



Results Q1 2011

April 14th, 2011



Disclaimer

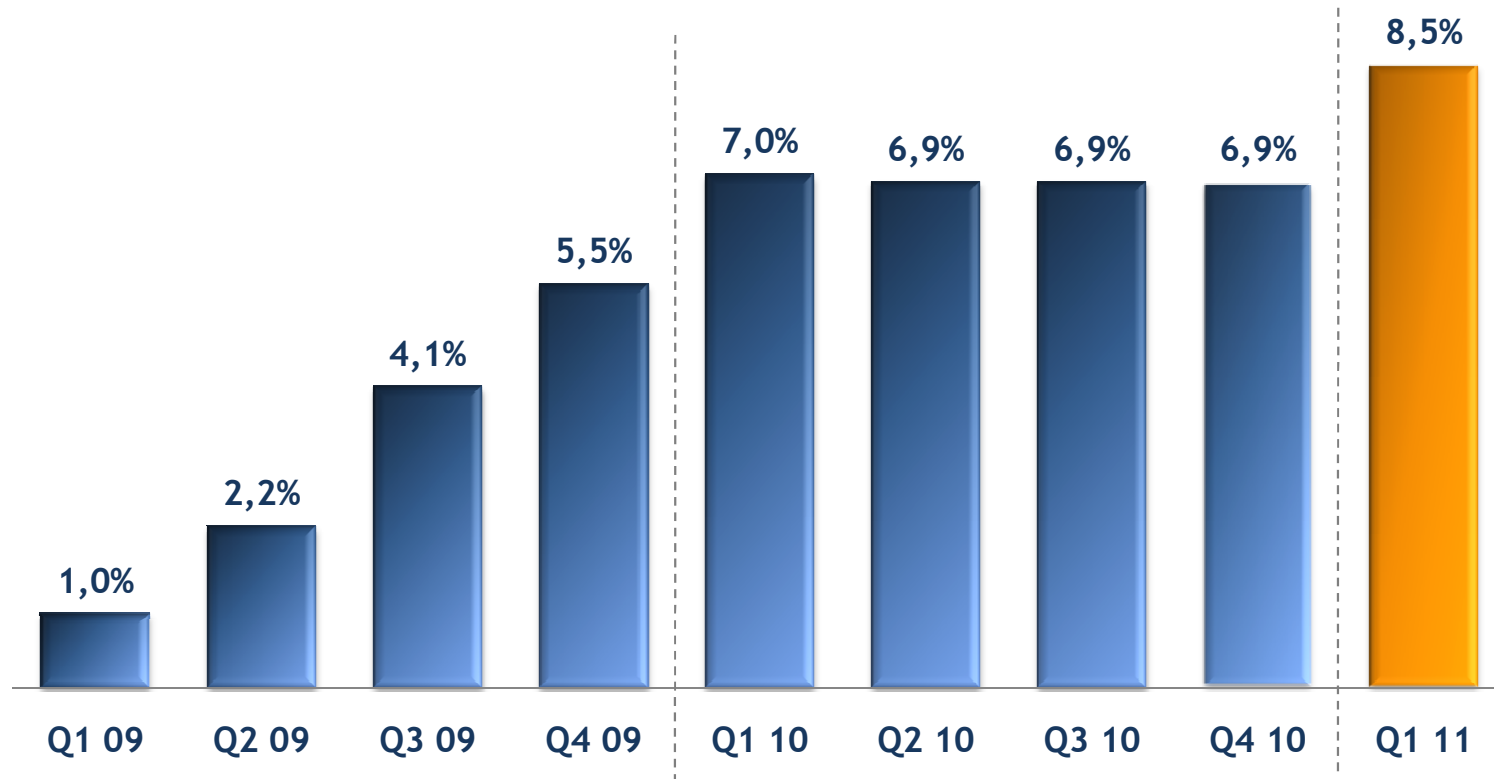
This document contains certain forward-looking statements concerning DANONE. Although DANONE believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the section “Risk Factors” in DANONE’s Annual Report (which is available on www.danone.com). DANONE undertakes no obligation to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy, Danone shares.



