

**Groupe Danone**  
A société anonyme with a share capital of 128 212 865 euros  
Registered office: 17, boulevard Haussmann - 75009 PARIS  
Trade and Companies Register number 552 032 534



**DANONE**

# ●●● Notice of meeting

## Ordinary General Meeting

Tuesday April 29, 2008 at 3 pm  
Carrousel du Louvre - 99, rue de Rivoli 75001 Paris

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# AGENDA

## The agenda for the General Meeting of Shareholders is as follows:

- Approval of the statutory financial statements for the fiscal year ended December 31, 2007.
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2007.
- Allocation of the earnings for the fiscal year ended December 31, 2007 and setting of the dividend at €1.1 per share.
- Approval of the agreements referred to in the special report of the statutory auditors.
- Renewal of the tenure of Mr. Bruno BONNELL as director.
- Renewal of the tenure of Mr. Michel DAVID-WEILL as director in accordance with article 15-II of the bylaws.
- Renewal of the tenure of Mr. Bernard HOURS as director.
- Renewal of the tenure of Mr. Jacques NAHMIAS as director.
- Renewal of the tenure of Mr. Naomasa TSURITANI as director.
- Renewal of the tenure of Mr. Jacques VINCENT as director.
- Approval of the extension of the term of office of Mr. Christian LAUBIE as director in accordance with article 15-II of the bylaws.
- Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code (Code de commerce) in regards to the payment of indemnities under certain circumstances to Mr. Franck RIBOUD should he not complete his term of office.
- Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code (Code de commerce) in regards to the payment of indemnities under certain circumstances to Mr. Jacques VINCENT should he not complete his term of office.
- Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code (Code de commerce) in regards to the payment of indemnities under certain circumstances to Mr. Emmanuel FABER should he not complete his term of office.
- Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code (Code de commerce) in regards to the payment of indemnities under certain circumstances to Mr. Bernard HOURS should he not complete his term of office.
- Authorization granted to the board of directors to purchase, retain or transfer the Company's shares.
- Powers to effect formalities.

# HOW TO TAKE PART



All shareholders, however many shares they may possess, are entitled to attend Groupe Danone's General Meeting of Shareholders, to be represented there by a proxy, or to vote before the meeting by mail or via the Internet.

Groupe Danone offers the possibility to send it your instructions via the Internet before the General Meeting of Shareholders <sup>(1)</sup>. Hence this possibility is an additional way in which shareholders can participate, and by using a specific secure Internet site, they can benefit from all possibilities available in the voting form: requesting an admission ticket, voting by mail, or issuing a proxy form to the President, to their spouses or to another shareholder, whether an individual or a legal entity.

Access to the site is protected by an identifier and a password. Signature by means of electronic certificate constitutes an

additional security factor in expressing your choices. Finally, the data exchanges are encrypted to guarantee the confidentiality of your vote.

If you would like to use this new approach for transmitting your instructions, please follow the recommendations made below, in the section called **"Transmission of your instructions by Internet"**. Otherwise, kindly refer to the section called **"Transmission of your instructions by using the paper form"**.

## A TRANSMISSION OF YOUR INSTRUCTIONS BY INTERNET

Groupe Danone offers shareholders the possibility to vote by Internet before the General Meeting of Shareholders, under the following conditions.

### Registered shareholders

The holders of registered shares will receive a notice letter informing them, in particular, of the identifier number and of the password. If they would like to vote via the Internet, that identifier will enable them to access the secured site dedicated for the General Meeting of Shareholders. The shareholder will then have to follow the indications appearing on the screen.

### Bearer shareholders

The holders of bearer shares wishing to vote via the Internet before the General Meeting of Shareholders must contact their financial broker (bank, savings bank, or any other entity managing their securities account containing their Groupe Danone shares), and ask it to issue a certificate attesting to their share ownership (for the number of securities indicated by the shareholder) until the meeting date). Such shareholders will also have to inform the

broker of their e-mail address (a specific form appears at the end of this notice, on page 23). The financial broker will transmit the certificate, including the shareholder's e-mail address, to Lazard Frères Banque, Groupe Danone's agent, which will send a copy to BNP Paribas Securities Services, the manager of the Internet voting site, before the General Meeting of Shareholders. That e-mail address will be used by the manager to provide the shareholder with an identifier as well as with a password enabling him to connect to the secure site dedicated to voting before the General Meeting of Shareholders. The shareholder will then have to follow the instructions appearing on the screen.

The secure site dedicated to voting prior to the General Meeting of Shareholders will be open on April 8, 2008, at the latest.

The possibility to vote by Internet before the General Meeting of Shareholders will end on the day before the meeting at 3 pm, Paris, France, time. To avoid bottlenecks on the dedicated Internet site, shareholders are advised not to wait until the day preceding the meeting to vote.

Address of the site dedicated to the General Meeting of Shareholders:

<http://gisproxy.bnpparibas.com>

(1) Shareholders cannot vote via the Internet during Groupe Danone's General Meeting of Shareholders.

## B TRANSMISSION OF YOUR INSTRUCTIONS USING THE PAPER FORM

### 1. Advance formalities for participating in Groupe Danone's General Meeting of Shareholders

In accordance with article R. 225-85 of the French Commercial Code, to attend this meeting personally, to be represented there or to vote by mail, you must prove your shareholder status by the registration of the shares in an account in your name or the name of the representative registered on your behalf on the third day before the meeting date at midnight, Paris time:

- for your **registered shares**, you should be entered in a registered share account of the Company maintained by its agent, Lazard Frères Banque **on the third day** before the meeting at midnight;

- with respect to **your bearer shares**, have your financial broker (bank, savings bank, or any other entity managing your securities account containing your Groupe Danone shares) as your only interlocutor. It constitutes the sole liaison between you and the Company. You must first request it for a certificate of share ownership. At least **three days** before the date of the General Meeting of Shareholders, your financial broker will provide this certificate to the Company (Groupe Danone Direction Droit des Sociétés, 15 rue du Helder - 75439 PARIS Cedex 09) or its agent, Lazard Frères Banque, 121 boulevard Haussmann, 75008 PARIS.

### 2. To use the paper form (form for voting by mail or by proxy)

If you haven't received the convocation file, you may request by mail a proxy voting form (the "Form") to Lazard Frères Banque, 121 boulevard Haussmann, 75008 PARIS or to the Company (Groupe Danone Direction Droit des Sociétés, 15 rue du Helder - 75439 PARIS Cedex 09).

To be honored, **your Form request** must be received by Lazard Frères Banque, or by the Company (at the address mentioned in the previous paragraph), at least six days before the meeting date.

**Your Form**, duly completed, will have to reach the said financial establishments or the Company's head office at least **two days** before the meeting date.

**If you own bearer shares**, your Form will be effective only if the certificate attesting to your shareholding has been received by the said financial establishments or by the Company at least **two days** before the date set for the General Meeting of Shareholders.

**No shareholder voting by mail** will be able to participate directly in the Meeting or to be represented there by virtue of a power of attorney.

### 3. Procedures for participating in the Groupe Danone General Meeting of Shareholders

Follow one of the options below:

#### A. If you would like to attend the General Meeting of Shareholders personally

##### ■ if your shares are bearer shares:

You must request an admission ticket, which is required for admission to the General Meeting of Shareholders and to vote there, by:

- **checking box A** at the top of the voting form,
- **returning that form duly completed and signed as soon as possible** to the financial broker handling your securities account, which will forward your request and prepare the above-mentioned certificate of shareholding. A certificate is also delivered to any shareholder who would like to physically participate at the meeting and who has not received the admission ticket by the third day before the meeting date at midnight, Paris time;

##### ■ if your securities are registered:

- You may **request an admission ticket** that will enable you to **enter the meeting room more quickly**, by returning the voting form in the enclosed envelope, after having checked **box A**.

