PRESS RELEASE

2012 Full-Year Results

February 19, 2013

2012 results
Sales[1] of over €20 billion, up +5.4%[2]
Trading operating margin down 50 bps[2]
Free cash-flow[3] over €2 billion

2013 targets
A solid year of transition on the way to profitable growth in 2014
Sales[1] growth of at least +5%[2]
Trading operating margin down, by between -50 bps and -30 bps[2]
Free cash-flow held steady at around €2 billion excluding exceptional items[3]

[1] Net sales
[2] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS
[3] See pages 10-12 for details on calculation of financial indicators not defined in IFRS

Chairman's comments

"2012 was an important year for Danone in many respects. Important in that we achieved some major milestones: our sales exceeded the €20 billion mark for the first time, reflecting our ability to bring health through food to an ever-increasing number of people. And for the first time, too, our cash-flow topped €2 billion—double the 2008 figure. Finally, even as our Group grew rapidly from 2008 to 2012, our CO_2 emissions held steady. Which means a 35% reduction in the carbon intensity of our business.

Most of these achievements were due to our operations outside Europe[1], which now generate 60% of our total sales and reported profitable growth averaging over 10% in 2012. We must make every effort to pursue lasting expansion in these markets.

But 2012 also saw some of our business in Europe come under pressure from a severe deterioration in overall consumer demand, which led to a 3% decline in our revenues in this region[1] and a decline of over 10% in our operating income. Clearly this situation is not sustainable, and we will overcome it. In December we set a €200 million target for savings and announced that we intended to launch a plan to adapt our organization. Today we are initiating discussions with our Works Councils over the plan's main measures, which are designed to win

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back our competitive edge and achieve greater efficiency in Europe. We will also continue to revamp the product ranges offered by our business lines.

So 2013 will be a year of transition, with vigorous development in business in our growth markets and a drive to strengthen operations in Europe. A year aimed at returning our activities as a whole to strong, profitable growth by 2014."

[1] Europe excluding CIS region

Highlights

- **Full-year 2012 sales of €20.9 bn, up +8.0% as reported and +5.4% like for like**[2]
- **Solid 2012 performance, with contrasts from region to region: sales down -3% in Europe excluding the CIS; growth of over +10%**[2] **in emerging markets and North America combined**
- **Q4 performance in line with Q3, with sales**[1] **up +7.3% as reported and +4.9% like for like**[2]
- **Trading operating margin**[3] **at 14.18% full year, down -50 bps**[2] **from 2011, in line with the target as revised in June 2012**
- **Underlying fully diluted EPS**[3] **of €3.01, up +4.1% as reported and +1.1% like for like**[2]
- **Free cash-flow**[3] **of €2.1 billion, exceeding target set in 2009**
- **Dividend of €1.45 per share, up +4.3%, will be proposed to this year's Shareholders' Meeting**

Key figures	2011	**2012**	**Change**
Sales[1] **(€ million)**	19 318	**20 869**	**+5.4%**[2]
Free cash flow[3] **(€ million)**	1 874	**2 088**	**+11.4%**[4]
Trading operating income[3] **(€ million)**	2 843	**2 958**	**+1.8%**[2]
Trading operating margin[3]	14.72%	**14.18%**	**-50 bps**[2]
Underlying net income[3] **(€ million)**	1 749	**1 818**	**+0.9%**[2]
Underlying fully diluted EPS[3] **(€)**	2.89	**3.01**	**+4.1%**[4]

[1] Net sales
[2] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS
[3] See pages 10-12 for details on calculation of financial indicators not defined in IFRS
[4] As reported

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Sales by business line and geographical area in Q4 and full-year 2012