DANONE

Q1 2011 Sales: Very strong start to the year

Like-for-like sales growth - Total Group including Unimilk

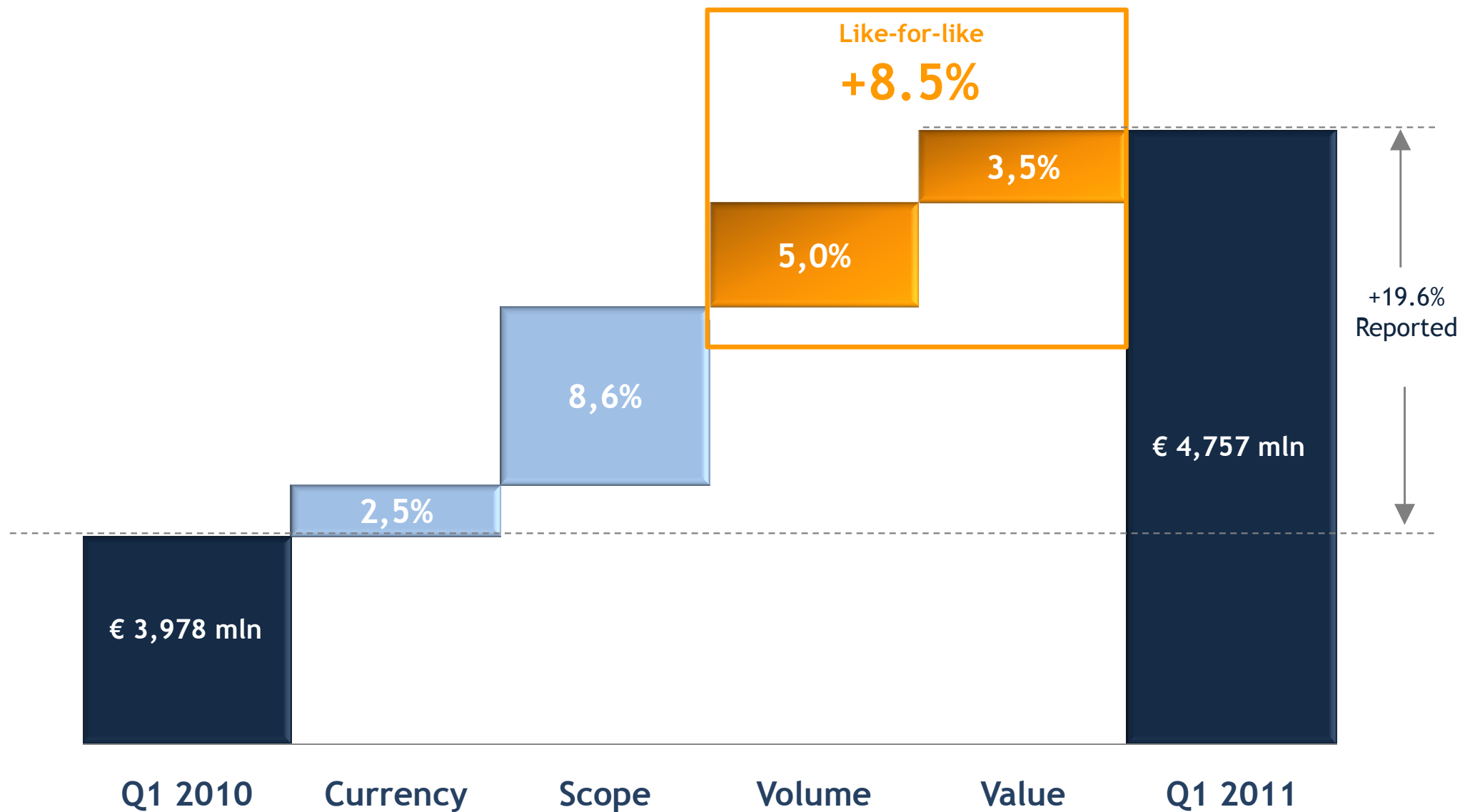


- Best performance since Q1 2008
- Accelerating sales dynamics vs. 2010 in all regions & all categories



DANONE

Q1 2011 Sales: Very strong start to the year

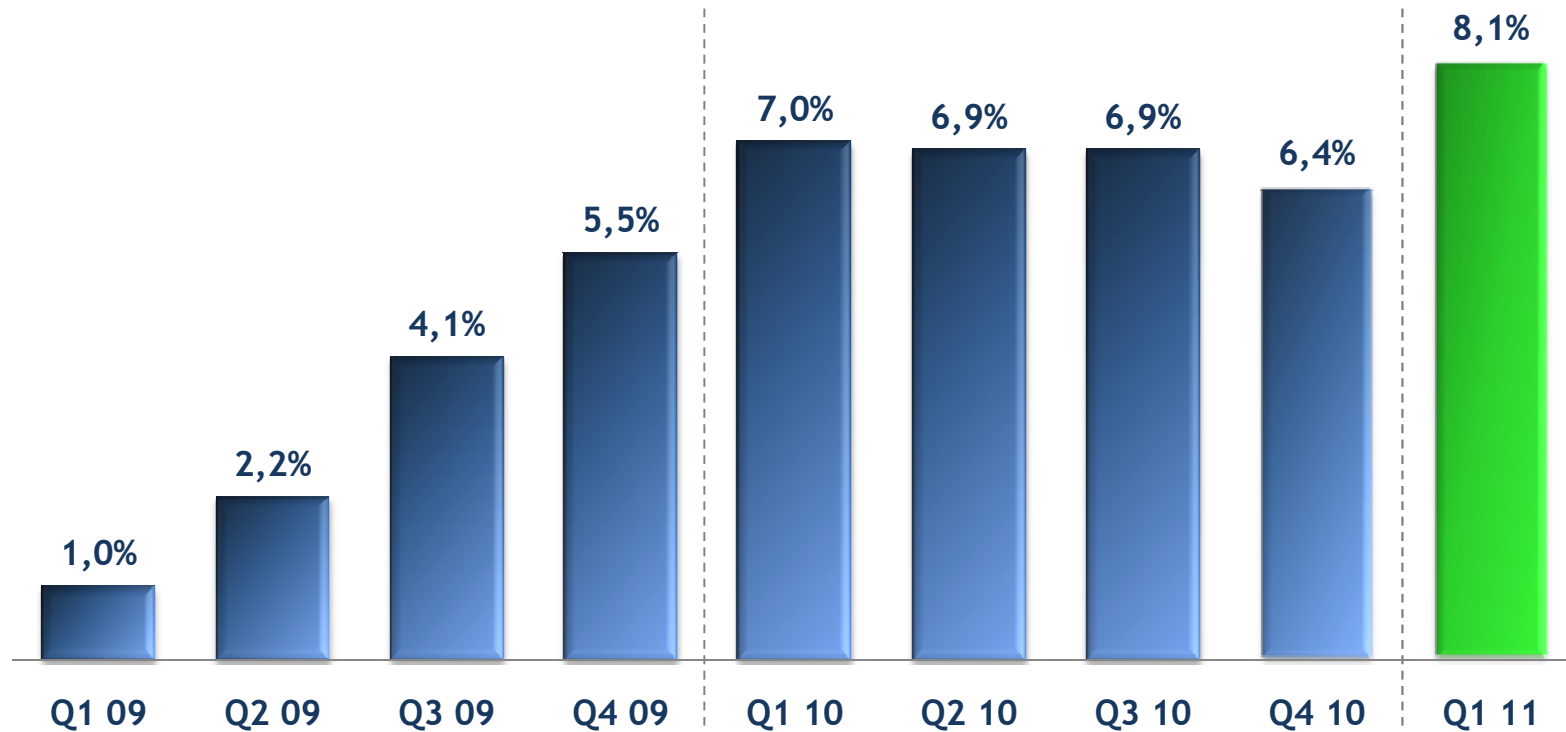




Solid performance of stand-alone business excluding Unimilk

Danone stand-alone without Unimilk

Like-for-like sales growth - Group without Unimilk



- Strong performance across the business
- Double-digit growth in all of the “ MICRUB’s ” ⁽¹⁾
- Particularly strong performance of Waters