#### B. If you do not wish to attend the meeting but prefer to vote by mail or to be represented there

After checking **box B**, you must:

- **complete and sign the form for voting** by mail or by proxy;
- **and return it** duly completed and signed:
  - **if your shares are bearer shares**, to the financial broker managing your securities account, which will forward the said document together with the certificate of shareholding that it will issue,
  - **if your securities are registered shares**, to the Lazard Frères Banque, 121 boulevard Haussmann, 75008 PARIS, by using the enclosed T envelope.

Votes cast by mail will be taken into account only in connection with forms that are duly completed and reach Lazard Frères Banque or the Company's registered office at two three days before the meeting date.

Anybody wishing to represent a shareholder at the General Meeting of Shareholders must himself or herself be an eligible shareholder, his or her spouse, or his or her legal representative.

Notice for this General Meeting pursuant to article R. 225-73 of the French Commercial Code, was published in the *Bulletin des Annonces Légales Obligatoires* of March 10, 2008, number 30, notice 0802368.

#### **4. If you would like to transfer your shares after voting electronically, send a power or request an admission ticket or a certificate of shareholder before the General Meeting.**

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Pursuant to article R. 225-85 of the French Commercial Code, all shareholders may transfer all or part of their shares:

- **if you transfer all or part of your shares before the third day before the meeting date** at midnight, Paris time, the Company will invalidate or modify, according to the circumstances, the electronic vote, the power, the admission ticket or the certificate of shareholding. The financial broker managing your account will notify the Company or Lazard Frères Banque of the transfer and transmit to them the necessary information;
- **if you transfer all or part of your shares after the third day before the meeting date** at midnight, Paris time, the financial broker managing your account and the Company do not need to be notified of this transfer, and you may therefore participate in the meeting in the manner you choose.

## HOW TO COMPLETE YOUR FORM?

### A You would like to attend the meeting in person

- Check box **A**
- Date and sign box **Z** at the bottom of the form

### B You cannot attend the meeting and would like to vote by mail or by proxy

- Check box **B**
- Choose one of the three options (only one option from the following three):
  - 1) Proxy to the Chairman of the General Meeting of Shareholders (**1<sup>st</sup> option**)
  - 2) Voting by mail (**2<sup>nd</sup> option**)
  - 3) A proxy form issued to a person (your proxy) who will attend the meeting (**3<sup>rd</sup> option**)
- In all cases, you must date and sign box **Z** at the bottom of the form.

#### C (**1<sup>st</sup> option**) If you have decided to give your proxy to the chairman of the General Meeting of shareholders

- Check the box in front of "I hereby give my proxy to the Chairman of the General Meeting"
- Make sure that you have dated and signed box **Z** at the bottom of the form
- Don't forget to check box **B**

#### D (**2<sup>nd</sup> option**) If you have decided to vote by mail

- Check the box in front of "Vote by post"
  - Each numbered box corresponds to the draft resolutions presented or approved by the Board of Directors and appearing in the meeting notice
  - To vote **YES** on the resolutions, **do not blacken** the corresponding boxes
  - To vote **NO** or to abstain (which is equivalent to voting "no") on certain proposed resolutions, blacken the corresponding boxes individually
- Make sure that you have dated and signed box **Z** at the bottom of this form
- Don't forget to check box **B**

#### D' This box should be filled in only if you would like to vote on resolutions presented by shareholders but not approved by the board of directors

To vote, you should blacken the box corresponding to your choice.

#### D'' This box must be filled in case amendments or new resolutions are presented during the meeting

Blacken the box corresponding to your choice.

#### E (**3<sup>rd</sup> option**) If you have decided to appoint a person as your proxy (your spouse, or another shareholder - an individual or legal entity - who will be present at the meeting)

- Check the box in front of "I hereby appoint"
- Make sure that you have dated and signed box **Z** at the bottom of this form
- Don't forget to check box **B**
- In box **E** indicate the identity of the person - whether an individual or legal entity - who will represent you (last name, given name, address)

### F Write your last name, given name and address here

If this information is already provided, please check them and correct them if necessary. If the signatory is not the shareholder, you must enter his last name, given name and his role (legal administrator, guardian, etc.)

### Z Box to be signed and dated by all shareholders



A

You would like to attend the meeting in person:  
Check box A.

B

You cannot attend the meeting and  
would like to vote by mail or by proxy:  
Check box B.

E

You appoint a person as your proxy:  
Check here and indicate the identity of that person (last name,  
given name, address).

D

You vote  
by mail:  
Check  
here and  
follow the  
instructions.

D'

Resolutions  
not approved  
by the Board  
of Directors.

D''


Resolutions  
presented  
during the  
Meeting.

**IMPORTANT** : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.

QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

A.  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.

B.  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form according to one of the three possibilities mentioned below.



**DANONE**

Société Anonyme au capital de 128 212 865 €  
Siège Social : 17, Boulevard Haussmann  
75009 PARIS  
552 032 534 RCS PARIS

**ASSEMBLÉE GÉNÉRALE ORDINAIRE**  
convoquée le mardi 29 avril 2008  
à 15 heures, au Carrousel du Louvre, 99, rue de Rivoli, 75001 Paris

**ORDINARY GENERAL MEETING**  
to be held on Tuesday April 29, 2008  
at 3:00 pm, at the Carrousel du Louvre, 99 rue de Rivoli, 75001 Paris

**CADRE RÉSERVÉ / For Company's use only**

Identifiant / Account

Nombre d'actions / Number of shares

Nominatif  VS / Single vote  
Porteur / Bearer  VD / Double vote

Nombre de voix / Number of voting rights :

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
cf. au verso renvoi (3) / See reverse (3)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration à l'EXCEPTION de ceux que je signale en notifiant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
I vote FOR all the draft resolutions submitted or approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■ for which I vote against or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en notifiant comme ceci ■ la case correspondant à mon choix.  
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■

1	2	3	4	5	Quil	Non/No	Quil	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	Abs/Abs	Yes	Abs/Abs
6	7	8	9	10	A		F	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
11	12	13	14	15	B		G	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
16	17				C		H	
<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	
					D		I	
					<input type="checkbox"/>		<input type="checkbox"/>	
					E		J	
					<input type="checkbox"/>		<input type="checkbox"/>	

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
dater et signer au bas du formulaire, sans rien remplir  
HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING  
date and sign the bottom of the form without completing it  
cf. au verso renvoi (2) / See reverse (2)

**JE DONNE POUVOIR A :** soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) pour me représenter à l'assemblée.  
I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2) to represent me at the above mentioned meeting.

M., M<sup>me</sup> ou M<sup>me</sup> / Mr, Mrs or Miss

Adresse / Address

**ATTENTION** : S'il s'agit de titres au porteur, les présentes instructions que vous avez données, ne seront valides que si les titres correspondants ont fait l'objet d'une attestation de participation dans les délais prévus, par l'établissement financier qui tient votre compte de titres.  
**CAUTION** : Concerning bearer shares, your vote or proxy will not be counted unless these shares have been certified within the prescribed period by the custodian as belonging to you.

