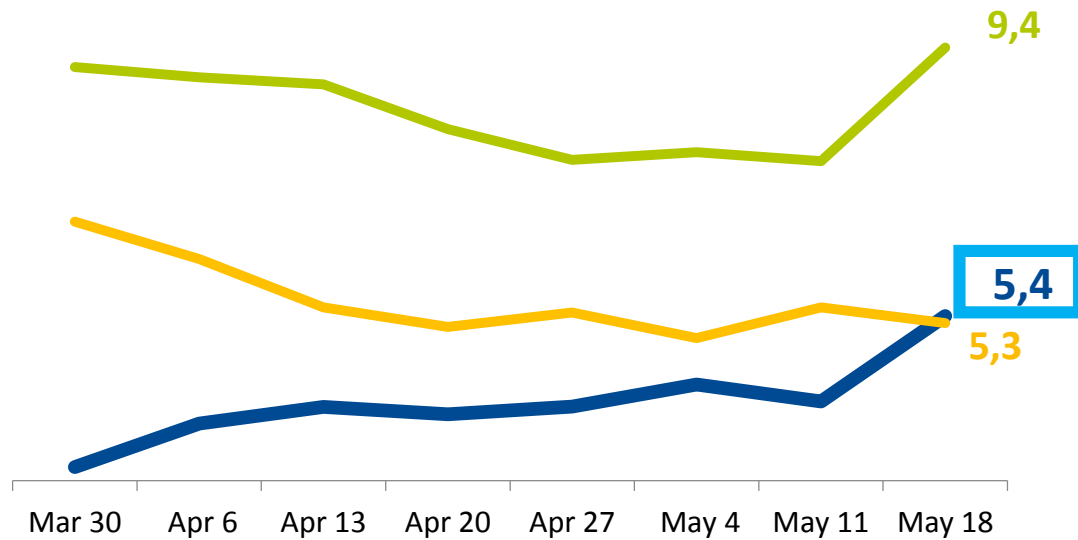
Danimals Squeezables



INNOVATION WILL EXPAND DANNON'S REACH BEYOND FRESH YOGURT IN A 10B MARKET

Frozen is a highly incremental business, with encouraging initial results

\$ Share of Frozen Yogurt



INNOVATION AT STONYFIELD / REFOCUSING ON STRENGTHS

From: All Greek, all the time



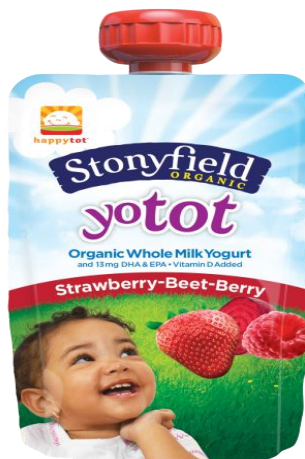
To: Win big in Baby & Kids



INNOVATION AT STONYFIELD / UNLOCK YOKIDS FULL POTENTIAL

First to launch refrigerated yogurt pouches

Partnered with



First ever presenting sponsor of Disney on Ice and Disney Live



INNOVATION AT STONYFIELD / NATURAL CHANNEL



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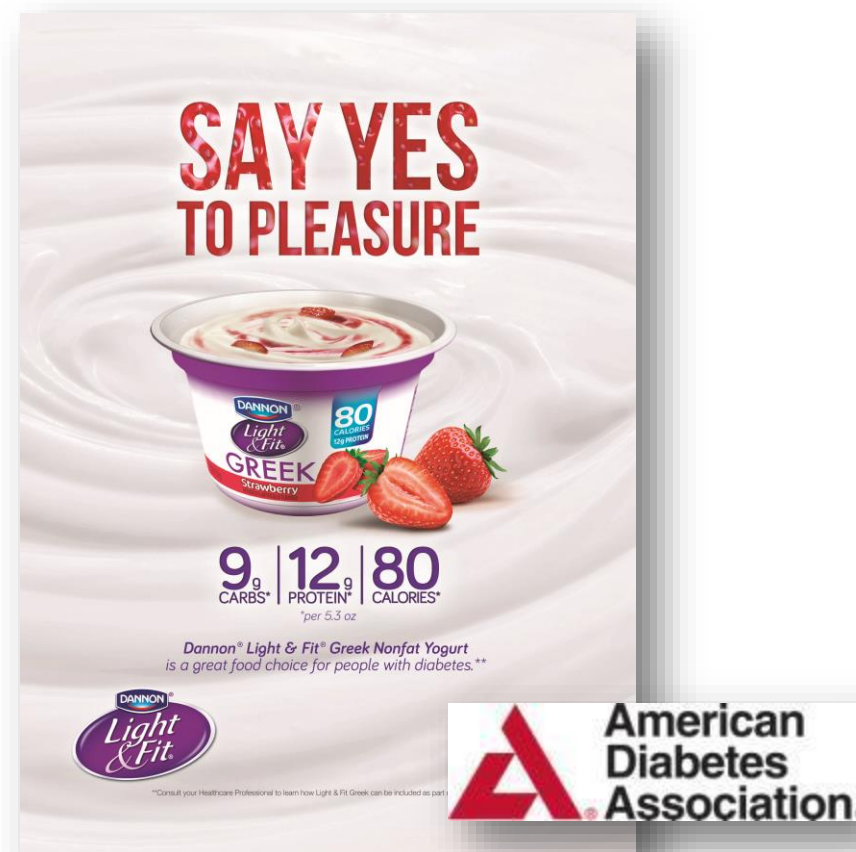
**Engaging with
our partners**

DANNON IS ENGAGING WITH CONSUMERS IN NEW WAYS, BREAKING CATEGORY NORMS

First to advertise in SuperBowl