€ millions	Q4 11	Q4 12	**Change** *Like for like [1]*	**Volume growth** *Like for like[1]*	2011	2012	**Change** *Like for like [1]*	**Volume growth** *Like for like[1]*
BY BUSINESS LINE								
Fresh Dairy Products	2 778	2 859	1.3%	0.4%	11 235	11 675	2.0%	-0.2%
Waters	746	832	8.5%	7.9%	3 229	3 649	10.0%	5.9%
Baby Nutrition	950	1 105	12.1%	6.1%	3 673	4 257	11.6%	5.2%
Medical Nutrition	312	340	5.5%	7.3%	1 181	1 288	5.9%	6.8%
BY GEOGRAPHICAL AREA								
Europe	2 607	2 617	-2.3%	-0.9%	10 809	10 848	-1.0%	-2.2%
Asia	727	876	15.1%	11.0%	2 862	3 584	17.4%	12.0%
Rest of World	1 453	1 643	12.9%	5.5%	5 647	6 437	11.7%	4.7%
Total	4 786	5 136	4.9%	3.2%	19 318	20 869	5.4%	2.3%

[1] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS

At its meeting on February 18, the Board of Directors closed statutory and consolidated financial statements for the 2012 fiscal year. As regards the audit process, the statutory auditors have substantially completed their examination of accounts as of today.

Net sales in 2012

Consolidated sales increased +8.0% as reported to total €20,869 million in 2012. Excluding the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation, sales were up +5.4%. This organic growth reflects a +2.3% increase in sales volume and a +3.1% increase due to the price/mix effect.

The +2.5% exchange-rate effect reflects favorable trends in currencies including the US dollar, the Chinese yuan, sterling and the Russian ruble.

Overview of sales performance – Q4 2012

Consolidated sales increased +7.3% as reported to total €5,136 million in the fourth quarter of 2012. Excluding the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation, sales were up +4.9%. This organic growth reflects a +3.2% increase in sales volume and a +1.7% increase due to the price/mix effect.

The +1.8% exchange-rate effect reflects favorable trends in currencies including the Mexican peso, the Russian ruble, the US dollar and the Chinese yuan.

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Fresh Dairy Products

Fresh Dairy Products division sales were up +1.3% like-for-like in the fourth quarter of 2012, reflecting a +0.4% increase in volume and a +0.9% increase in value.

After a year of transition for North America[1] and the CIS region, these markets ended 2012—as planned—with their strongest growth of the year, enabling the division to report a slight improvement from the third quarter.

In the United States, the Group benefited from new production capacity for Greek-style yogurt that came on line in the second half of the year and raised its market share by around 5 points, full year, in this fast-growing segment. Danone thus strengthened its leading position in Fresh Dairy Products, where competition has picked up.

In the CIS region, Danone-Unimilk is on track to meet its target calling for a return to strong growth. Deployment of the unit's strategy for the year was successful, including a focus on key brands such as *Prostokvashino*, *Bio Balance* and *Tëma*, and ongoing integration of Danone-Unimilk operations through the roll-out of common systems and gradual merger of logistics and sales force resources.

Sales in Latin America and the Africa-Middle East region remained extremely buoyant, with continued double-digit growth.

Conditions in Europe remained difficult with fourth-quarter trends similar to those observed in the third quarter. In Southern Europe, the price/mix effect was negative, reflecting investments in pricing and promotions.

[1] North America : United States and Canada

Waters

The Waters division reported strong fourth-quarter growth, with a +8.5% like-for-like increase driven by a +7.9% rise in sales volumes and a +0.6% rise due to the price/mix effect.

Strong growth in emerging markets continued to drive the division's performance. In Western Europe, sales fell back slightly due to the high basis of comparison in Q4 2011.

This quarter the division no longer benefited from the impact of hefty price increases introduced in emerging countries in 2011. Yet growth in value remained positive, fueled by aquadrinks and their positive price/mix effect.

Baby Nutrition

The Baby Nutrition division continued to report robust growth in all geographical markets, with sales up +12.1% like-for-like in the fourth quarter of 2012. This includes a +6.1% rise in volume and +6.0% growth in value.

Key to the division's success is a very strong performance in Asia, particularly China, where a complete revamp of the *Dumex* range—Danone's flagship brand for baby nutrition in this country—has continued to pay off.

As in the past, changes in the division's product mix made a positive contribution to performance, while the growing-up milk segment again reported double-digit growth and weaning foods continued to decrease significantly in Europe.