Nom, prénom, adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
cf. au verso renvoi (1) / See reverse (1)

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting

— Je donne pouvoir au Président de l'Assemblée Générale de voter en mon nom / I appoint the Chairman of the General Meeting to vote on my behalf

— Je m'abstiens (l'abstention équivaut à un vote contre) / I abstain from voting (is equivalent to a vote against)

Je donne procuration (cf. au verso renvoi 2) à M., M<sup>me</sup> ou M<sup>me</sup> pour voter en mon nom / I appoint (see reverse 2) Mr, Mrs, or Miss / to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :  
In order to be considered, this completed form must be returned at the latest :

à la BANQUE ou à la SOCIÉTÉ 25 avril 2008  
to the Bank or to the Company 25<sup>th</sup> April 2008

Date et Signature / Date and Signature

**Sign and date here**

C

You give your proxy to the Chairman of the General Meeting  
of shareholders:  
Check here, date and sign at the bottom of the form without filling it.

F

Write your last name, given name  
and address here:  
If this information  
is already provided,  
please check them  
and correct them if  
necessary.



# PRESENTATION OF THE RESOLUTIONS

## Approval of the corporate and consolidated financial statements for the 2007 fiscal year (1<sup>st</sup> and 2<sup>nd</sup> resolutions)

We request that you approve the corporate financial statements and consolidated financial statements for the fiscal year ended on December 31, 2007.

## Allocation of income (3<sup>rd</sup> resolution)

We propose that you:

- note that the profits for the 2007 fiscal year amount to €4,046,112,118.85
- note that the amount carried over is of €2,142,651,098.23
- in other words corresponding to an available amount for the distribution of income equal to €6,188,763,217.08
- decide to split the total thus calculated between:
  - dividends in an amount of €564,136,606.00
  - ordinary reserves in an amount of €2,000,000,000.00
  - the balance to the amount carried over in an amount of €3,624,626,611.08

The sum of €564,136,606 distributed among shareholders will be eligible for the 40% tax reduction set forth in Article 158-3 paragraph 2 of the French General Tax Code and allows for the payment of a dividend of €1.1 per share.

The dividend coupon for the 2007 fiscal year will be detached from the share on May 9, 2008 and shall be payable in cash beginning on May 14, 2008 to this shareholders recorded as such at the end of the trading day on May 13, 2008.

In accordance with Article L. 225-210 of the French Commercial Code, the dividend with respect to existing treasury shares of the Company as of the dividend payment date will be allocated to the amount carried over.

## Dividends distributed with respect to the last three fiscal years

Fiscal Year <sup>(1)</sup>	Number of shares	Dividend distributed
2004	536,191,040	0.675 <sup>(2)</sup>
2005	528,470,380	0.85 <sup>(3)</sup>
2006	521,729,492	1 <sup>(3)</sup>

(1) The data for the 2004, 2005 and 2006 fiscal years were adjusted to take into account the two-for-one stock splits of the shares that occurred in 2004 and 2007.

(2) Distribution fully eligible for the 50% tax reduction.

(3) Distribution fully eligible for the 40% tax reduction.

## Approval of the agreements discussed in the Statutory Auditors' special report (4<sup>th</sup> resolution)

We request that you approve the agreements discussed in the Statutory Auditors' special report relative to the related party transactions defined in Article L. 225-38 of the French Commercial Code, it being specified that the commitments discussed in Article

L. 225-42-1 of the French Commercial Code relative to severance payments in certain cases of termination of the duties of the four corporate officers of the Company are subject to your approval in the form of separate resolutions.

## Renewal of Directors' terms of office (5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> resolutions)

We request that you renew, for the statutory period of three years, the terms of office as Directors of Mr. Bruno BONNELL, Mr. Bernard HOURS, Mr. Jacques NAHMIA, Mr. Naomasa TSURITANI, Mr. Jacques VINCENT, and Mr. Michel DAVID-WEILL.

With respect to Mr. Michel DAVID-WEILL, your approval for the renewal of his term of office would be granted under the terms of Article 15.2 of the Company's by-laws. This article sets forth that the age limit of 70 years for Company Directors does not preclude the renewal of their term of office by the Shareholders' Meeting,

on the condition that the number of Directors concerned by this age limit does not exceed one quarter of the active Directors. This ceiling is respected, since only Mr. DAVID-WEILL and Mr. LAUBIE (out of the total 13 Directors on your Board of Directors) have reached or will reach the age of 70 in 2008.

Concerning Mr. Christian LAUBIE, the by-laws set forth that the term of office of a Director is understood as ending in full right following the Shareholders' Meeting held in the year during which this Director will reach the age of 70, which is the case for this Director.



However, Article 15.2 of the Company's by-laws sets forth that this age limit does not apply should the Shareholders' Meeting decide to maintain the term of office of the Director in question (subject to the aforementioned stipulation that the one quarter threshold of directors concerned by the age limit not be exceeded).

We therefore request that you keep Mr. Christian LAUBIE in the performance of his duties as Director until the end of his term of office, or more specifically until the Ordinary Shareholders' Meeting convened to deliberate on the financial statements of the 2008 fiscal year.

### **Approval of the commitments described in Article L. 225-42-1 relative to the terms and conditions applicable to the payment of indemnities to the four corporate officers in certain cases of termination of their duties (12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> resolutions)**

In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code introduced by the law of August 21, 2007 in favor of work, employment, and purchasing power (known as the "TEPA" law), the indemnities paid out to executives of listed companies that would become due because of the termination of their duties must now be subject to performance conditions.

This new law also provides for the fact that these indemnities must be subject to the approval of the Shareholders' Meeting, in the form of an individual resolution for each executive concerned.

Your Board of Directors has therefore put an end to the existing indemnities applicable to the four corporate officers of the Company, and has granted new indemnities to them that are subject to your

approval through these four resolutions. The amount of these new indemnities remains identical to that provided for existing indemnities, while the conditions under which they become payable also remain unchanged. However, the payment of these indemnities becomes subject to the satisfaction of performance conditions. These conditions are identical for each of the four corporate officers and are based on the comparison of the organic growth of the Group's net sales with the organic growth of a panel of international reference groups in the food and beverages sector over the course of five years.

The commitments made by the Company relative to these terms and conditions applicable to the payment of indemnities are described in the Statutory Auditors' special report.

### **Acquisition by the Company of its own shares (16<sup>th</sup> resolution)**

It seems appropriate that your Board benefits from the necessary powers to purchase Company's shares.

We therefore ask you to authorize your Board to purchase, hold, or transfer Company's shares within the framework of a repurchase program subject to the provisions of Article L. 225-209 et seq. of the French Commercial Code as well as to the European regulations # 2273/2003 dated December 22, 2003 taken in application of the European directive # 2003/6/EC of January 28, 2003.

The Company's repurchase of its own shares will lead to the following actions:

- the grant of stock options to employees and corporate officers of the Group;
- the grant of shares free of charges to employees and corporate officers;
- the distribution of shares at the time of exercise of the rights attached to securities granting access to the Company's share capital;
- the sale of shares to employees (either directly or via an employee savings FCPE) within the framework of employee shareholding plans or company savings plans;

- the conservation and distribution of shares as payment or exchange with respect to acquisitions; or
- the cancellation of shares within the maximum legal limit.

These transactions could be carried out at any moment. However, your Board of Directors has decided to eliminate the option to complete such repurchases at the time of a tender offer, which is an option that was present in previous authorizations. Therefore, the repurchase of shares carried out at the time of a tender offer is no longer authorized.

