

A young child with two buns is sitting on the floor, playing with colorful alphabet blocks. The child is holding a red block with the letter 'A'. In front of the child, there is a stack of blocks with letters B, C, D, E, and F. The background is a light blue gradient with white wavy lines.

Baby Nutrition Division: Our Growth Building Blocks

Christian NEU



Danone Baby Nutrition overview

Key financials

Sales
2009E

€3 bn

Growth
2009E

+8%

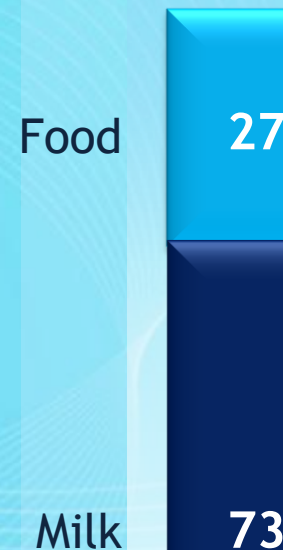
Margin
H1 09

19%

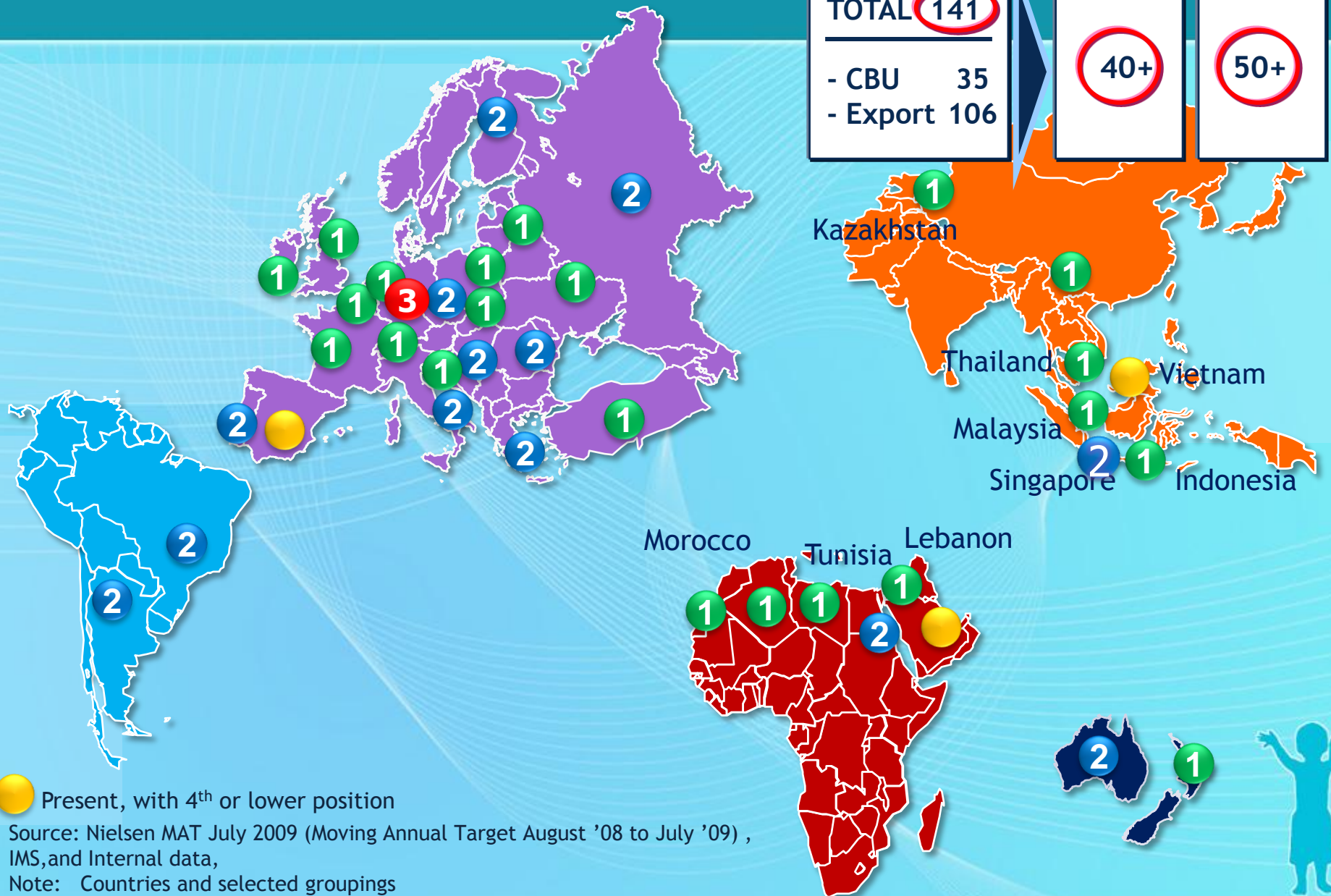
Geographical footprint (%) (YTD)



Product mix (%) (YTD)



Strong leadership positions

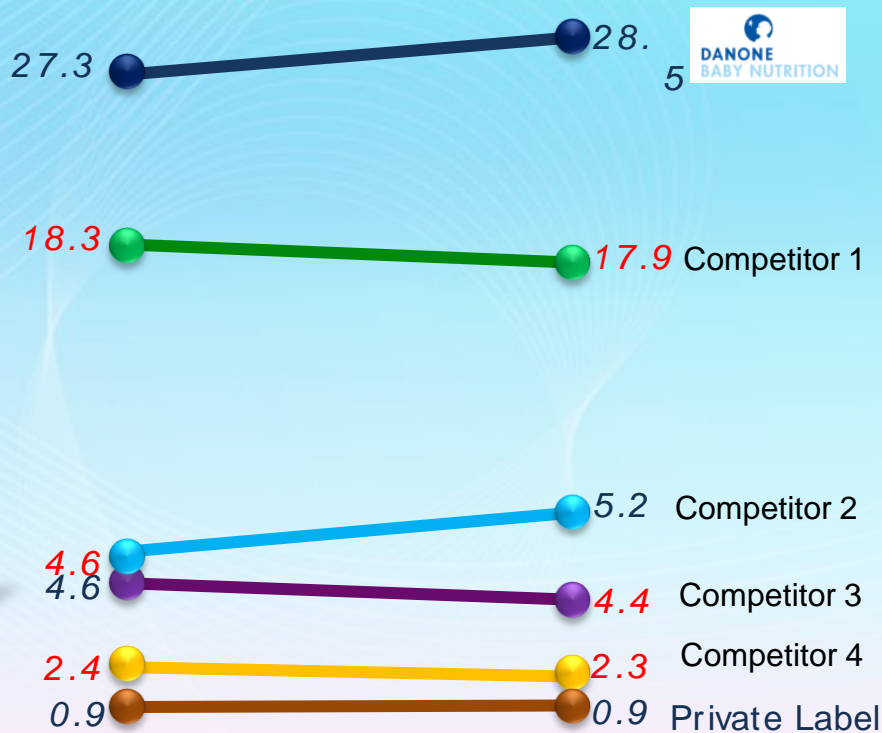


Continuing to gain share in an attractive market

Global baby food market



Market share performance (Danone universe, 12.4B€, MAT Sept '09)



