



DANONE

Paris, November 7<sup>th</sup> 2008

## **Danone reiterates its sound and continuously improving financial position**

DANONE reiterates that the company remains solidly on track to achieve the debt reduction and credit metrics<sup>1</sup> improvements within the time frame that was agreed upon with Credit Rating Agent Moody's in November 2007.

Secondly, DANONE would like to state that its projections - based on which it will achieve the aforementioned debt reduction and improvements in credit metrics – have not changed but have actually improved since the last meeting that Danone conducted with Moody's in June 2008.

Thirdly, DANONE would like to reconfirm that, as stated by Moody's, the company has sufficient sources of financing available to back-up its € 1.9bn of commercial paper and to cover the outstanding put options which amount to € 2.7 bn. These sources of financing consist of € 3.8 bn of committed, undrawn credit back up lines, € 0.6 bn of cash and € 0.5 bn of treasury shares.

Lastly, it is worth mentioning that the company's next significant debt repayment amounts to 2.3 bn and will be due in December 2010.

### **About DANONE**

Groupe DANONE is a Fortune 500 company and one of the most successful healthy food companies in the world. Its mission is to bring health through tasty, nutritious and affordable food and beverage products to as many people as possible. Fulfilling this mission is a major contributor to the company's continuous fast growth. Groupe DANONE, with 150 plants and around 76 000 employees, has a presence in all five continents and in more than 120 countries. In 2007, Groupe DANONE recorded € 12.7 bn in sales.

Groupe DANONE enjoys leading positions on healthy food on four businesses: fresh dairy products (n°1 worldwide), waters (n°2 on the packaged water market), baby nutrition (n°2 worldwide) and medical nutrition.

Listed on Euronext Paris, Groupe DANONE is also ranked among the main index of social responsibility: Dow Jones Sustainability Index Stoxx and World, ASPI Eurozone and Ethibel Sustainability index.

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<sup>1</sup> .These credit metrics are retained cash flow to net debt towards 20%, funds from operations to net debt above 25% and net debt to EBITDA around 2.5 times.