The maximum number of shares that can be acquired would represent 10% of the share capital (or, for information purposes only, and without taking into account the shares already held by the Company, or 51,285,146 shares as of December 31, 2007, representing a theoretical maximum purchase amount equal to €4,102,811,680) at a maximum purchase price of €80, subject to adjustments associated with possible transactions on the Company's share capital.

This authorization is granted for a period of eighteen months from the date of this Shareholders' Meeting.

# STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY TRANSACTIONS



In our capacity as Statutory Auditors of your company, we present you with our report on the regulated party transactions.

## AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE FISCAL YEAR

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the agreements and commitments that were subject to a prior authorization on behalf of your Board of Directors.

Our duty is not to research the possible existence of other agreements and commitments but instead to inform you, on the basis of the information that have been provided to us, of the essential characteristics and terms and conditions of those agreements and commitments presented to us, without having to provide an opinion

on whether or not they are useful or well-founded. It is your duty, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to pass judgment on the reasons associated with the conclusion of these agreements and commitments in light of their approval.

We have completed our work in accordance with the professional standards applicable in France: these standards require that we carry out the audits intended to check the consistency of the information given to us relative to the documents they are taken from.

### Guarantees and securities granted

- Companies concerned: Groupe Danone, Danone Finance

Director concerned and capital relationship: Groupe Danone SA is a director of Danone Finance and holds 99.99% of its share capital

The Board of Directors meeting of February 14, 2007 authorized the Chief Executive Officer to grant a guarantee with respect to the treasury notes issued by Danone Finance, up to a limit of €2.5 billion, including any interest, fees, disbursements and accessory payment in connection with this outstanding credit amount, as well as any additional amounts that may become due by this subsidiary within the framework of this treasury notes program.

(In € thousands)

Average outstanding credit amount used in 2007	1,352,708
Interest income	1,352

- Companies concerned: Groupe Danone, Danone Finance, Danone Finance International, and any other subsidiary, whether direct or indirect.

Director concerned and capital relationship: Groupe Danone SA is a director of Danone Finance and holds 99.99% of its share capital, Danone Finance International is a wholly-owned subsidiary of Danone Finance

The Board of Directors meeting of October 19, 2007 authorized your company to grant a collateral security to the benefit of its subsidiaries Danone Finance, Danone Finance International, and for all other direct or indirect subsidiaries that would become additional borrowers to the credit line opened to the Company on December 7, 2007 with respect to all of their financial commitments in principal, interest, and accessory payments and, more generally, with respect to any payments due in their capacity as additional borrowers, and up to a limit of a maximum principal amount of €4 billion.

As of December 31, 2007 this guarantee has never been taken advantage of.

### Cooperation agreement

- Companies concerned: Groupe Danone, danone.communities SICAV, danone.communities FCPR, companies of the Groupe Crédit Agricole

Director concerned: Mr. Jean LAURENT, director of groupe Danone SA and as of April 26, 2007, Chairman of the Board of Directors of CALYON, a subsidiary of Groupe Crédit Agricole

The Board of Directors meeting of April 26, 2007, within the framework of the danone.communities project, approved the signing of a cooperation agreement established among your company, the danone.communities Société d'Investissement à Capital Variable (SICAV), the danone.communities Fonds Commun de Placements à Risques (FCPR), and the companies of the Crédit Agricole Group (namely the companies Ideam



and Crédit Agricole Private Equity, respective management companies for the SICAV and the FCPR). This agreement governs the relations among the Company and other entities that have taken part in the danone.communities project, and in particular provides for the subscription of shares of the SICAV by the Company for a maximum amount of €20 million, as well as the annual financial contribution by the Company of a maximum amount of €1.5 million for the

first fiscal year, it being specified that this amount must be revised annually by the Board of Directors of the Company.

Your Company subscribed shares of the SICAV for an amount of €20 million during the 2007 fiscal year.

The financial contribution amounted to €1.2 million during the 2007 fiscal year.

### **Agreement relative to the conditions under which the employment agreements of Mr. Emmanuel FABER and Mr. Bernard HOURS will be again become enforceable**

- Company concerned: Groupe Danone

Directors concerned: Mr. Emmanuel FABER and Mr. Bernard HOURS

The Board of Directors meeting of February 13, 2008 authorized the signing of an amendment to the employment agreements concluded with Mr. Emmanuel FABER and Mr. Bernard HOURS, for the purposes of determining the conditions under which their respective employment agreements would once again become enforceable (it being specified that such employee agreements were suspended when they were nominated as corporate officers of the Company), assuming that their term of office was to come to an end, for whatever reason. This amendment provides both executives, in an identical way, with the assurance that:

- the amount of time during which they have exercised their duties as corporate officers for the benefit of your Company will be entirely taken into account with respect to seniority and to the rights they are entitled from this seniority within the framework of their employee agreement;

- your Company undertakes to offer them a position involving duties that are comparable to the ones currently exercised by the members of your Company's Executive Committee;
- the annual remuneration that will be paid out to them cannot be less than the total annual average remuneration (gross base salary, benefits in kind, and bonus of any type) allocated to all members of the Executive Committee during the last twelve months preceding the return to enforcing their employee agreement;
- they will benefit from your Company's pension plan with set benefits (prestations définies) on the basis of their seniority as a corporate officer and their seniority under the employee agreement;
- the contractual indemnity that is due in the event of a breach in the employee agreement will be eliminated.

### **Approval of commitments made by the Company with respect to Mr. Emmanuel FABER, Mr. Bernard HOURS, Mr. Franck RIBOUD and Mr. Jacques VINCENT relative to the conditions applicable to indemnities paid to them in certain cases of termination of their respective terms of corporate office**

- Company concerned: Groupe Danone

Directors concerned: Mr. Emmanuel FABER, Mr. Bernard HOURS, Mr. Franck RIBOUD and Mr. Jacques VINCENT

The Board of Directors meeting of February 13, 2008 decided on the principle and terms and conditions of a right to the payment of an indemnity to each of the four corporate officers of the Company in the event that (i) their respective duties as corporate officers, for whatever reason other than a faute grave or a faute lourde (serious misconduct or gross negligence), are not renewed, or (ii) they resign from their duties within the timeframe of twelve months following a change in control of the Company.

In these cases, the corporate officer concerned shall receive, as an indemnity, an amount equal to two times his or her gross annual remuneration (including his or her fixed and variable remuneration and benefits in kind) received with respect to the performance of his or her duties during the twelve months preceding the expiration date of his or her duties as corporate officer.

The payment of this indemnity will be dependent on satisfying performance conditions that are identical for each of the four corporate officers, and based on the comparison of the growth in the Danone group's net sales with that of a panel of international reference groups in the food and beverages sector over a five-year period.

The payment of this indemnity will be dependent on:

- the internal growth ("organic") of the net sales of the Danone group ("the CICA of the Group") over the course of the five full fiscal years preceding the termination of the corporate office duties of the executive concerned ("the Reference Period"),
- the internal growth ("organic") of the net sales achieved by the members of the Panel ("the CICA's of the Panel"), over the course of the Reference Period,

It being specified that:

- the CICA of the Group and the CICA of the Panel are to be understood while keeping both scope of consolidation and constant exchange rates; and
- Panel corresponds to: seven international reference groups in the food and beverages sector, or Kellogg Company, Unilever, Nestlé, Kraft Foods Inc., Pepsi Co Inc., The Coca-Cola Company and Cadbury Schweppes PLC.