Our growth building blocks



Our growth building blocks



2 Blockbuster models

Immunity



€ 1.2 bn sales (2009E)
+ 14%

Superior Nutrition



€ 1.1 bn sales (2009E)
+ 8%



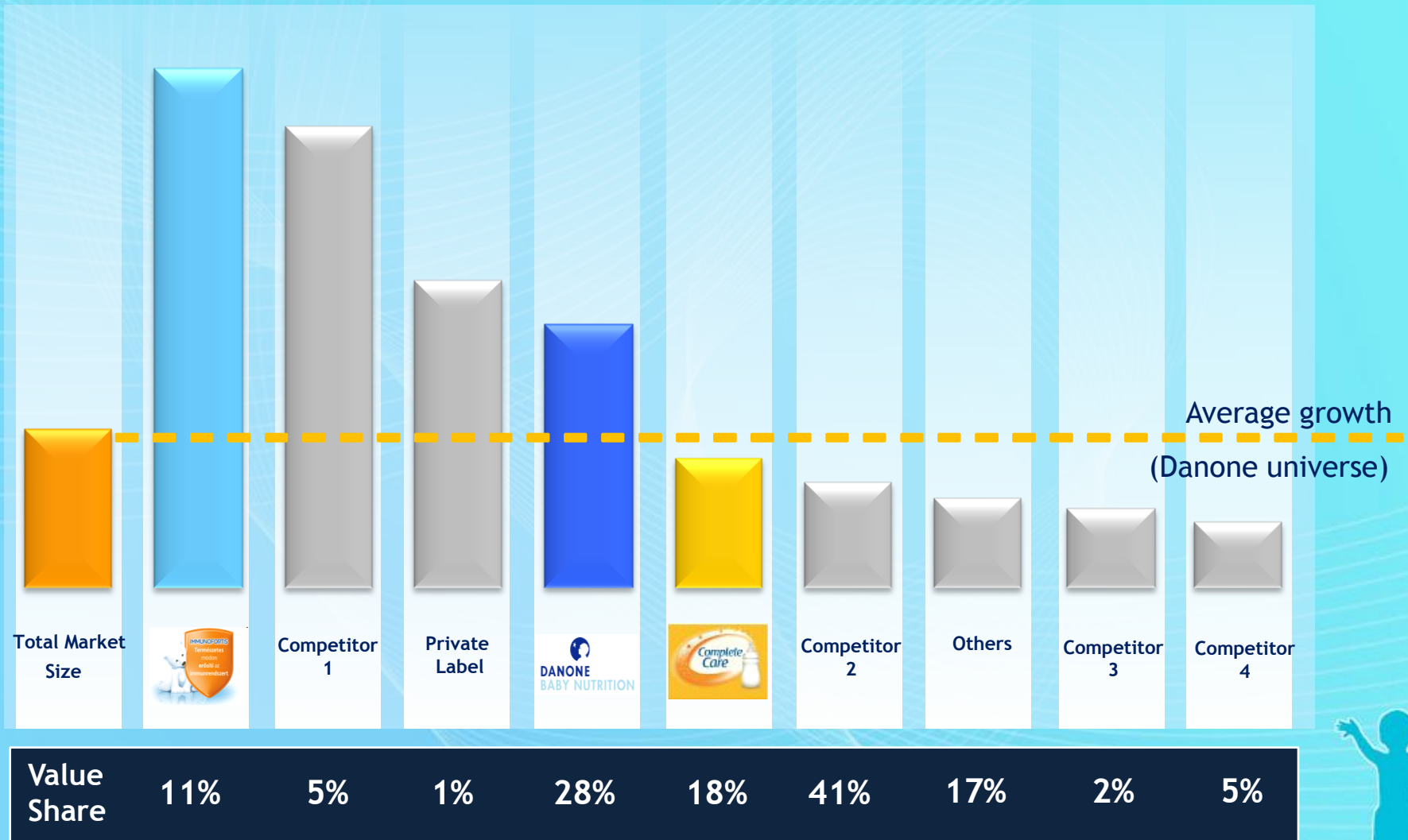
Immunity



€ 1.2 bn sales (2009E)
+ 14%



Immunity: growing 3X as fast as the global market



Strong, effective copies rolled-out worldwide

Asia

**GUM Party
(China)**



**GUM Party
(Indonesia)**



Rest of the World

**IFFO
Scientist**



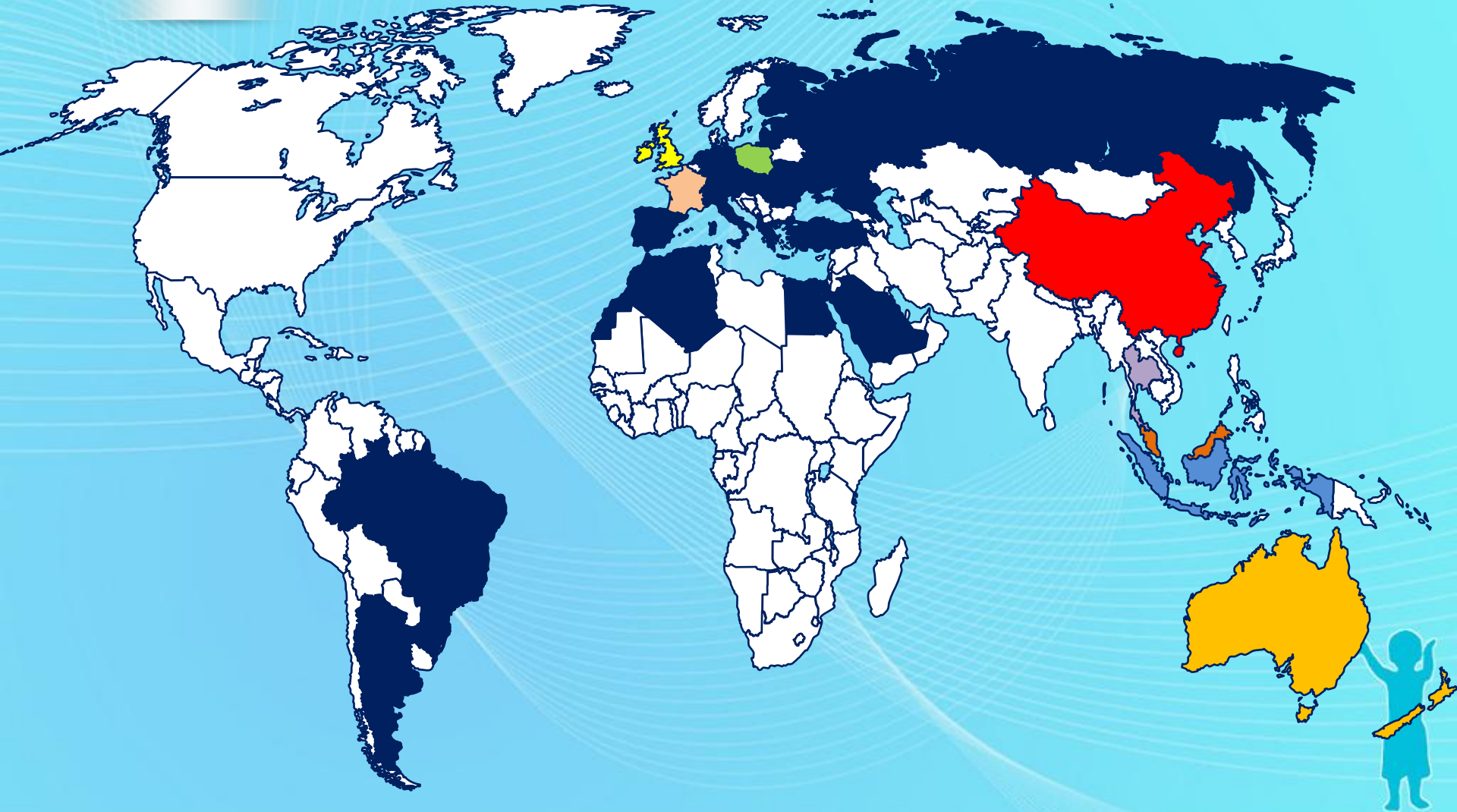
**GUM
Birthday**



Video GUM party in Asia

Our vision: From a “Tutti Frutti” planet. . .