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Medical Nutrition

Medical Nutrition sales increased +5.5% like-for-like in the fourth quarter of 2012, driven by volume growth of +7.3%. Slowing growth reflects deteriorating conditions on some markets in Western Europe.

In contrast, China, Turkey and Brazil maintained their momentum, with strong growth for key brands like *Nutrison*, *Nutrini* and *Neocate*.

Trading operating margin[1]: 14.18%, down -50 bps like for like[2] from 2011

	2011	2012	**Change** *like for like* *[1]*
BY BUSINESS LINE			
Fresh Dairy Products	13.13%	12.11%	-101 bps
Waters	13.13%	13.23%	+22 bps
Baby Nutrition	19.28%	19.51%	+23 bps
Medical Nutrition	19.98%	17.95%	-149 bps
BY GEOGRAPHICAL AREA			
Europe	13.96%	12.17%	-160 bps
Asia	20.27%	22.07%	+192 bps
Rest of World	13.35%	13.17%	-26 bps
Total	14.72%	14.18%	**-50 bps**

[1] See pages 10-12 for details on calculation of financial indicators not defined in IFRS
[2] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS

Danone's trading operating margin fell back by 50 bps like for like in 2012 to stand at 14.18%.

Lower sales in Europe, particularly Southern Europe, cut significantly into Group profitability. This decline could not be fully offset by higher margins outside Europe, where investment programs were maintained as planned.

Raw material costs rose significantly, gaining over 6%, and were driven by a particularly steep increase in certain commodities including whey, milk proteins, sugar and fruits.

Ongoing cost-cutting measures helped generate robust productivity of €589 million, partly offsetting the rise in raw material, production and distribution costs.

A&P outlays increased slightly in 2012, which maintained the visibility of Group brands in the media over the year. Expenditure on digital marketing continues to grow apace, and now represent 10% of total media investment.

Danone also continued to invest heavily in other growth drivers, beefing up its sales forces and spending on R&D. Outlays in these areas rose by around 10%.[1]

[1] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS

Underlying fully diluted EPS[1] increased by +4.1%, as reported, to total €3.01 in 2012

€ million (unless stated otherwise)	2011	2012
Trading operating income[1]	**2 843**	**2 958**
Other operating items	(114)	(211)
Operating income	**2 729**	**2 747**
Cost of net debt	(174)	(170)
Other financial income and expense	(120)	(132)
Income tax	(626)	(712)
Net income of consolidated companies	**1 809**	**1 733**
Net income of affiliated companies	46	54
Net income	1 855	1 787
Minority interests	184	115
Attributable to the Group	**1 671**	**1 672**
of which non-current net result[1]	(78)	(146)
Underlying net income[1]	**1 749**	**1 818**
Underlying fully diluted EPS (€)[1]	**2.89**	**3.01**

[1] See pages 10-12 for details on calculation of financial indicators not defined in IFRS

Other operating items stood at -€211 million, due primarily to the costs arising from the integration of Unimilk group's companies, costs related to the disposal process of Danone Chiquita Fruits, and the impairment of other goodwill and financial assets.

Cost of net debt eased slightly from 2011, due primarily to the positive impact of bond debt management. This gain was partially offset by the higher cost of borrowing in some emerging countries whose currencies rose in value in 2012.

The change in other financial income and expense results primarily from a rise in the cost of hedging exchange rates for emerging economies.

The underlying tax rate[1] for the full year was 27.6% in 2012, up sharply from 2011 due to a general rise in tax pressure, and, particularly in France, to the ceiling on deductibility of financial interest as of 2012.

The net result of affiliated companies was up due to higher profits at minority holdings in Asia and the Africa/Middle-East region in 2012.

Minority interests declined, reflecting the impact of lower net income at Danone Spain and the reduction in this subsidiary's minority shareholders in the course of the year. These factors were partially offset by higher profitability at Danone Unimilk.

Underlying net income[1] rose +4.0% as reported to total €1,818 million, a like-for-like[1] increase of +0.9%. Underlying fully diluted EPS came to €3.01, for a rise of +4.1% from the reported figure for 2011 and a +1.1% increase like for like.