(1) Mexico, Indonesia, China, Russia, USA, Brazil



DANONE

Improvement in volume and price/mix vs. Q4 10

Danone stand-alone without Unimilk

Like-for-like sales growth analysis by quarter





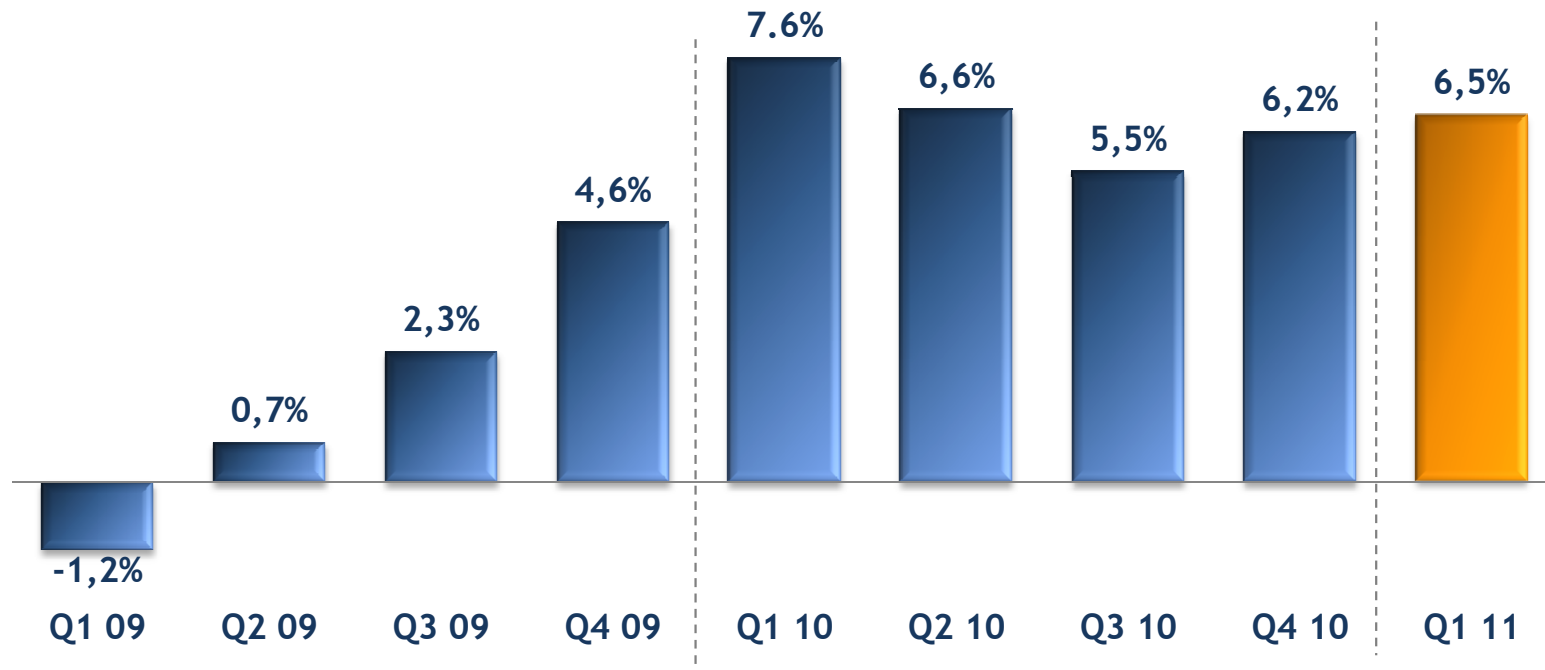
DANONE

Sales performance by division



FRESH DAIRY - Accelerated growth in Q1, with Unimilk contributing positively as expected

Like-for-like growth - Fresh Dairy



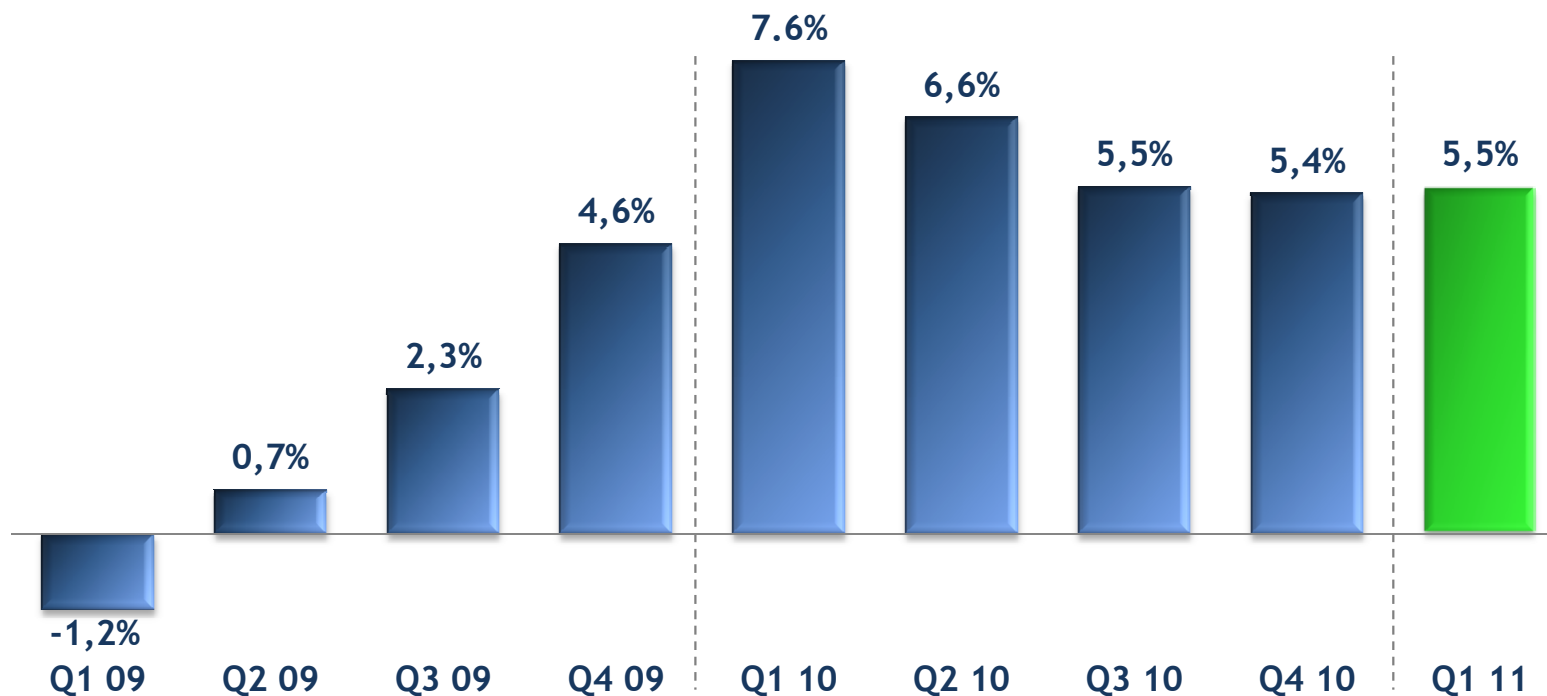
- Stand-alone +5.5%, maintained momentum against tougher H1 comps
- Unimilk +15.3%, as expected