Pursuing new ways to engage with consumers



Industry Ratings

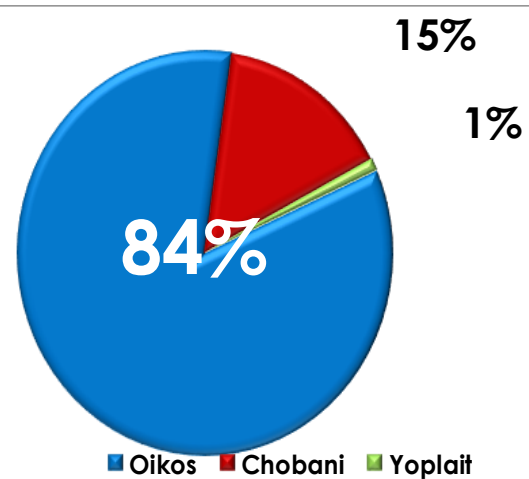
- Ranked **#2** in Hulu's "Celebrity Cameos"
- Ranked **#5** in Entertainment Weekly's "Most Liked Ads"
- Ranked **#4** in The Daily Beast



6MM YouTube views!
10:1 Praise to Dislike
Ratio!

Share of Voice

- Oikos dominated Chobani with **84%** share of voice online



Social Sharing

- Oikos made the "**Top 10** Most Tweeted About Commercials" with **548 tweets** per minute

Popular on YouTube - Worldwide

- Make Glass
- How fast are you moving right now? - Tucker Hat
- Dannon Oikos Greek Yogurt - The Spill
- Keyless. With The

Miranda Jane (@mirandapacey00) Follow
That's it, @Oikos gets my best Super Bowl commercial vote

Autumn Rachel (@coasterfanatic3) Follow
The oikos commercial is the only good super bowl commercial this year. Hands down. ♡♡