2008



. . .to a Blue One!

2011



Superior Nutrition



€ 1.1 bn sales (2009E)
+ 8%



Mix harmonization is in progress



2005 - 2008

2009+



Successful copies are rolled out globally

IFFO



IFFO
China



GUM



Did you know that to cover
my daily iron needs I would need to drink
20L of cow's milk per day?



**Cow
& Gate**
complete
care

Just 2 cups of
Growing Up Milk
to help support

- ✓ healthy growth
- ✓ brain development
- ✓ learning skills

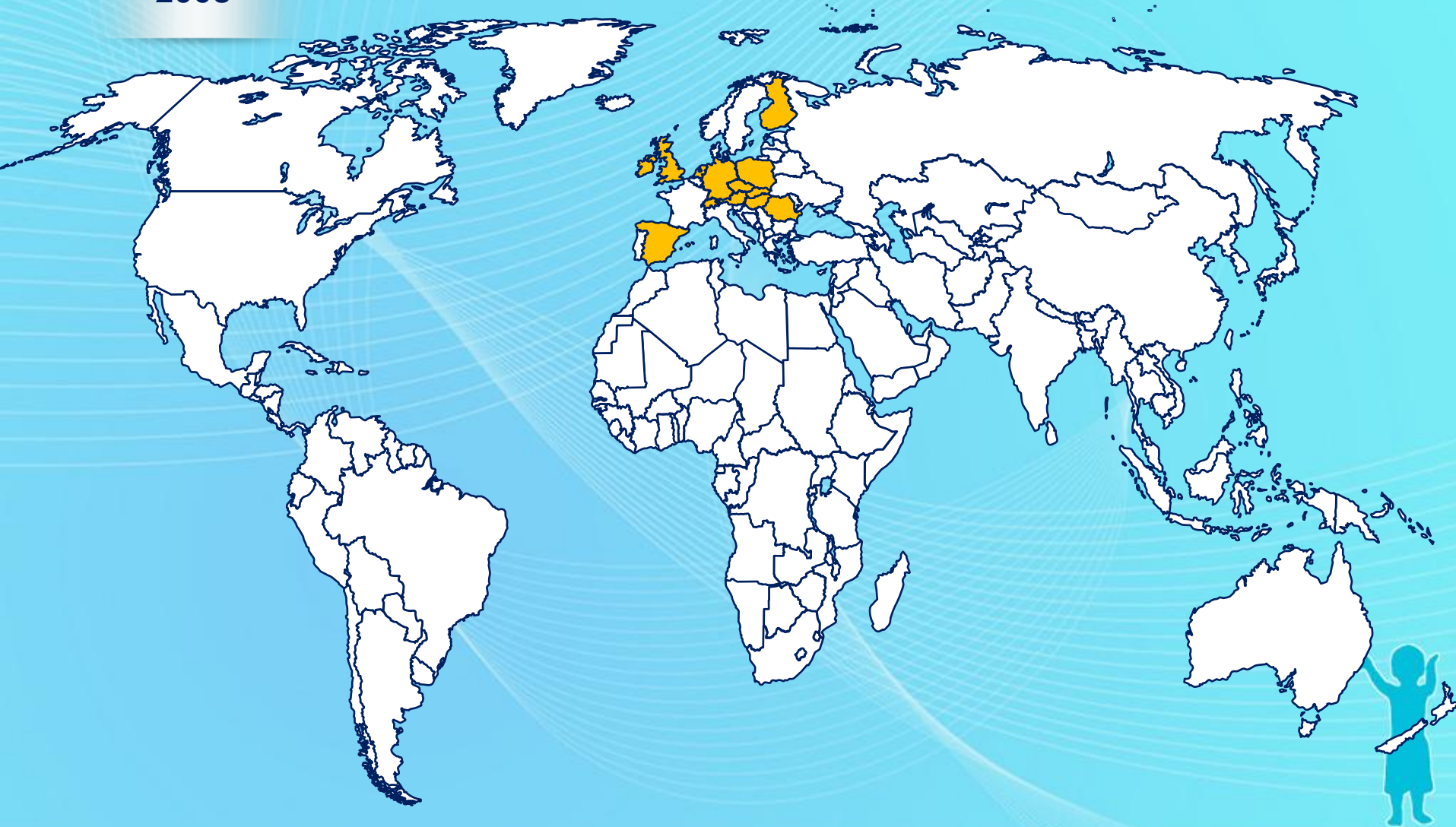
...because healthy toddlers are happy toddlers



Video GUM Iron UK

We are rolling-out the Bebelac model

2008

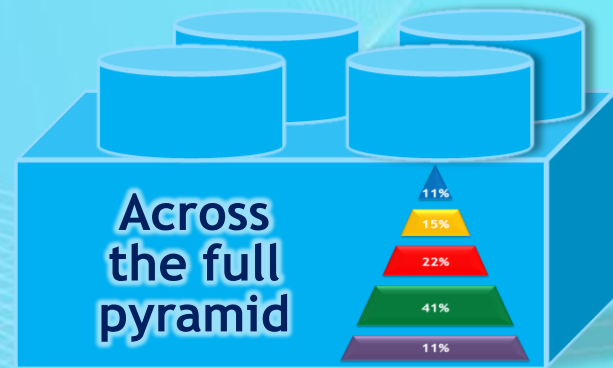


Superior Nutrition in 2010

2010



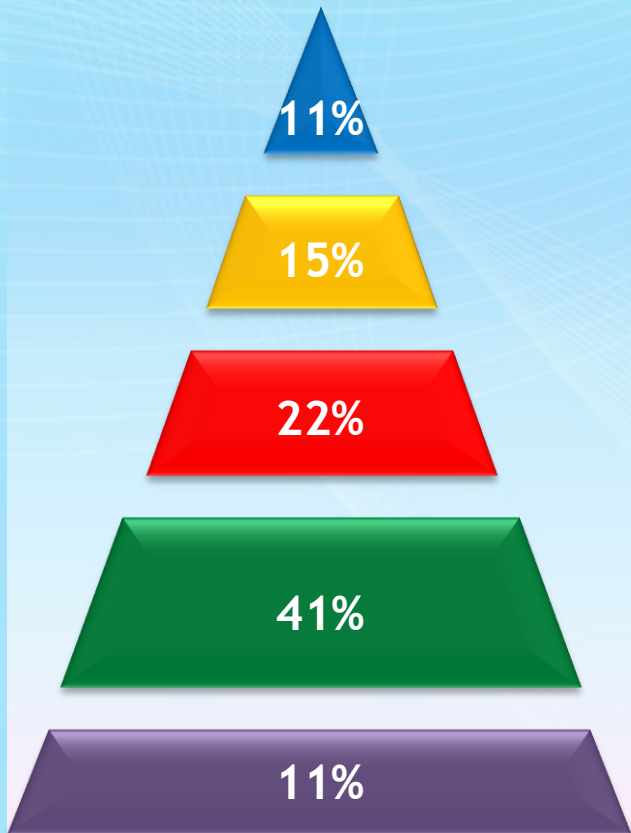
Our growth building blocks



Indonesia: Strong offering across the pyramid

Indonesian market profile

Socio Economic Pyramid



PCC (kg)