In addition, to ensure the comparability of the CICAs retained, it is hereby specified that:

- in the event of the absence or delayed publication of audited accounting or financial data for one of the members of the Panel, the Board of Directors will, on an exceptional basis, have the option of excluding this member from the Panel;
- in the event of the absence or delayed publication of audited accounting or financial data for several of the members of the Panel, the Board of Directors will deliberate on the basis of the last audited financial statements published by the members of the Panel and by the groupe Danone company over the course of the last five full fiscal years for which financial statements will have been published, for all of the members of the Panel and for the groupe Danone company.

In addition, the Board of Directors will have the option of excluding a member of the Panel in the event of the repurchase, consolidation, dissolution, merger, or change

of business activity of any of the companies on the Panel, subject to preserving the overall coherence of the sample.

The Board of Directors will determine, over the Reference Period, the median of the CICAs of the Panel (or the central value of the CICAs of the Panel, thereby dividing the CICAs of the Panel into two entities of equal size), as well as the value corresponding to the first quartile of the CICAs of the Panel (or the value below which are located 25% of the CICAs of the Panel).

Therefore, over the Reference Period:

- if the Group's CICA is equal to or greater than the median CICA of the Panel, the corporate officer concerned will be allocated 100% of the amount of the Indemnity;
- if the Group's CICA is greater than or equal to the first quartile and lower than the median of the CICAs of the Panel, the corporate officer concerned will be allocated 50% of the amount of the Indemnity;
- if the Group's CICA is lower than the first quartile of the CICAs of the Panel, no Indemnity will be paid out to the corporate officer concerned.

For this purpose, an end was brought to the contractual indemnities authorized by the Board of Directors meeting dated July 21, 2004 with respect to the terms of corporate office of Mr. Franck RIBOUD and Mr. Jacques VINCENT, respectively, and of the employee agreements of Mr. Emmanuel FABER and Mr. Bernard HOURS.

### Compliance of ongoing commitments with set benefit pension plans (*retraites à prestations définies*) of corporate officers

- Company concerned: Groupe Danone

Directors concerned: Mr. Emmanuel FABER, Mr. Bernard HOURS, Mr. Franck RIBOUD and Mr. Jacques VINCENT

The Board of Directors meeting of February 13, 2008 confirmed the commitment of your Company undertook with respect to each of the four corporate officers relative to the payment of a retirement pension with set benefits in the form of an annuity (with a transfer option), calculated on the basis of the following elements:

- the basis of calculation for the retirement guarantee corresponds to the average of annual base salaries and bonuses for the past three full years of activity with Danone. The seniority taken into account would include the period corresponding to the term of corporate office;
- in the event of retirement without satisfying the conditions necessary for obtaining the full rate with respect to the social security pension, a reduction of 1.25% per quarter between the age at which the officer retired and the age at which he would have received his full time social security pension will be applied to this annuity;

- the amount of the life annuity that would be paid to Mr. Franck RIBOUD and Mr. Jacques VINCENT would correspond to 2% of this calculation basis per year of seniority (this amount will however be subject to a ceiling of 65% of this calculation basis), minus the full amount of pension rights that Mr. Franck RIBOUD and Mr. Jacques VINCENT are entitled to and have acquired over the course of their professional careers, including the additional pension plan paid for in full by the Company;

- the amount of the life annuity that would be paid out to Mr. Emmanuel FABER and Mr. Bernard HOURS would correspond to (i) 1.5% per year of seniority (including the period corresponding to the term of office) of this calculation basis, for the tranche located between 3 and 8 ceiling levels of French Social Security ("3 et 8 plafonds de la Sécurité Sociale"), and (ii) 3% per year of seniority (including the period corresponding to the term of office) of this calculation basis, for the tranche that is higher than these 8 ceiling levels (this amount will however be limited on the basis of a maximum seniority of 20 years) minus the full amount of pension rights that Mr. Emmanuel FABER and Mr. Bernard HOURS have acquired due to the implementation of the additional pension plan paid for in full by your Company.



The officer concerned is eligible to this pension plan only if he has performed his or duties within the Group at the time he retires (it being specified that in the event the officer leaves the Group before reaching the age of 55, all the rights

acquired will be lost, and that in the event such officer is laid off after the age of 55, the benefit derived from this plan is preserved, on the condition that the officer never again holds a salaried position).

## AGREEMENTS AND COMMITMENTS APPROVED DURING PAST FISCAL YEARS AND THAT CONTINUED TO APPLY DURING THIS FISCAL YEAR.

In addition, in compliance with the French Commercial Code, we have been informed of the fact that the following

agreements and commitments approved during past fiscal years continued to apply during the last fiscal year:

### Guarantees and securities granted

- Companies concerned: Groupe Danone, Danone Finance

Director concerned and capital relationship: Groupe Danone SA is a director of Danone Finance and holds 99.99% of its share capital

The Board of Directors' meeting of February 14, 2007 renewed its authorization allowing your company to guarantee or to become a guarantor of Danone Finance when this company operates on financial markets within the framework of financial risk management transactions, up to a limit of €500 million.

As of December 31, 2007 this guarantee has not yet been taken advantage of.

The Board of Directors' meeting of October 19, 2007 renewed its authorization allowing your company to guarantee the full amount of the sums due by Danone Finance with respect to its issuance program known as Euro Medium Term Notes, up to a principal amount limit of €3 billion, as well as any additional amount (interest, fees) that would come to be owed by this subsidiary under this program.

(In € thousands)

Average outstanding credit amount used in 2007	1,643,121
Interest income	1,643

### Agreements concluded with two corporate officers relative to the conditions under which their employee agreements would again become enforceable following the expiration of their terms of corporate office

- Company concerned: Groupe Danone

Directors concerned: Mr. Franck RIBOUD and Mr. Jacques VINCENT

At its July 21, 2004 meeting, the Board of Directors, pursuant to the Compensation Committee's proposition, updated the conditions under which the employee agreements of Franck RIBOUD and Jacques VINCENT would once again become enforceable (it being specified that such employee agreements were suspended on August 26, 1994 when they were nominated as corporate officers of your Company), under the assumption that, for whatever reason, their term of office was coming to an end, and has established that:

- the amount of time during which they have exercised their duties as corporate officers for the benefit of your Company will be entirely taken into account with respect to seniority

and to the rights they are entitled from this seniority within the framework of their employee agreement;

- your Company undertakes to offer them a position involving duties that are comparable to the ones currently exercised by the members of your Company's Executive Committee;
- the annual compensation that will be paid out to them cannot be less than the total annual average remuneration (gross base salary, benefits in kind, and bonus of any type) allocated to all members of the Executive Committee during the last twelve months preceding the return to enforcing their employee agreement;
- they will benefit from the Company's pension plan with set benefits (prestations définies) on the basis of their seniority as a corporate officer and their seniority under their employee agreement.

Courbevoie and Neuilly-sur-Seine, FRANCE, on March 14, 2008

The Statutory Auditors

**MAZARS & GUÉRARD**  
Thierry COLIN    Dominique MULLER

**PRICEWATERHOUSECOOPERS AUDIT**  
Eric BULLE    Olivier LOTZ

# DRAFT RESOLUTIONS PRESENTED TO THE ORDINARY GENERAL MEETING

## FIRST RESOLUTION

### (Approval of the statutory financial statements of the Company for the fiscal year ended December 31, 2007)

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the reports of the board of directors as well as the reports of the statutory auditors on the statutory financial statements, hereby approves the statutory financial statements of the Company for the fiscal year ended December 31, 2007, which include the balance sheet, the income statement and the notes, as presented, as well as the transactions reflected in the statutory financial statements and summarized in these reports.