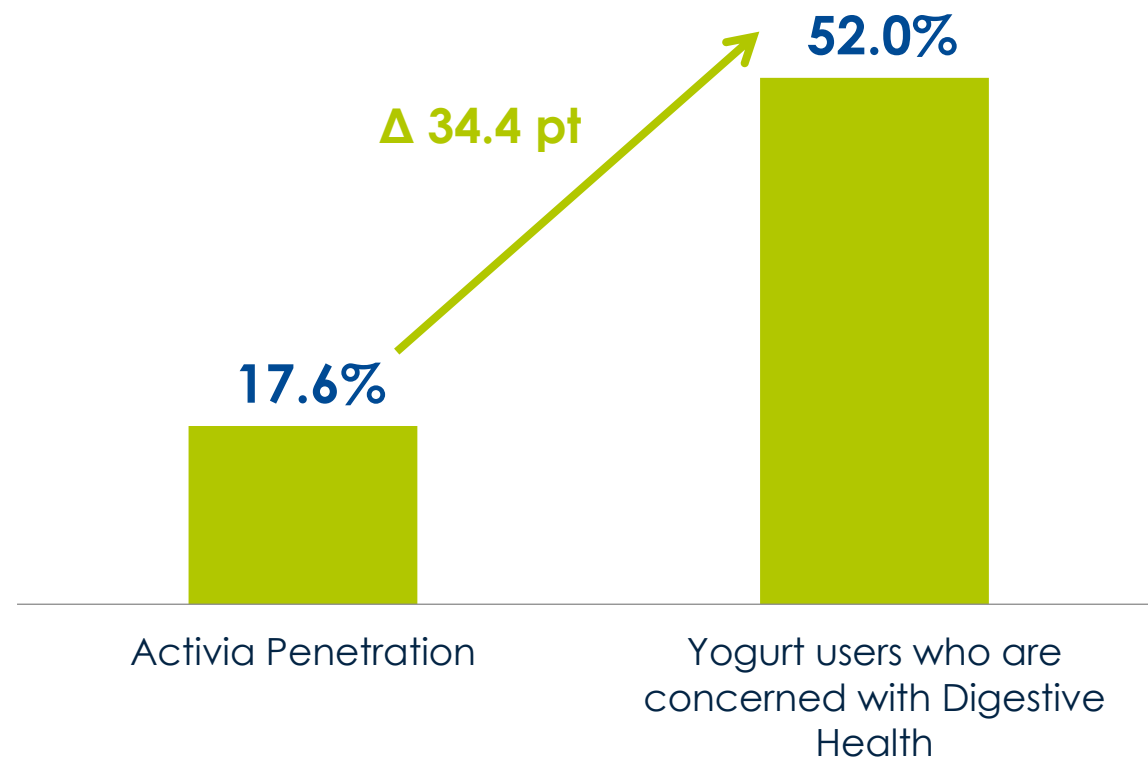
DIGESTIVE HEALTH IS A TOP CONCERN IN THE US, ACTIVIA HAS A HUGE OPPORTUNITY TO GROW

Many Americans have experienced minor
Digestive Health issues

6 in 10

Yogurt users have experienced
digestive issues in the P3M

Activia has significant opportunity to reach
people who are concerned with DH



NEW ACTIVIA BENEFIT DRIVING RELEVANCE TO A GREATER AUDIENCE

Digestive Issues: Bloating, Gas, Discomfort, Rumbling



2X



Scientific dossier preparation
(April 2013)



Experts validation
(August 2013)

Activia may help reduce the frequency of minor digestive issues like bloating, gas, rumbling and discomfort when consumed twice a day for 4 weeks as part of a balanced diet and healthy lifestyle

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DANNON IS INVESTING INTO GROWING THE CATEGORY AND INFLUENCING POLICY MAKERS

Yogurt category growth initiative

Key
Opinion
Leaders



Dietary
Guidelines



Dannon
Ambassador
Program



Retail
Activation



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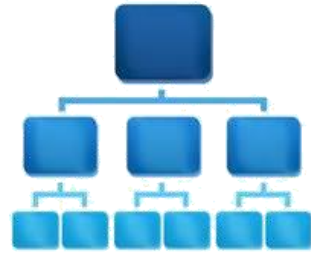
Engaging with
our partners