FRESH DAIRY stand-alone excluding Unimilk: Solid momentum despite tougher H1 comps

Danone stand-alone before Unimilk

Like-for-like growth - Fresh Dairy without Unimilk



- Double digit growth in key emerging markets & USA
→ In particular, outstanding performance of Latin America
- Western Europe stabilizing, improving vs. H2 10
- Restart of activities in Japan beginning of April

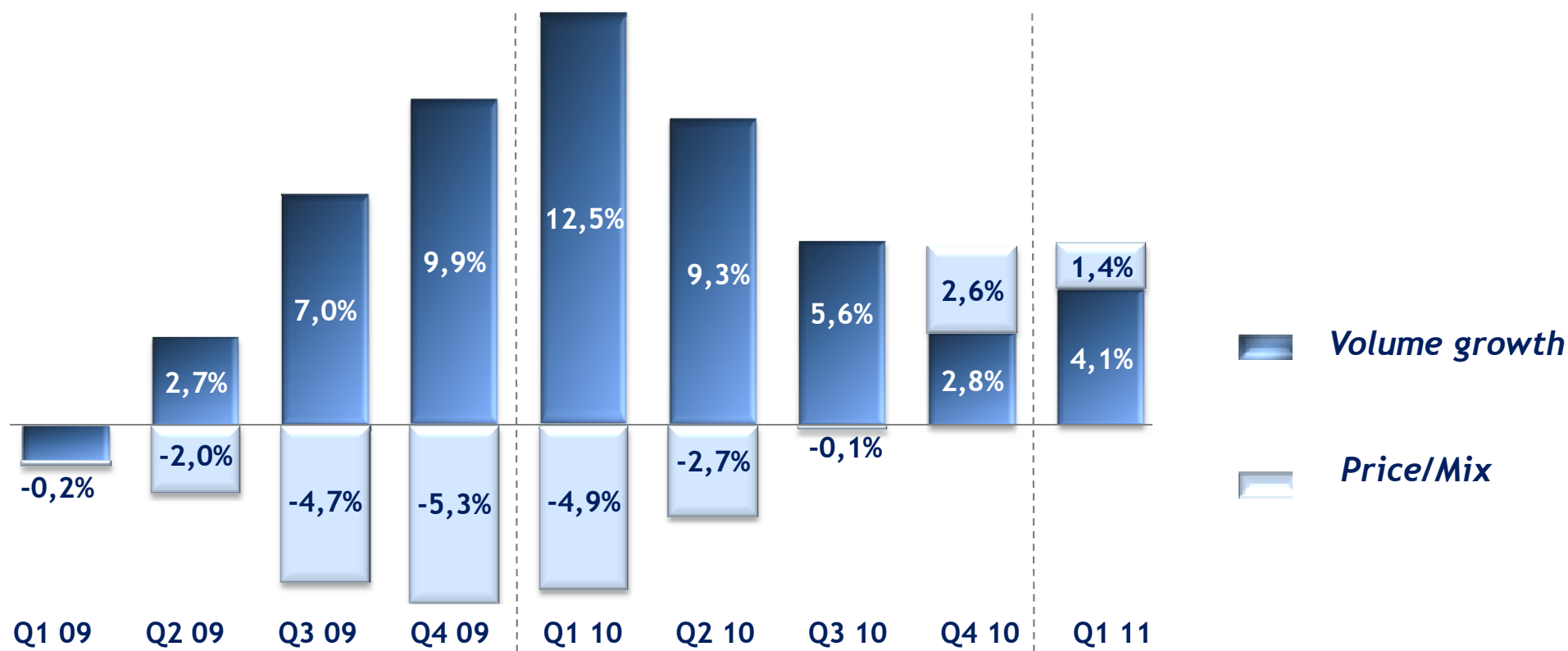


FRESH DAIRY stand-alone

Solid volume growth, positive price/mix

Danone stand-alone before Unimilk

Volume and Price/Mix growth by quarter - Fresh Dairy without Unimilk



- Healthy growth equation, based on solid volume growth despite tough comps
- Competitive price increases in progress, accompanied with in-store promotions
- Price increases to be continued in Q2

FRESH DAIRY- Developing the Category

Key innovations

Activia Evening Snack
(Romania)



Danonino cereal drink
(Russia)



Densia
(Brazil)



Dan'up cappucino
(Mexico)



Actimel vegetal bottle
(France)