## SECOND RESOLUTION

### (Approval of the consolidated financial statements for the fiscal year ended December 31, 2007)

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the reports of the board of directors and the reports of the statutory auditors on the consolidated financial statements, hereby approves the consolidated financial statements for the fiscal year ended December 31, 2007, which include the consolidated balance sheet, income statement and the notes, as presented, as well as the transactions reflected in the consolidated financial statements and summarized in these reports.

## THIRD RESOLUTION

### (Allocation of the earnings for the fiscal year ended December 31, 2007 and setting of the dividend at €1.1 per share)

The General Meeting of shareholders, acting under the conditions of quorum and majority required for general ordinary meetings, having reviewed the report of the board of directors and the report of the statutory auditors:

- acknowledges that the earnings for the fiscal year 2007 amount to €4,046,112,118.85
- acknowledges that unappropriated earnings amount to €2,142,651,098.23 and that the amount of earnings available to allocate totals €6,188,763,217.08
- decides to allocate the total earnings as follows:
  - to dividends in the amount of €564,136,606.00
  - to ordinary reserves in the amount of €2,000,000,000.00
  - to unappropriated earnings in the amount of €3,624,626,611.08

The General Meeting of shareholders therefore decides to distribute a dividend of €1.1 per share on May 14, 2008. The amount distributed among the shareholders is eligible in its entirety for the 40% allowance provided for in Article 158-3.2° of the French Tax Code (Code général des impôts) for those shareholders who may benefit from it, except should they opt for the flat-rate withholding tax provided for in Article 117 quater of the French Tax Code.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the General Meeting of shareholders decides that the amount of the dividend corresponding to the shares held by the Company on the payment date will be allocated to the “unappropriated earnings” account.

The dividends distributed for the three previous fiscal years were as follows:

Fiscal year <sup>(1)</sup>	Number of shares	Dividend distributed per share
2004	536,191,040	0.675 <sup>(2)</sup>
2005	528,470,380	0.85 <sup>(3)</sup>
2006	521,729,492	1 <sup>(3)</sup>

(1) The figures for 2004, 2005 and 2006 were recalculated to take into account the two-for-one stock splits in 2004 and 2007.

(2) Distribution eligible in its entirety for the 50% allowance.

(3) Distribution eligible in its entirety for the 40% allowance.

## FOURTH RESOLUTION

### (Approval of the agreements referred to in the special report of the statutory auditors)

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the special report of the statutory auditors concerning the agreements referred to in Article L. 225-38 of the French Commercial Code, acknowledges the conclusions of this report and approves the agreements described referred thereto, and ensures as need be the continuation during the fiscal year of the formerly authorized conventions.

## FIFTH RESOLUTION

### (Renewal of the tenure of Mr. Bruno BONNELL as director)

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. BONNELL as a director for the period of three years as set in the bylaws.

Mr. BONNELL's term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**SIXTH RESOLUTION****(Renewal of the tenure of Mr. Michel DAVID-WEILL as director in accordance with article 15-II of the bylaws)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. DAVID-WEILL as a director for the period of three years in accordance with Article 15-II of the bylaws.

Mr. DAVID-WEILL's term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**SEVENTH RESOLUTION****(Renewal of the tenure of Mr. Bernard HOURS as director)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. HOURS as a director for the period of three years as set in the bylaws.

Mr. HOUR's term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**EIGHTH RESOLUTION****(Renewal of the tenure of Mr. Jacques NAHMIAS as director)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. NAHMIAS as a director for the period of three years as set in the bylaws.

Mr. NAHMIAS' term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**NINTH RESOLUTION****(Renewal of the tenure of Mr. Naomasa TSURITANI as director)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. TSURITANI as a director for the period of three years as set in the bylaws.

Mr. TSURITANI's term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**TENTH RESOLUTION****(Renewal of the tenure of Mr. Jacques VINCENT as director)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, renews the tenure of Mr. VINCENT as a director for the period of three years as set in the bylaws.

Mr. VINCENT's term of office will expire at the end of the Ordinary General Meeting called to deliberate upon the financial statements for the fiscal year 2010.

**ELEVENTH RESOLUTION****(Approval of the extension of the term of office of Mr. Christian LAUBIE as director in accordance with article 15-II of the bylaws)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, approves the extension of the term of office of Mr. LAUBIE as director in accordance with the provisions of Article 15-II of the bylaws until the end of the General Meeting called to approve the accounts for the fiscal year 2008.

**TWELFTH RESOLUTION****(Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code in regards to the payment of indemnities under certain circumstances to Mr. Franck RIBOUD should he not complete his term of office)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the special report of the statutory auditors, acknowledges the findings in this report and approves the commitments referred to in article L. 225-42-1 of the French Commercial Code and related to the severance compensation under certain circumstances should Mr. RIBOUD not complete his term of office as discussed in this report.

**THIRTEENTH RESOLUTION****(Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code in regards to the payment of indemnities under certain circumstances to Mr. Jacques VINCENT should he not complete his term of office)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the special report of the statutory auditors, acknowledges the findings in this report and approves the

commitments referred to in article L. 225-42-1 of the French Commercial Code and related to the severance compensation under certain circumstances should Mr. VINCENT not complete his term of office as discussed in this report.

#### **FOURTEENTH RESOLUTION**

##### **(Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code in regards to the payment of indemnities under certain circumstances to Mr. Emmanuel FABER should he not complete his term of office)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the special report of the statutory auditors, acknowledges the findings in this report and approves the commitments referred to in article L. 225-42-1 of the French Commercial Code and related to the severance compensation under certain circumstances should Mr. FABER not complete his term of office as discussed in this report.

#### **FIFTEENTH RESOLUTION**

##### **(Approval of the commitments referred to in article L. 225-42-1 of the French Commercial Code in regards to the payment of indemnities under certain circumstances to Mr. Bernard HOURS should he not complete his term of office)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the special report of the statutory auditors, acknowledges the findings in this report and approves the commitments referred to in article L. 225-42-1 of the French Commercial Code and related to the severance compensation under certain circumstances should Mr. HOURS not complete his term of office as discussed in this report.

#### **SIXTEENTH RESOLUTION**

##### **(Authorization granted to the board of directors to purchase, retain or transfer the Company's shares)**

The General Meeting of shareholders, acting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report of the board of directors, hereby authorizes the board of directors to purchase, retain or transfer the Company's shares, within the context of the share repurchase program, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code and European Regulation

n°2273/2003 of December 22, 2003 implementing European Directive n°2003/6/CE of January 28, 2003.

The purchase of the Company's shares may be executed for the purpose of: the allocation of options for the purchase of shares to the Company's employees and officers (mandataires sociaux) as well as employees and officers 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 free allocation of shares to employees and/or officers (mandataires sociaux), the sale of shares to employees (either directly or through an employee savings plan (in French, an "FCPE")) within the context of employee shareholding plans or savings plans, the delivery of shares upon the exercise of rights attached to securities giving right to share capital, the retaining or the later delivery of shares for payment or exchange in regards to external growth transactions, or the cancellation of shares, within the maximum legal limit.

Within the limits permitted by the regulation in place, the shares, as well as blocks of shares, may be acquired, sold, exchanged or transferred by any means on the stock market or over-the-counter. These means may include the use of any derivative securities, traded on a regulated market or over-the-counter market, as well as the implementation of options strategies (purchase and sale of put and call options and all related combinations thereof), provided that the means so used are pursuant to the conditions authorized by the Autorité des Marchés Financiers (AMF).