7.1

5.6

0.8

Danone

Brands



Price points

280

180

100

70



€ 305 mln Indonesian portfolio, 15% growth vs ly: 3 successful differentiated brands

SGM



Relaunch

Royal Nutrilon



Bebelac



Indonesia: Testing affordable Gizikita



Powder milk 30g
€ 0.14



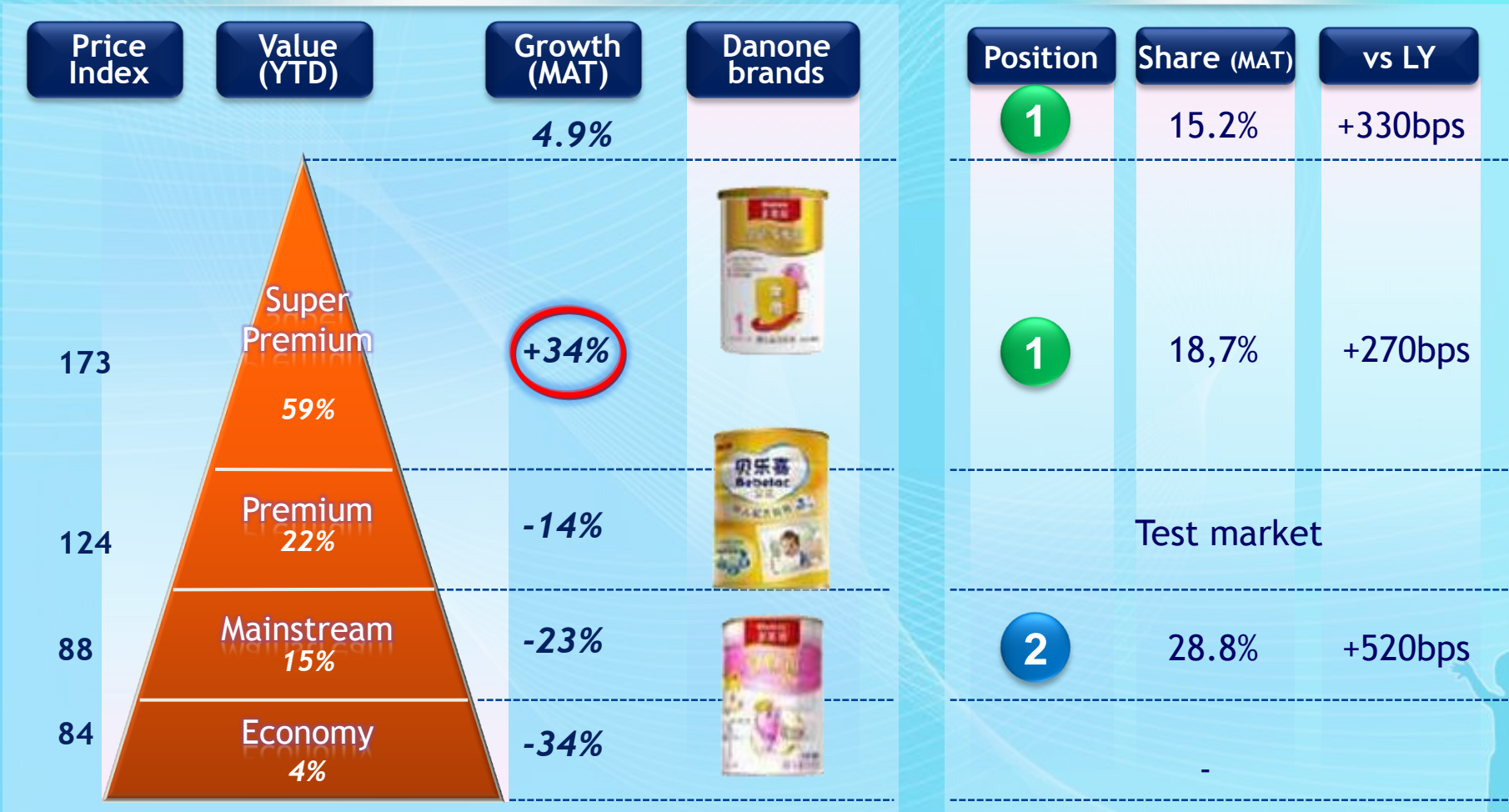
Porridge in powder 35g
€ 0.10



China: Danone strengthened leadership position, well-placed with brands across the key segments