-70% d'empreinte
carbone
de l'emballage



95% minimum
de polyéthylène vert
issu de la canne à sucre

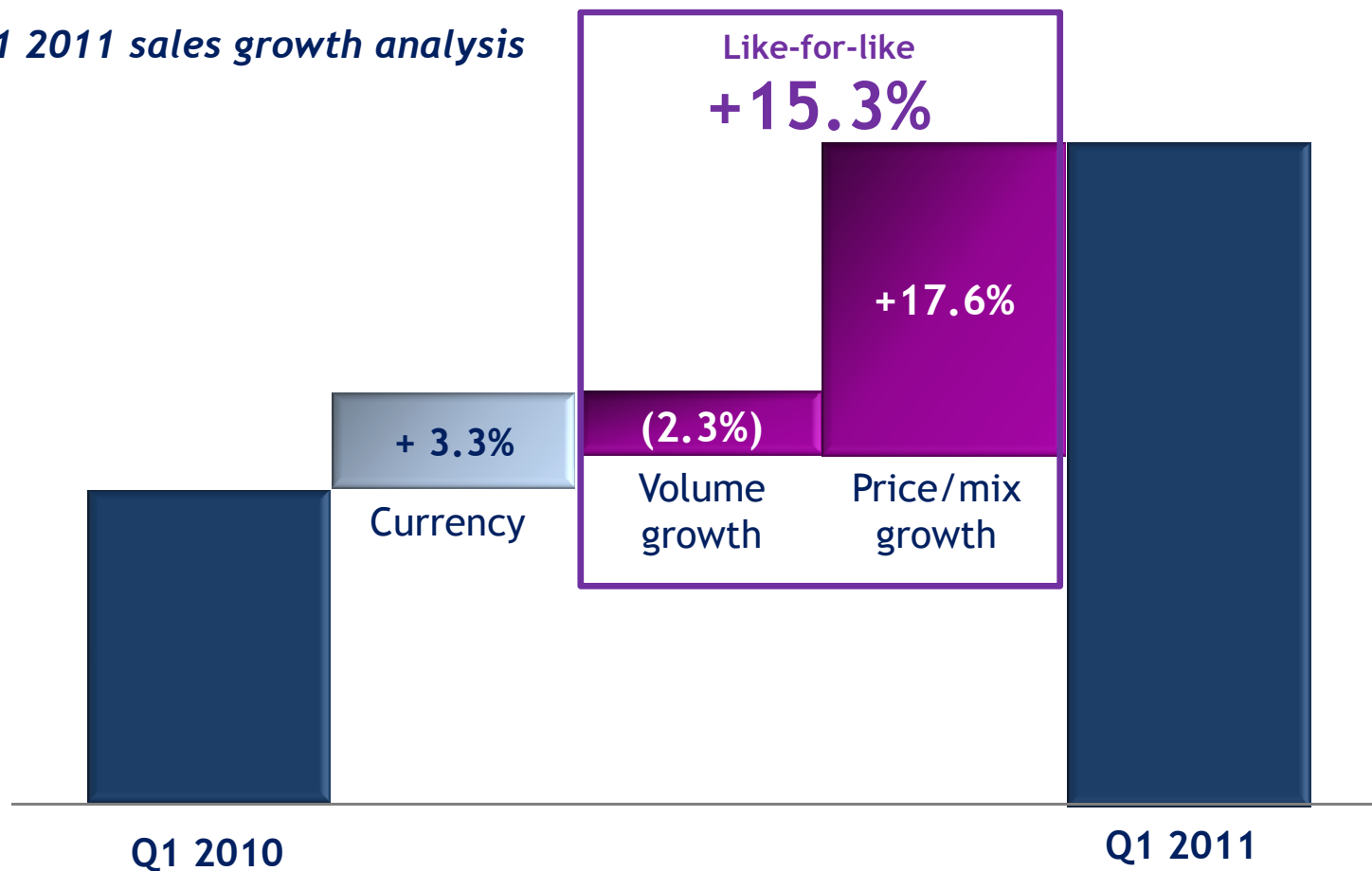


1% mélange matière
colorant blanc

4% maximum
de polyéthylène
d'origine fossile

Unimilk - Double digit growth driven by price and mix

Unimilk - Q1 2011 sales growth analysis



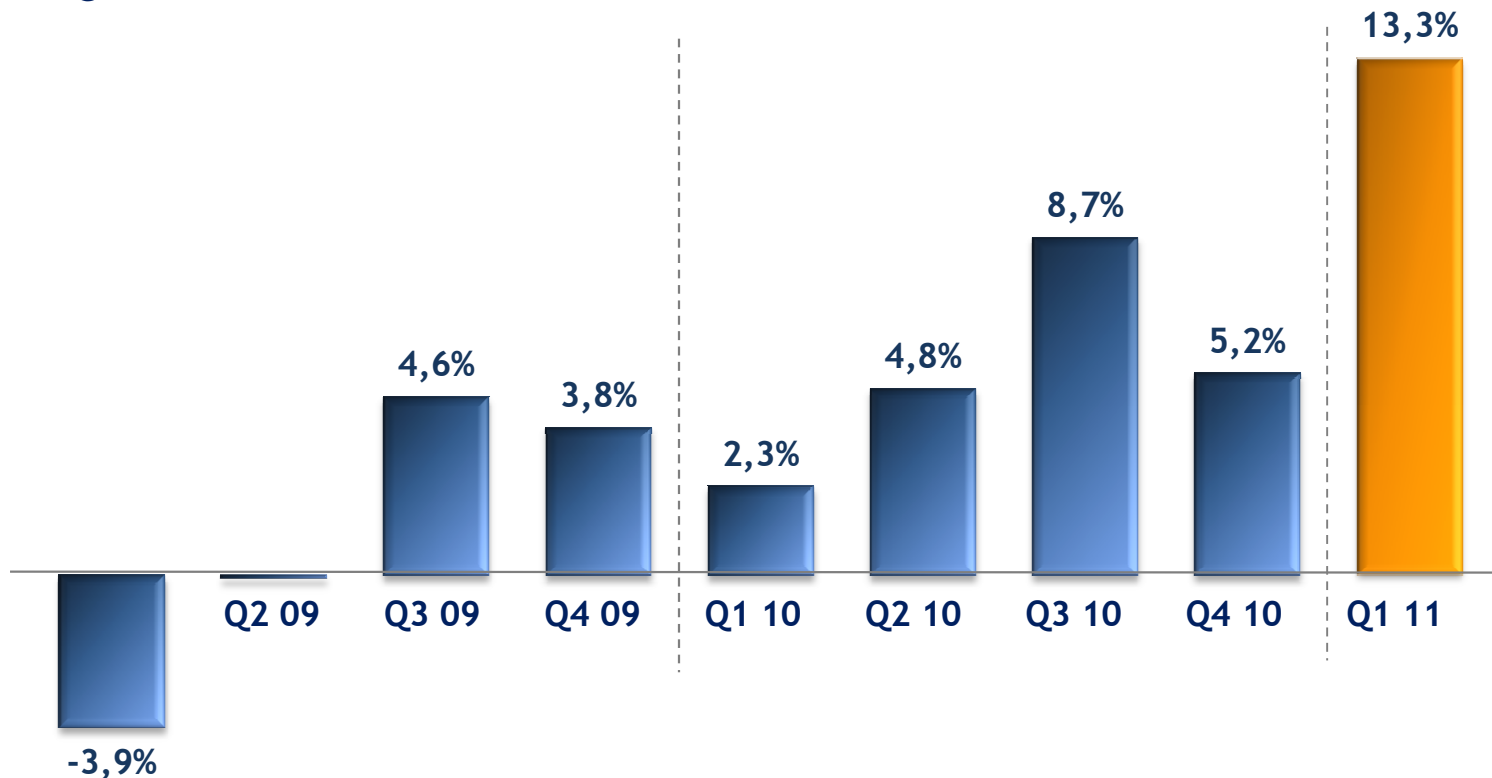
- Portfolio trading-up : focus on 'Golden SKUs' (ca. 10% SKUs / 60% sales)
- Portfolio simplification : ca.30% SKUs (ca. 3% sales) to be cut during H1



DANONE

WATERS - Best performance since ...