These transactions may be executed at any time within the limits allowed by applicable regulations.

The maximum purchase price may not be greater than 80 euros per share.

In the event of a capital increase achieved by incorporating reserves and allocating free shares or in the event of a stock split or a reverse stock split, the prices indicated above will be adjusted by a coefficient equal to the ratio between the number of shares comprising the share capital before the transaction and the number of shares existing after the transaction.

The maximum number of shares that may be purchased due to this authorization may not at any point exceed 10% of the total number of shares comprising the social capital (for example, and excluding the shares already held by the Company, 51,285,146 shares at the date of the calculation of the capital stock on December 31, 2007, representing a maximum theoretical amount that may be purchased of 4,102,811,680 euros), it being specified that this limit applies to an amount of Company capital that will be, if necessary, adjusted to take into account the operation affecting the capital stock after this meeting. The acquisitions made by the Company may in no case lead to it holding more than 10% of its capital stock, either directly or indirectly through intermediary subsidiaries.

Notwithstanding the above, the number of shares acquired by the Company to be retained and later issued for payment or exchange in an external growth transaction may not exceed 5% of its capital stock.



In order to implement this authorization, full powers are granted to the board of directors, with the right to sub-delegate, to:

- place all orders on or off the market;
- conclude all agreements, for purposes of, among other things, the maintenance of the share purchase and sale registries;
- file all the necessary declarations and formalities with the Autorité des Marchés Financiers (AMF) or any other authority;
- carry out all other formalities and take generally all necessary measures.

The board of directors should notify the General Meeting of shareholders of the transactions carried out in application of this resolution.

This resolution voids and replaces the authorization granted by the combined General Meeting of shareholders of April 26, 2007 in its eighth resolution and is granted for an 18-month period from the date of this General Meeting.

#### **SEVENTEENTH RESOLUTION** **(Powers to effect formalities)**

The General Meeting of shareholders gives full power to any bearer of an original, a copy or an excerpt of these minutes to make all legal and administrative formalities and carry out all filings and any publicity required by law.



# SUMMARY OF THE COMPANY'S SITUATION DURING THE MOST RECENT FISCAL YEAR

*Article R. 225-81 of the French Commercial Code (Code de commerce)*



The performance of the 2007 fiscal year illustrates the solidity of the Group's growth strategy. This strategy relies on a portfolio of activities centered on a position in health, a voluntarily limited number of powerful brands, local number 1 leadership positions in each of its activities and high-performance innovation centered on health benefits.

Net sales experienced an internal growth of 9.7% (at constant exchange rates and scope of consolidation) and the trade operating margin increased by 45 basis points (at constant exchange rates and scope of consolidation) to 13.27% in 2007. The diluted net income per share (attributable to the Group) increased from €2.44 in 2006 to €2.47 in 2007.

## NET SALES

The Group's consolidated sales amounted to €12,776 million in 2007, or an increase of 5.9%. At constant exchange rates and scope of consolidation, consolidated sales grew 9.7%. This increase comes from a growth in net sales volumes of approximately 5.5% and from an increase in value for 4.2%.

- Net sales for **the Fresh Dairy Products business line** increased by 12.2% (at constant exchange rates and scope of consolidation) to €8,791 million in 2007, mainly driven by four blockbuster product lines, i.e., *Activia*, *Actimel*, *Vitalinea* and *Danonino*.
- Net sales for **the Waters business line** increased by 4% (at constant exchange rates and scope of consolidation) to €3,535 million in 2007, primarily as a result of its strong performance in the fourth quarter and despite the bad summer season in Europe.

- Net sales for **the Baby Food and Medical Nutrition business line** amounted to €450 million in 2007, corresponding to 2 months of activity since the acquisition of Numico on October 31, 2007.

Analysis of the net sales by geographic area shows that the Group's net sales were 57.7% in Europe, 12.1% in Asia, and 26.7% in the rest of the world. The net sales of the Baby Food and Medical Nutrition business line represented 3.5% of the Group's consolidated net sales as this business line had not yet been allocated by geographic area as of December 31, 2007. The growth rate of net sales in Europe, Asia and the rest of the world was 7.4%, 4.8%, and 17.4%, respectively (at constant exchange rates and scope of consolidation).

## OTHER ITEMS IN INCOME STATEMENT

Trade operating income amounted to €1,696 million, an increase of 6.2% compared to 2006.

Trading operating margin recorded an increase, for the thirteenth consecutive year, from 13.24% in 2006 to 13.27% in 2007. This increase, supported by innovations with strong added value, productivity, and by the optimization of fixed costs, occurred in spite of significant increases in raw material costs, in particular milk.

The net income attributable to the Group amounted to €4,180 million in 2007 as compared with €1,353 million in 2006. It includes non-current items amounting to €2,995 million in 2007, corresponding mainly to the capital gain from the disposal of the Biscuits and Cereal Products business activities.

The diluted net income per share (attributable to the Group) increased from €2.44 in 2006 to €2.47 in 2007.



## FINANCING

Cash flow decreased from €1,647 million in 2006 to €1,430 million in 2007.

Free cash flow, which corresponds to cash flows from operating activities minus capital expenditures net of disposals and changes in net working capital, decreased by 26%, as a result of the reduction in net working capital and the decrease in cash generated from operating activities, excluding changes in net working capital. This decrease is in particular due to the accounting of Wahaha under the equity method as from July 1, 2007.

The increase in capital expenditures (€726 million in 2007 as compared with €621 million in 2006, representing 5.7% and 5.2%

of net sales, respectively) corresponds to the Group's willingness to increase its industrial and logistical capacities in countries with strong growth.

Consolidated net debt increased from €2,902 million as of December 31, 2006 to €11,261 million as of December 31, 2007, primarily due to the financing of the acquisition of the Numico group, specialized in baby food and medical nutrition.

The financial information presented below is taken from the Group's consolidated financial statements prepared in accordance with IFRS.

### Principal consolidated information for fiscal years

<i>(in € millions)</i>	2006	2007
<b>Net sales</b>	<b>12,068</b>	<b>12,776</b>
<b>Trading operating income</b>	<b>1,597</b>	<b>1,696</b>
Trading operating margin	13.24%	13.27%
Other operating (expense) income	(37)	(150)
<b>Operating income</b>	<b>1,560</b>	<b>1,546</b>
Cost of net debt	(1)	(175)
Other financial (expense) income	(29)	(2)
Income taxes	(287)	(410)
<b>Income from fully consolidated companies</b>	<b>1,243</b>	<b>959</b>
Income (loss) from companies accounted for under the equity method	(49)	87
Net income before income from activities discontinued operations	366	3,292
<b>Net income</b>	<b>1,560</b>	<b>4,338</b>
<b>Attributable to the Group</b>	<b>1,353</b>	<b>4,180</b>
<b>Attributable to minority interests</b>	<b>207</b>	<b>158</b>
Diluted net earnings per share attributable to the Group (in euros)	2.76	8.71
Diluted underlying earnings per share attributable to the Group (in euros)	2.44	2.47
Cash flow from operating activities, excluding changes in net working capital	1,647	1,430
Capital expenditure	(621)	(726)
Net debt	2,902	11,261
Shareholder equity (including minority interests)	6,069	9,100
Ratio of net indebtedness	47.8%	123.7%

### Consolidated net sales of the Group

<i>(in € millions)</i>	2006	2007	Increase <sup>(2)</sup>
<b>BY BUSINESS LINE</b>			
Fresh Dairy Products	7,933	8,791	+12.2%
Waters	3,942	3,535	+4.0%
Baby Food and Medical Nutrition	-	450	-
Other Items <sup>(1)</sup>	193	-	-
<b>Total</b>	<b>12,068</b>	<b>12,776</b>	<b>+9.7%</b>
<b>BY GEOGRAPHIC AREA</b>			
Europe	6,814	7,370	+7.4%
Asia	2,206	1,539	+4.8%
Rest of the World	3,048	3,417	+17.4%
Baby Food and Medical Nutrition	-	(450)	-
<b>Total</b>	<b>12,068</b>	<b>12,776</b>	<b>+9.7%</b>

(1) The information pertaining to companies in the Biscuit and Cereal Products business lines that were not sold is presented in Other Items.