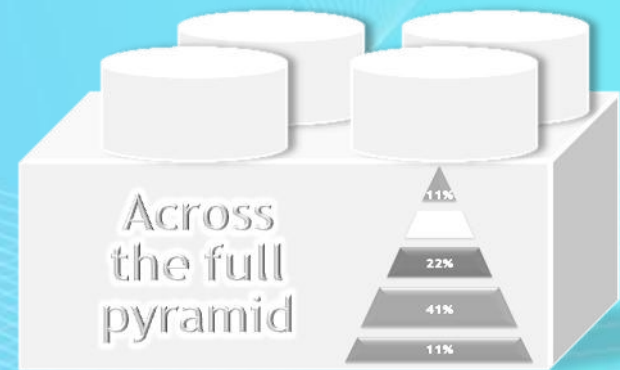
Chinese market profile Value and growth

Danone

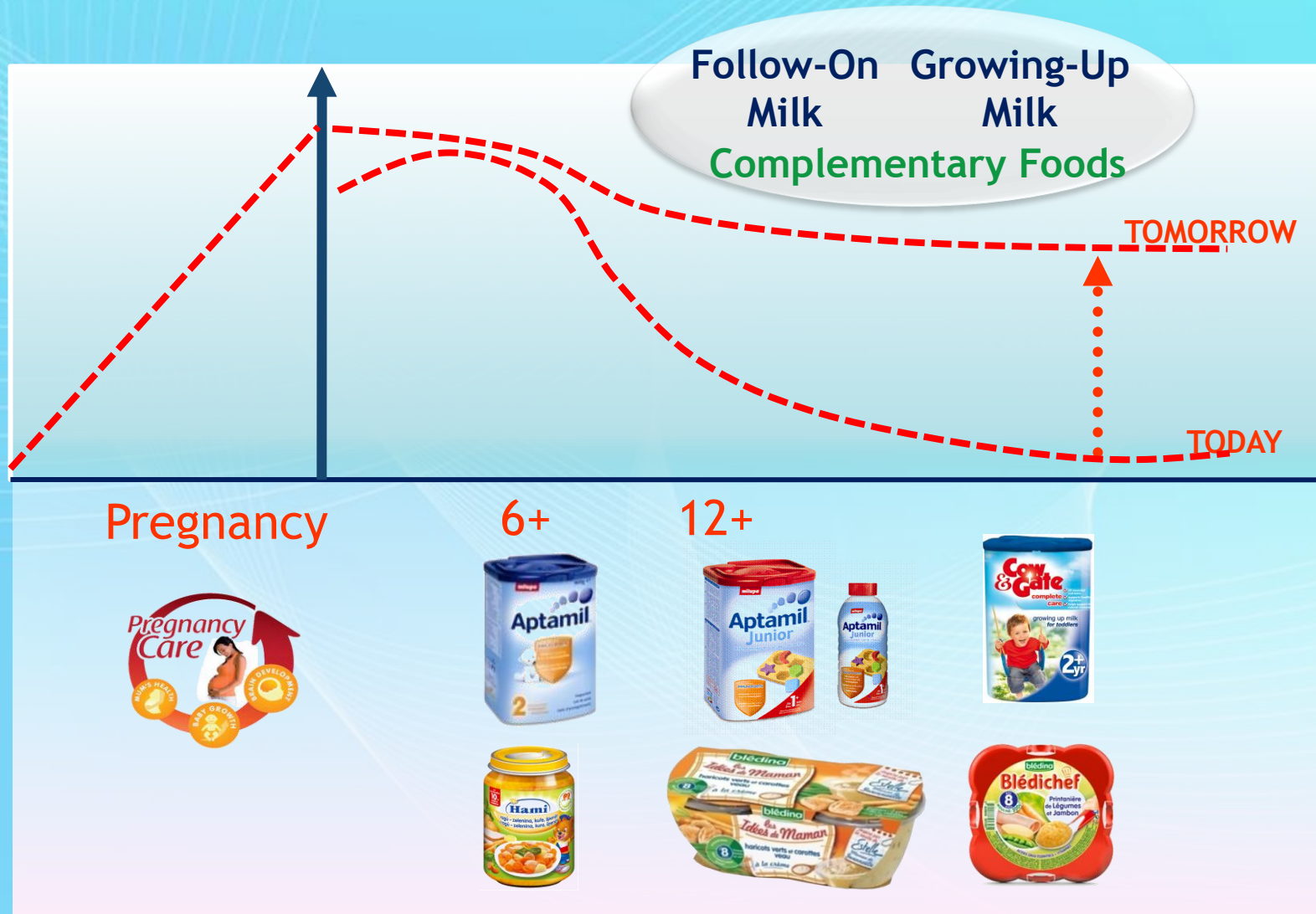


Source: Nielsen MAT September'09 (Moving Annual target October 08 to Sept 09) and Internal data, YTD September 2009

Our growth building blocks



Key growth opportunity is to GET and to KEEP consumers longer



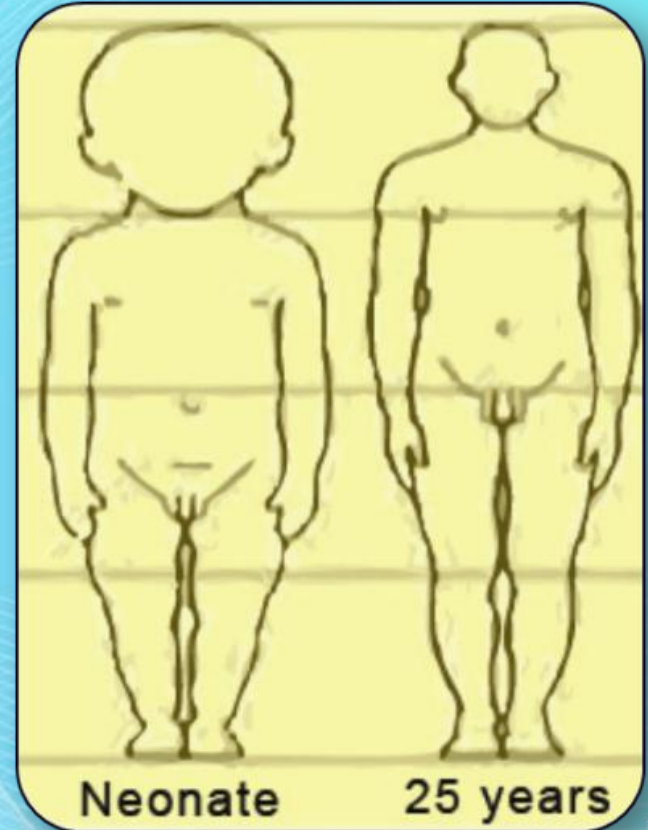
Babies have differentiated nutritional needs

Babies are not just small adults



Nutrition for babies must be different (Vs adults)

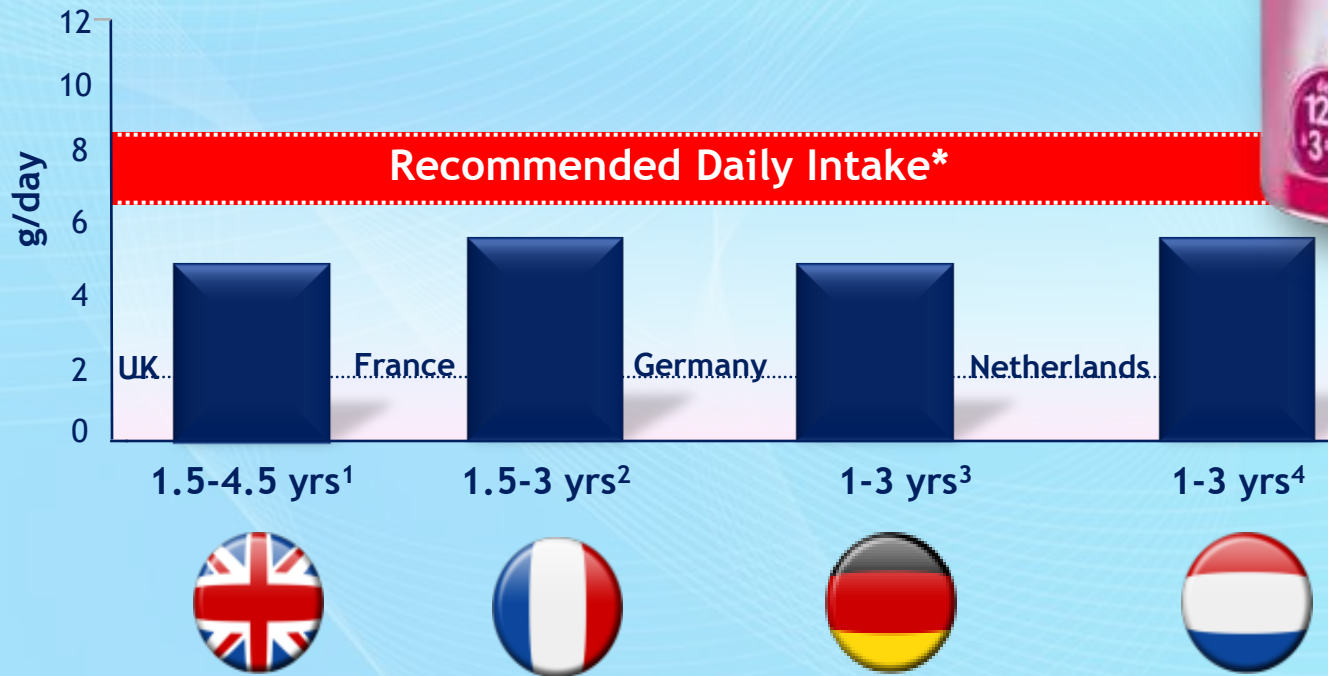
- 7 X **more** iron
- 4 X **more** calcium
- 3 X **more** Essential Fatty Acids
- 10 X **less** proteins
- 3 X **less** sugar and salt