Like-for-like sales growth



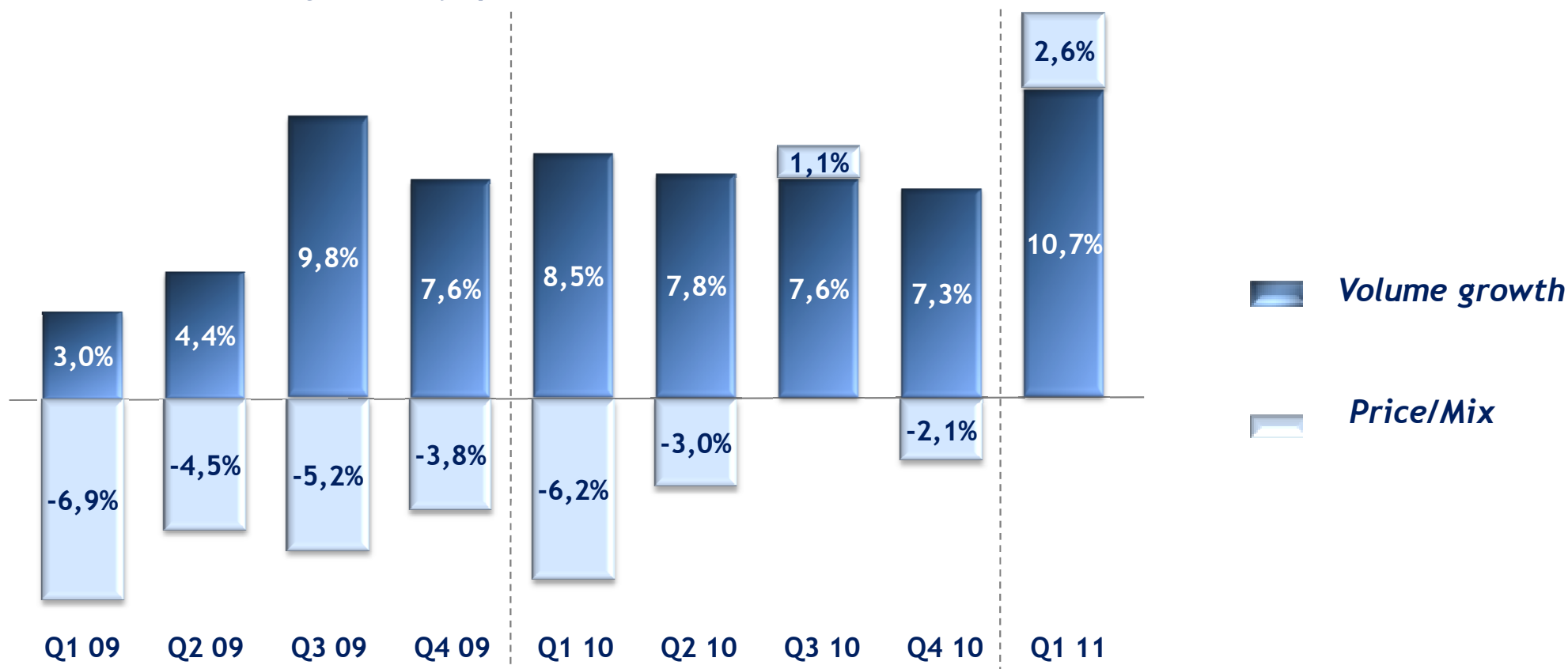
- Continued double digit growth in emerging markets
- Mature markets in positive territory
- Helped by easy comps in Latin America (bad weather in Q1 2010) & Japan



DANONE

WATERS - Both volume & price/mix improving

Volume and Price/Mix growth by quarter



● Positive price/mix thanks to :

- positive trends in mature markets
- strong performance of Aquadrinks in emerging markets

WATERS - Developing the Category

Key innovations

Dobrowianka (Poland)
Roll-out of Bonafont mix



Mizone Mango-Kweni
(Indonesia)