(2) At constant exchange rates and scope of consolidation.

### Trading operating income of the Group

<i>(in € millions)</i>	2006	2007	2006 Trading Operating Margin	2007 Trading Operating Margin
<b>BY BUSINESS LINE</b>				
Fresh Dairy Products	1,089	1,229	13.7%	14.0%
Waters	494	480	12.5%	13.6%
Baby Food and Medical Nutrition	-	(15)	-	(3.3)%
Other Items <sup>(1)</sup>	14	2	7.3%	-
<b>Total</b>	<b>1,597</b>	<b>1,696</b>	<b>13.2%</b>	<b>13.3%</b>
<b>BY GEOGRAPHIC AREA</b>				
Europe	1,024	1,122	15.0%	15.2%
Asie	206	177	9.4%	11.5%
Rest of the World	367	412	12.0%	12.1%
Baby Food and Medical Nutrition	-	(15)	-	(3.3)%
<b>Total</b>	<b>1,597</b>	<b>1,696</b>	<b>13.2%</b>	<b>13.3%</b>

(1) The information pertaining to companies in the Biscuit and Cereal Products business lines that were not sold is presented in Other Items.

The net income of Groupe Danone, the parent company of the Group, as set by the Board of Directors on February 13, 2008, amounted to €4,046 million for the 2007 fiscal year.

The Board of Directors has decided to propose a dividend payment of €1.1 per share at the Shareholders' Meeting of April 29, 2008, an increase of 10% compared with the amount

distributed for the 2006 fiscal year (adjusted to take into account the two-for-one stock split effective June 1, 2007).

The dividend coupon for the 2007 fiscal year will be detached from the share on May 9, 2008 and payable in cash as from May 14, 2008 to the shareholders recorded as such at the end of the trading day on May 13, 2008.



# FINANCIAL STATEMENTS OF THE PARENT COMPANY RELATING TO THE LAST FIVE YEARS

	2003	2004	2005	2006	2007
<b>CAPITAL AT BALANCE SHEET DATE</b>					
Share capital (in euros)	134 975 493	134 047 760	132 117 595	130 432 373	128 212 865
Number of shares issued	134 975 493	268 095 520 <sup>(1)</sup>	264 235 190	260 864 746	512 851 460 <sup>(2)</sup>

<i>(in €)</i>	2003	2004	2005	2006	2007
<b>EARNINGS PER SHARE</b>					
Profit after taxes, but before depreciation and provisions	1,82	2,01	4,09	2,38	7,94
Profit after taxes, depreciation and provisions	1,42	1,58	3,07	3,35	7,89
Dividend paid to each share	2,45	1,35	1,7	2,0	1,1
<b>PERSONNEL</b>					
Average number of employees for the year	720	711	713	673	692
Personnel expenses <i>(in € millions)</i>	96	100	98	99	131
Benefits paid (social security, social benefit schemes, etc.) <i>(in € millions)</i>	36	44	46	50	55

(1) The shares underwent a two-for-one split in June 2004.

(2) The shares underwent a two-for-one split in June 2007.





# REQUEST FOR IDENTIFIER

*(Voting by internet for shareholders holding bearer shares)*

Groupe Danone

A société anonyme with a share capital of 128 212 865 euros

Registered office: 17, boulevard Haussmann - 75009 PARIS

Trade and Companies Register number 552 032 534



**DANONE**

## Voting by internet before the Ordinary General Meeting to be held on April 29, 2008

**TO BE RETURNED**  
to your bank  
before April 24, 2008

### Request for identifier and password for shareholders holding bearer shares

I, the undersigned,  Mr.  Mrs  Me  Corporate name

Last name: .....

First name: .....

Full address: N° ..... Street.....

Postal code..... City .....

Owner of: ..... bearer shares entered in an account at <sup>(1)</sup>

E-mail address: ..... @.....

Request you to ask Groupe Danone to send me an identifier number to the e-mail address above for Internet voting before the Ordinary General Meeting called for Tuesday, April 29, 2008.

Signed in ....., on ..... 2008

(Signature)

NB: it is essential for bearer shareholders to send their request for an identifier, not to the Company, but rather to the establishment responsible for managing the said securities. The reason is that the request for the said identifier must be accompanied by a certificate from the said establishment attesting to share ownership.

(1) Bearer shareholders will kindly indicate the name and address of the establishment responsible for managing their securities.





# REQUEST FOR ADDITIONAL INFORMATION



**DANONE**

Groupe Danone  
17, boulevard Haussmann  
75009 PARIS  
[www.danone.com](http://www.danone.com)  
[www.danone.fr](http://www.danone.fr)

**REQUEST TO BE SENT TO:**

Groupe Danone  
Direction Droit des Sociétés  
75009 PARIS  
15, rue du Helder  
75439 Paris cedex 09

## Ordinary General Meeting of April 29, 2008

Mr.     Mrs     Me

(Write in block capitals)

Last name: .....

First name: .....

Full address: N° ..... Street.....

Postal code..... City .....

Holder of: ..... registered securities

..... bearer securities entered in an account at a financial intermediary

Request that the documents or information mentioned in articles R.225-81 and R.225-83 of the French Commercial Code, concerning commercial companies be sent to the above address.

Signed in ....., on .....2008

(Signature)

Pursuant to article R. 225-88 of the French Commercial Code, any shareholder, beginning from the time of issuance of the notice for the meeting and until the fifth day before the meeting, may request the Company to send the documents provided for in articles R.225-81 and R.225-83 of the French Commercial Code.

If you would like to receive the said documents, kindly return the form below to us. We will send you the said items, with the exception of those that were attached to the proxy form.

We also inform you that shareholders holding registered shares may, by a single request, obtain the above-mentioned documents, which will be established on the occasion of each subsequent shareholders' meeting.

Any information concerning this meeting may be requested from Groupe Danone Direction Droit des Sociétés - 15 rue du Helder - 75439 PARIS Cedex 09 - Telephone: 01 44 35 21 16. Fax: 01 44 35 26 86 Shareholder's «Green Number»: 0300 320 323 (Free call).





**DANONE**

**Groupe DANONE - 15, rue du Helder - 75439 Paris Cedex 09 - FRANCE**

Reception: 17, boulevard Haussmann - 75009 Paris - Phone: +33 (0)1 44 35 20 20

Investor Relations and Shareholders Relations - Phone: +33 (0)1 44 35 20 76

Freephone: 0800 320 323 (*free call from metropolitan France using a fixed phone*)

Financial information: [www.finance.danone.com](http://www.finance.danone.com) - [www.danone.com](http://www.danone.com)