Video Nutrima Indonesia

Growing Up Milk (GUM): addressing iron-intake deficiency

Toddler's iron intake across many European countries is insufficient



* EU Scientific Committee for Food. 1993

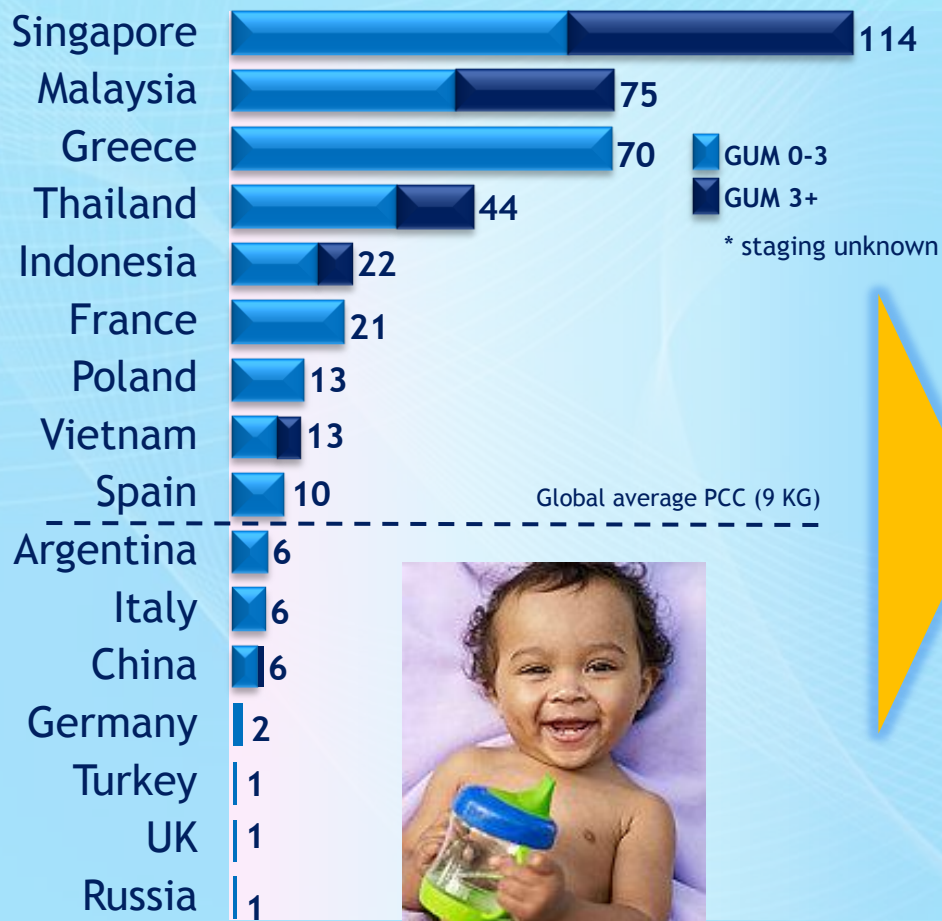
1. Gregory et al., 1995
2. Fantino & Gourmet., 2008,
3. ALexy & Kersting. 1999
4. Hulshof et al., 1998



GUM: a major opportunity, specially in Europe

€3 bn

market today: 77% in Asia



€ 1.25 bn
opportunity
for DBN in Europe
(fair share)



Food: a sizeable opportunity, specially in Europe

€3.6 bn

market today: only **14%** share of stomach



A wealth of choice within the portfolio

Breath and depth in the portfolio

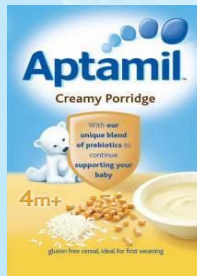
Savoury



Fruits, Dairy & Dessert



Cereals



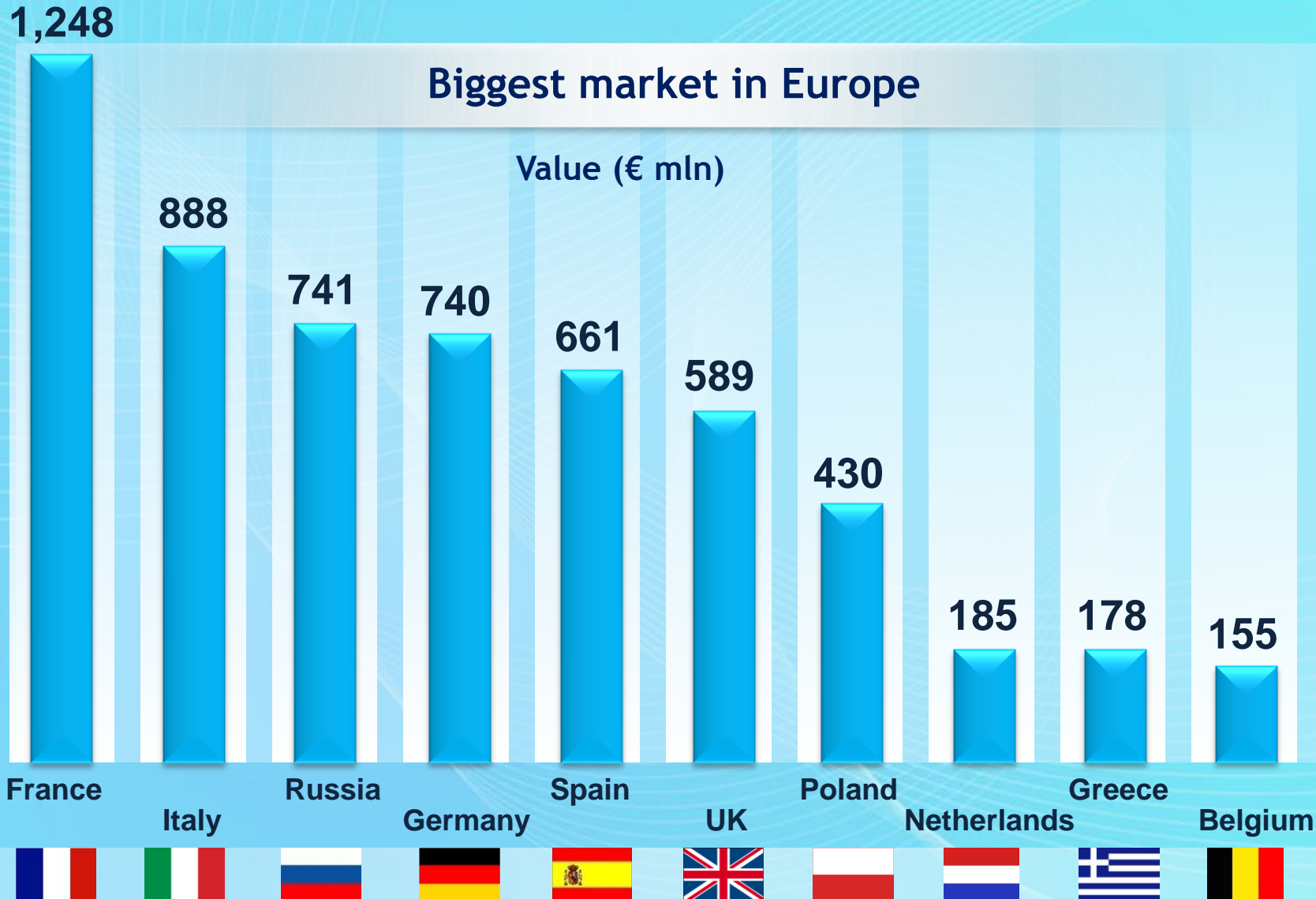
Blédina case:
How to keep growing in an ever
challenging market?