Innovating to reduce carbon footprint

Evian new bottle

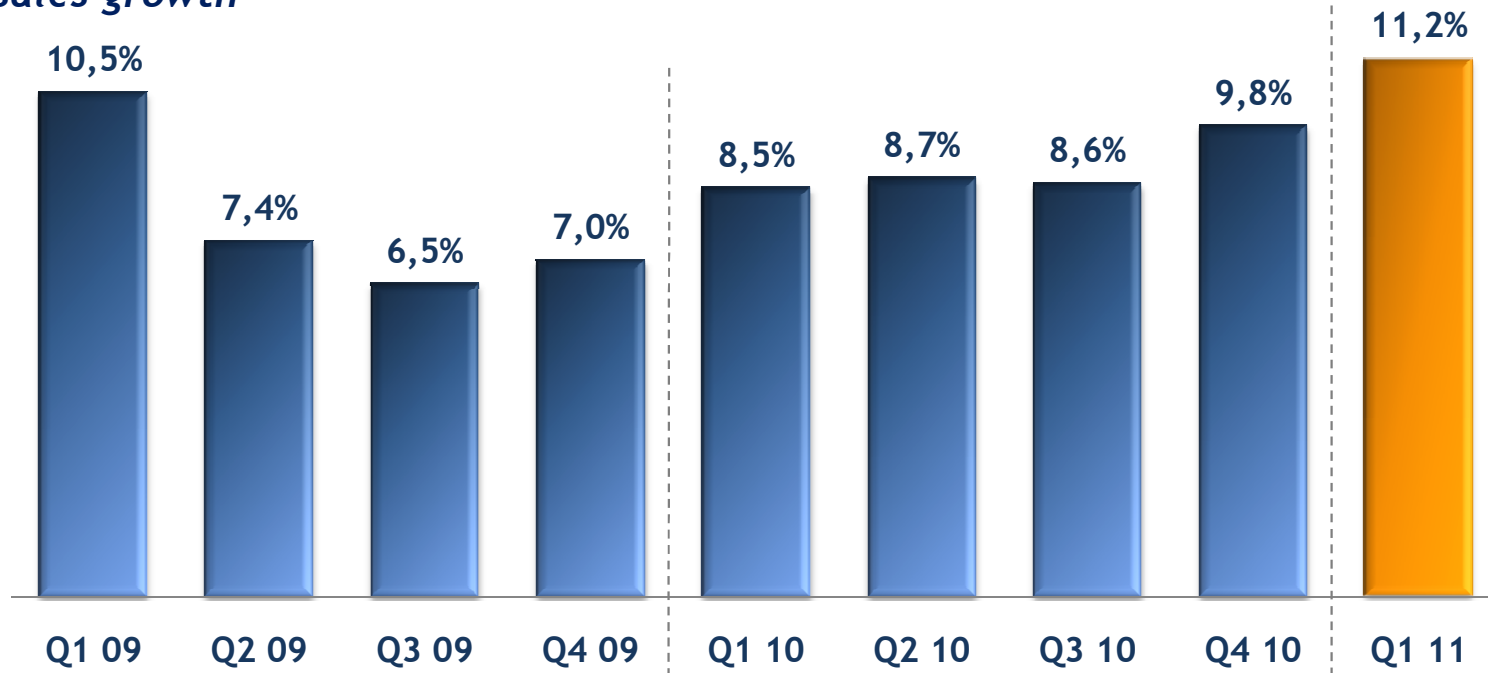


Volvic new bottle
extended to 1.5L format



BABY NUTRITION - Very strong start into the year above 10%

Like-for-like sales growth



- Continued volume-driven growth in all regions
→ Asia still outperforming, good performance in Europe
- Value growth driven by price increases and discontinued milk powder commodity business in Middle-East
- Growing-up milks continue to grow double digit / Weaning food in positive territory, supported by growth in cereals

BABY NUTRITION- Developing the Category

Key innovations

Renovation of Dugro GUM
under “Superior Nutrition” platform
(Malaysia)



Renovation of Karicare under
Aptamil brandname
(Australia)



Cow and Gate wheat biscuits
(UK)

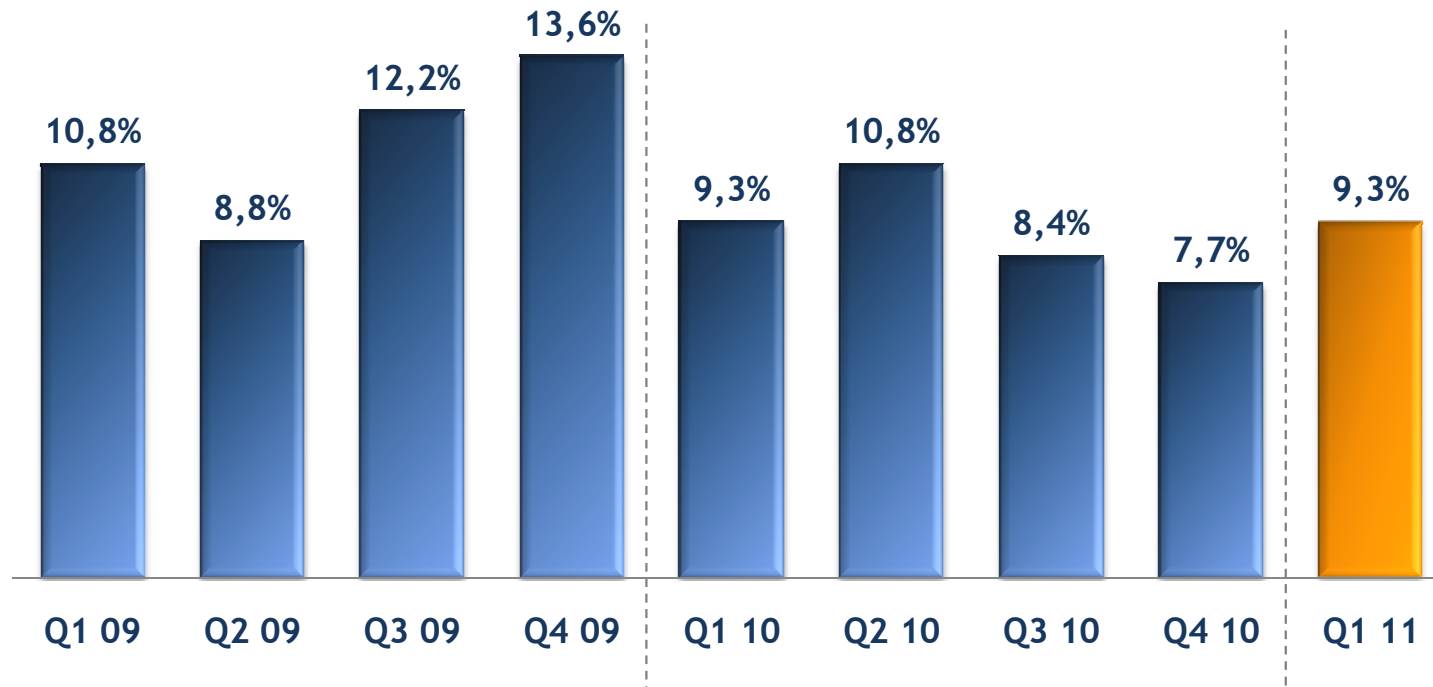




DANONE

MEDICAL NUTRITION - Continued solid growth

Like-for-like sales growth



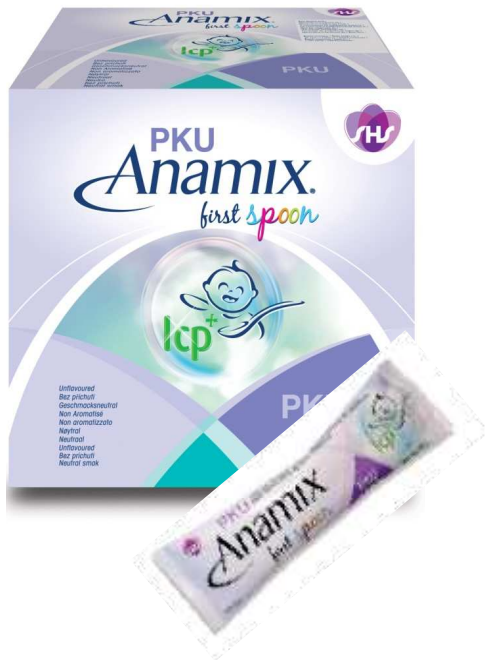
- Strong performance driven by all regions and all categories:
 - China, Turkey, Netherlands and France main growth contributors
 - Pediatric care and Metabolic control strongest performing categories

MEDICAL NUTRITION - Developing the Category

Key innovations

PKU Anamix “First Spoon”

For young children with PKU metabolic disorder
(UK, Italy, Netherlands, Sweden, test in Germany)



Fortifit market test (Austria)