WE HAVE REINVENTED OUR SALES ORGANIZATION TO DRIVE CATEGORY GROWTH

People



Right People



Right Structure

Capabilities



Best in the Industry

Retail Organization



Top-down & Bottom-up Evolving model



Shopper's 1st Choice



The Right Products at the Right time

PEOPLE: DANONE HAS BUILT STRONG SCALE WITH A CUSTOMER 1ST APPROACH

2003

Danoners => 81 in Retail, 23 in Food Service



+



2014

Danoners => 167 in Retail, 36 in Food Service



+



CAPABILITIES: DRIVING THE CATEGORY VIA INSIGHTS... A STEP CHANGE IN THE WAY WE OPERATE

Category

Assortment Op Tools

% of Category Portfolio in the Top, Mid and Bottom Percentiles (Velocity)							
Total # of All Segments SKUs	45		22		2		2
	1	2	3	4	5	6	7
# of All Segments SKUs	9	0	1	3	14	3	0
Top 25%	21%	0%	50%	7%	64%	100%	0%
# of All Segments SKUs	27	1	1	23	5	0	1
Mid 50%	63%	100%	50%	51%	23%	0%	50%
# of All Segments SKUs	7	0	0	19	3	0	1
Bottom 25%	16%	0%	0%	42%	14%	0%	50%

Merch & Display Tools

Input Entry Screen

Step 1: Enter Scenario Options.

Scenario 1 Entry Options

Category to Compare: 4991228470 4422

Number of Stores: 1

Number of Weeks: 1

Display Mix Across Store Base:

Percent of Stores with 1 Display: 100%

Percent of Stores with 2 Displays: 0%

Percent of Stores with 3 Displays: 0%

Percent of Stores with 4 Displays: 0%

Scenario 2 Entry Options (used for comparison with scenario 1)

Category to Compare: 4991228470 4422

Number of Stores: 1

Number of Weeks: 1

Display Mix Across Store Base:

Percent of Stores with 1 Display: 100%

Percent of Stores with 2 Displays: 0%

Percent of Stores with 3 Displays: 0%

Percent of Stores with 4 Displays: 0%

Step 2: Select Retailer: 100 = No Adjustment

Step 3: Enter Base Volume Adjustment: 100 = No Adjustment

Step 4: Run Report

Sales Planning (PRGM)