blédina
DU CÔTÉ DES MAMANS

LABORATOIRE
Gallia



France: The most developed European Baby Food market

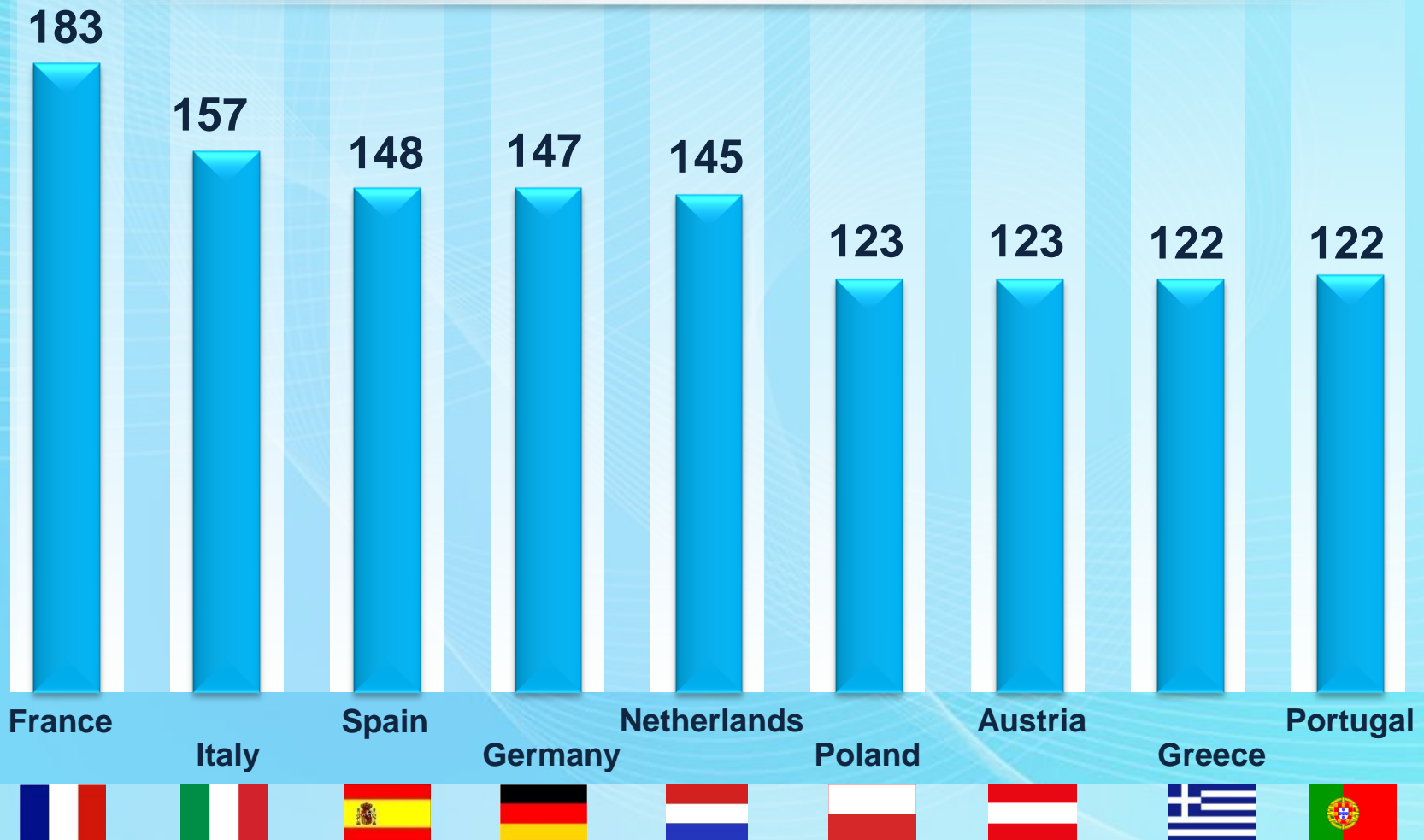


Source: Nielsen July update



France: The most developed European Baby Food market

The highest PCC (kg)