DANONE

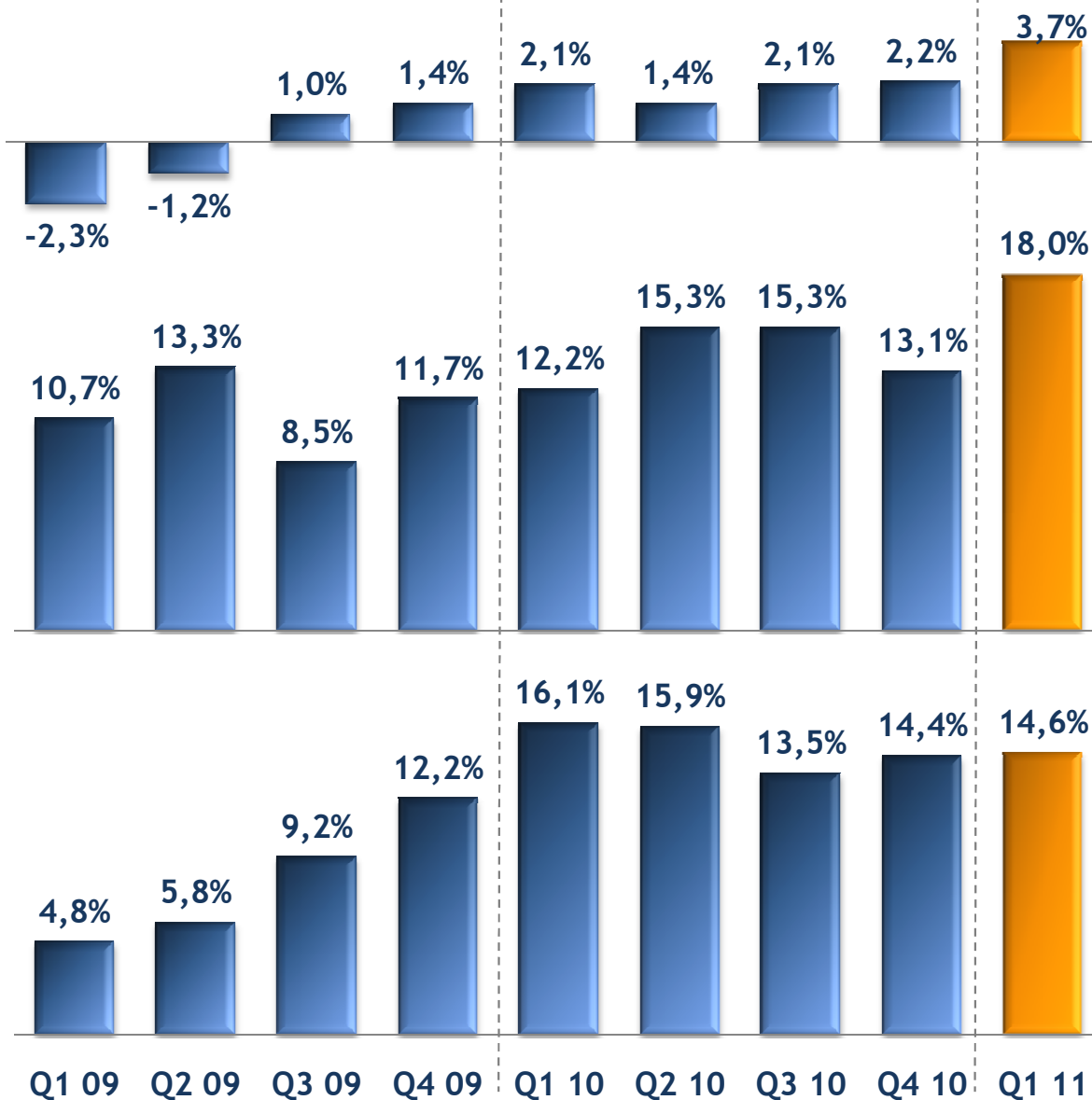
Broad-based geographic growth

Like-for-like sales growth by region

EUROPE

ASIA

REST OF THE WORLD





DANONE

2011 OUTLOOK

2011 Objectives unchanged

	Objectives 2011
Sales growth ⁽¹⁾	6-8%
Free Cash Flow ⁽²⁾	Towards € 2 bn in 2012
Trading Operating Margin	around +20 bps ⁽¹⁾

(1) Like-for-like : Based on constant scope of consolidation (including 12 months Unimilk) and constant exchange rates)

(2) Free Cash Flow: Cash flow from operations less capital expenditure (net of disposals) and excluding business combinations fees



DANONE

APPENDIX

Impact of currencies and scope - Q1 11

	Dairy	Waters	Baby Nutrition	Medical Nutrition	Total
--	-------	--------	-------------------	----------------------	-------

Reported sales growth	+22.9%	+15.9%	+14.1%	+15.2%	+19.6%
Currency	+2.5%	+2.5%	+2.6%	+2.1%	+2.5%
Scope of consolidation	+13.9%	+0.1%	+0.3%	+3.8%	+8.6%

Like-for-like sales growth	+6.5%	+13.3%	+11.2%	+9.3%	+8.5%
----------------------------	-------	--------	--------	-------	-------

Sales by business & geographical area - Q1 11

€ mln	Q1 2010	Q1 2011	Like-for-like sales growth
Fresh Dairy	2,319	2,851	+6.5%
Waters	620	718	+13.3%
Baby Nutrition	797	910	+11.2%
Medical Nutrition	242	278	+9.3%
Europe	2,275	2,697	+3.7%
Asia	527	661	+18.0%
Rest of World	1,176	1,399	+14.6%
Total	3,978	4,757	+8.5%



Like-for-like sales growth - Q1 11

Breakdown volume/value

<i>Like-for-like</i>	Volume	Value	Total
Fresh Dairy	+2.9%	+3.6%	+6.5%
Waters	+10.7%	+2.6%	+13.3%
Baby Nutrition	+5.8%	+5.4%	+11.2%
Medical Nutrition	+9.7%	(0.4)%	+9.3%
Europe	+0.9%	+2.8%	+3.7%
Asia	+14.6%	+3.4%	+18.0%
Rest of World	+8.7%	+5.9%	+14.6%
Total	+5.0%	+3.5%	+8.5%

Changes in exchange rates

34% of sales denominated in €

	% total Q1 11 sales	Q1 11 vs Q1 10 (avg)
Russian ruble	11%	+3%
US dollar	8%	+1%
Mexican peso	5%	+7%
British pound	5%	+4%
Argentinian peso	5%	(3)%
Indonesian rupee	5%	+6%
Chinese yuan	5%	+5%
Polish zloty	3%	+1%
Brazilian real	4%	+10%
Canadian dollar	2%	+7%
Turkish lira	1%	(3)%



DANONE

Notes



DANONE

Notes



DANONE

Notes