Sales Execution

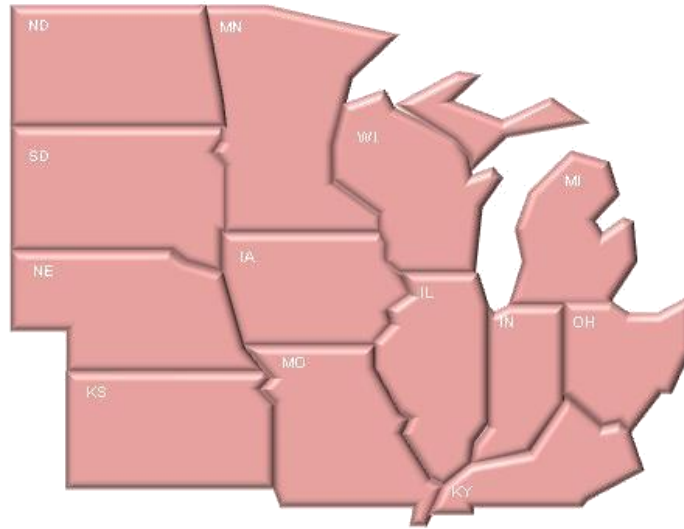


RETAIL APPROACH: A CUSTOMER 1ST MENTALITY LED TO A NEW ORGANIZATION... A PROXIMITY MODEL

West Division



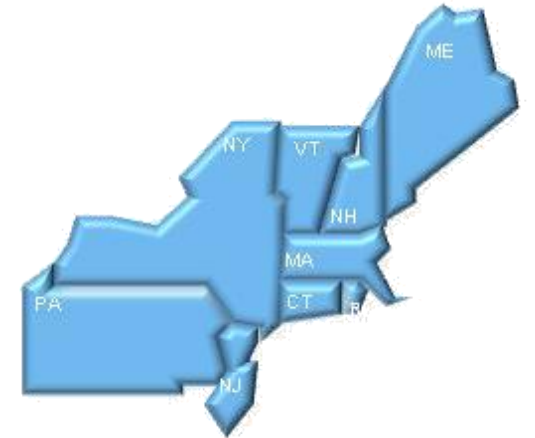
Central Division



Kroger Division



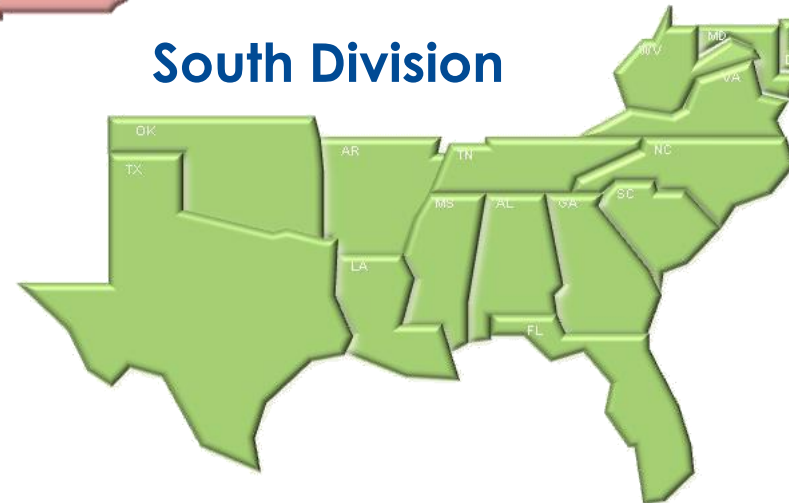
East Division



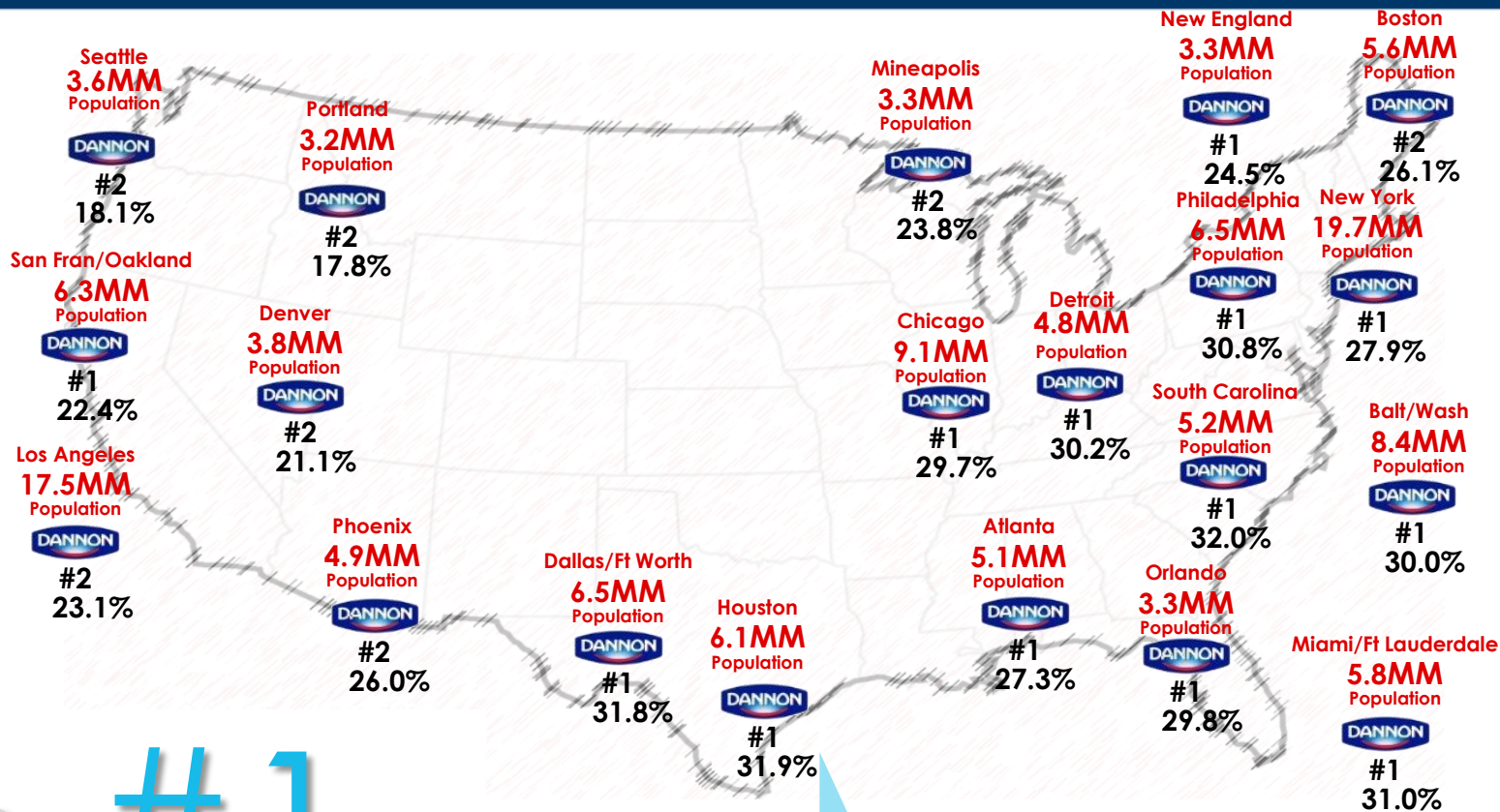
Walmart/Sam's Division



South Division



WINNING IN CITIES



2010

#1

in 7 markets

YTD May 2014

#1

in 46 markets

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KEY RELATIONSHIPS

Partnerships



Offerings

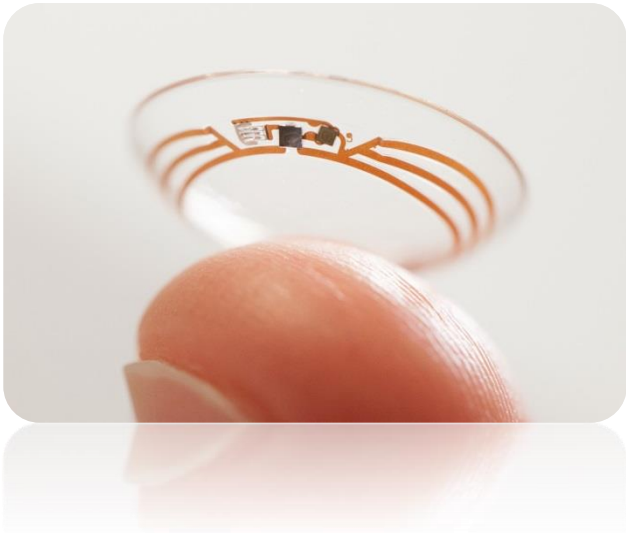


Vendors



FUTURE RELATIONSHIPS?

Google



facebook



amazon.com



IN SUMMARY

- 1** Yogurt continues to be on trend, and Dannon is fueling the growth.
- 2** Leveraging existing assets (Oikos, Activia, Light n'Fit), Greek has been the engine of growth, still has potential.
- 3** Driving Innovation thru new moments (indulgence, on the go, enjoyment), new markets (frozen), wining in all segments (kids, light)
- 4** Building on Partnerships (Starbucks, Kellogg's, Disney and the likes...)

THE CHALLENGE TAKES THE RIGHT TEAM



=



**It takes a strong, committed team
to accelerate our business**

THE MISSION OF OUR FOUNDER TO BRING HEALTH TO AMERICANS...



INVESTOR SEMINAR 2014 - NEW YORK



...is a path to our growth