Source: Nielsen july update

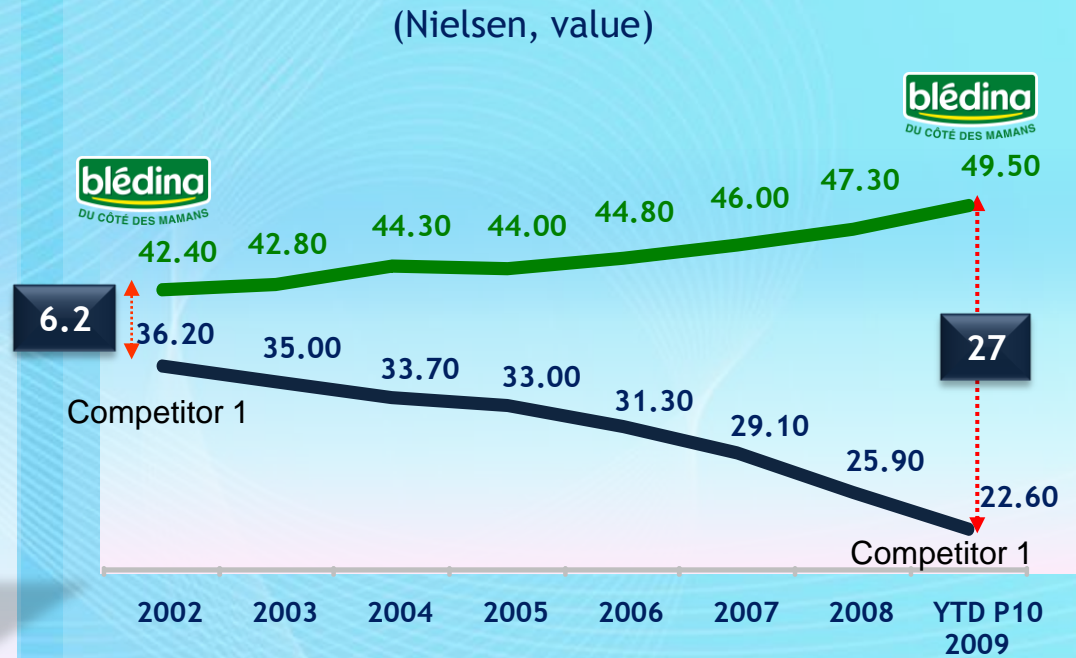


Blédina continues its outstanding performance

Blédina Sales increase



Market share performance



The formula: Growing the category with our two jewels

blédina
DU CÔTÉ DES MAMANS



A wide range of foods and milks (all meals and life stages) up to 3 years old



LABORATOIRE
Gallia



High-level science milks covering all babies' key functional benefits



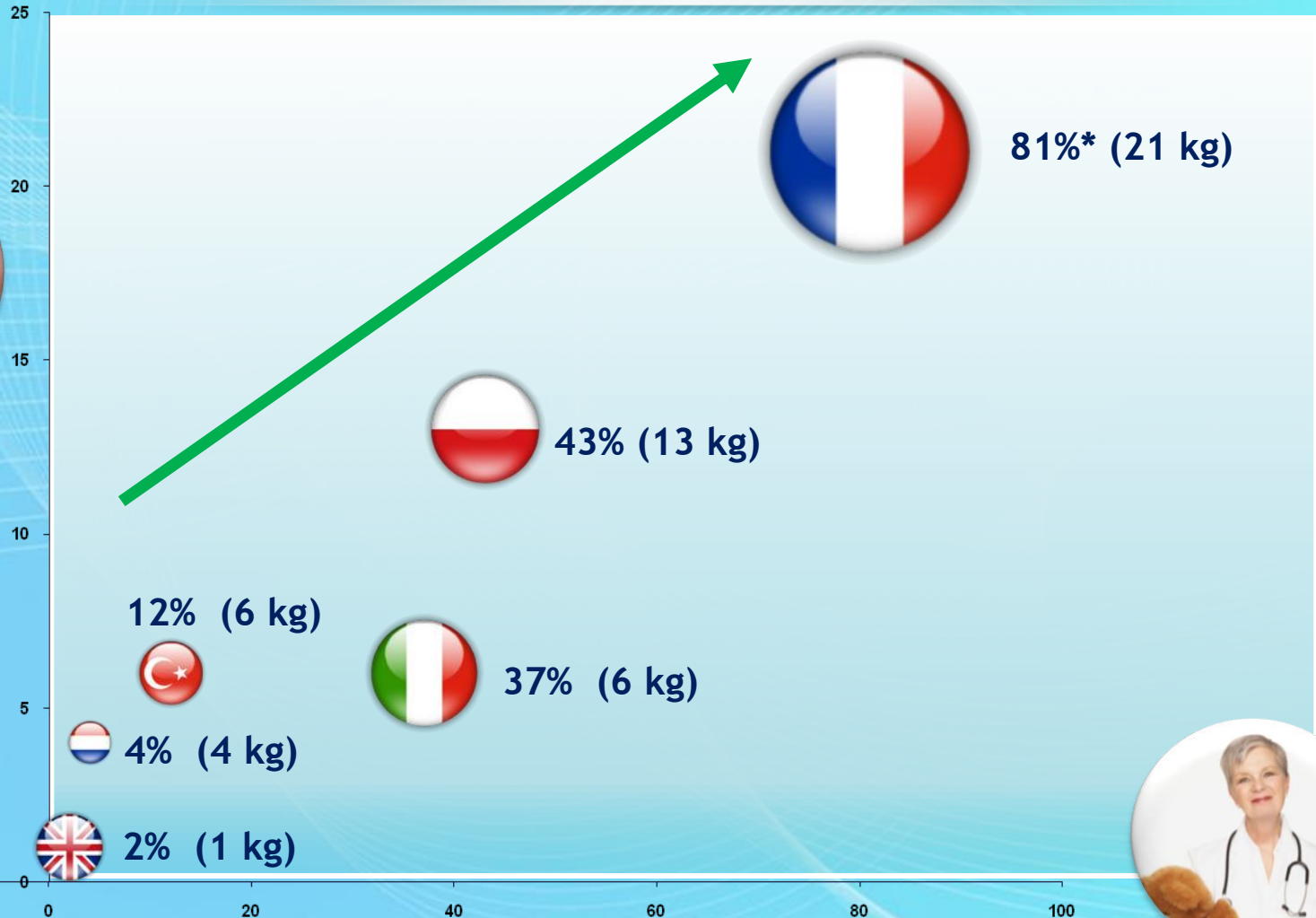
Our growth building blocks



To grow our categories, we need to educate!

Education is a direct driver of GUM consumption

GUM pcc
(kg)



= MAT GUM
Value sales



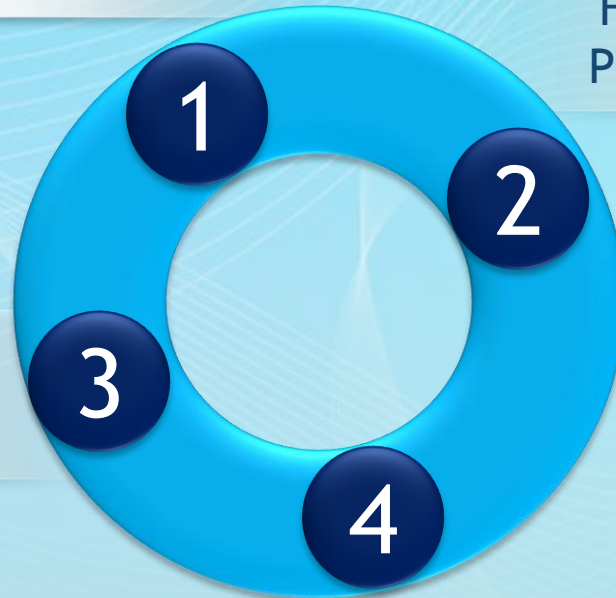
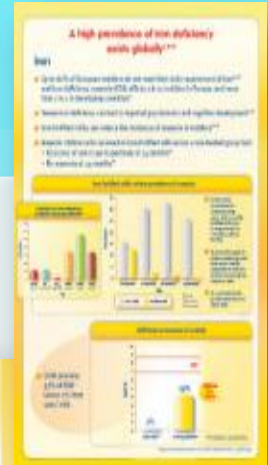
GUM Toolkit

BABY PEDIA



Educate internally

Educate Health Care Professionals



Educate mums

Did you know that your toddler needs at least **6mg of iron** per day?



Just 2 beakers* of **Cow & Gate Growing Up Milk** provide the iron your toddler needs

* Cow & Gate Growing Up Milk should be used as part of a mixed diet. 2 beakers = 500ml.



DANONE BABY NUTRITION

Medical GUM Toolkit

HCP communication to create relevance for GUM

Educate authorities (Regulatory & KOL's)



Our growth building blocks



Synergies within Danone - a few examples



Rolling out successes

- GUM powder and liquid
- Plates - across Europe
- Immunity cereals

Media buying

- More GRPs and more effective advertising
 - Russia, Germany, Argentina, Turkey, Poland, Austria



Salesforce/ Merchandising

- Brazil, Argentina, Turkey



Danone brand

- Aptamil in Brazil

Joint offices

- Indonesia, Portugal



Our growth building blocks