[1] See pages 10-12 for details on calculation of financial indicators not defined in IFRS

Cash flow and debt

Free cash flow[1] increased +11.4% to €2,088 million representing 10.0% of sales in 2012, or €2 billion above the 2012 free cash flow target set in 2009. At the same time, capital expenditure rose sharply, and was up +10.3% in 2012 at €976 million or 4.7% of sales.

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Robust generation of free cash-flow net of dividends allowed the Group to finance its 2012 acquisition of Wockhardt's nutrition business in India and to buy back shares in an amount of €398 million[2], while pursuing efforts to hold debt ratios steady. At December 31, 2012, net financial debt[1] stood at €3,021 million (excluding put options in an amount of €3,721 million granted to minority shareholders).

[1] See pages 10-12 for details on calculation of financial indicators not defined in IFRS
[2] Excludes purchase of treasury stock to offset dilution resulting from shares transferred to minority shareholders at Danone Spain in exchange for their shares in this subsidiary.

Reduction of carbon footprint

Danone products depend to a large extent on natural eco-systems. It is thus in the Group's best interest to make care for the environment an integral part of its business activities.

Carbon footprint is a global indicator that reflects a wide range of environmental criteria. Danone had committed to reducing its carbon intensity[1] by an ambitious 30% from 2008 to 2012.

In the event, the Group more than achieved this goal in 2012, cutting its carbon intensity by -35.2%[2] over the five-year period.

[1] Grams of CO_2 per kilogram of product sold
[2] Based on constant scope of consolidation, excluding Unimilk, and on emissions under Danone's direct responsibility (packaging, industrial activities, logistics and end of life)

2013 outlook

The Group assumes that trends in consumer demand will continue to show contrasts from region to region, with overall trends negative in Europe—assuming, however, no major political or economic upheavals—and favorable in the rest of the world.

The Group also expects the cost of its major raw materials and packaging materials to remain high, with moderate growth.

This being the case, the Group will continue to adapt its model in Europe, stepping up the pace of updates to its product ranges to meet consumers' changing needs, and at the same time adapting its structures and costs to achieve €200 million in savings between now and the end of 2014.

In the rest of the world, it will continue to expand its product categories, build its brands and grow its market share in a profitable and lasting way.

Through these actions, Danone plans to get back on the track to strong, profitable organic growth as of 2014.

For 2013, which will remain a year of transition, the Group has set the following targets:
- a like-for-like[2] sales[1] growth of at least +5%
- a decline in trading operating margin, by between -50 bps and -30 bps like-for-like[2]
- free cash-flow of around €2 billion excluding exceptional items[2]

[1] Net sales
[2] See pages 10-12 for details on calculation of financial indicators not defined in IFRS

Share buyback

As announced when results for the third quarter of 2012 were released, Danone has bought back 12,959,694 of its own shares over the past four months for an amount of €639.5 million.

Meeting on February 18, 2013, the Board of Directors voted to cancel 8.8 million treasury shares. Authorized by shareholders at the General Meeting on April 28, 2011, this cancellation will take effect on February 21, 2013.

Following it, Danone's share capital will total €158,590,500 represented by 634,362,000 shares.

Dividend

At the Shareholders' Meeting on Thursday, April 25, 2013, Danone will ask shareholders to approve distribution of a €1.45 dividend per share in respect of the 2012 fiscal year, to be paid in cash. This represents a +4.3% rise from 2011. If this proposal is approved, the ex-dividend date will be Thursday, May 2, 2013 and the dividend will be payable from Tuesday, May 7, 2013.

Governance

At its meeting on February 18, 2013, Danone's Board of Directors approved draft resolutions for the Group's April 25 Shareholders' Meeting, including the proposal to renew the appointments of the two directors whose terms are expiring: Mr. Franck Riboud, Chairman and Chief Executive Officer, and Mr. Emmanuel Faber, Deputy Managing Director.

At that meeting, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, voted to appoint a Lead Independent Director when the positions of Chairman of the Board and Chief Executive Officer are combined. The Lead independent director, who must be chosen from among the majority of independent directors serving on the Board, will help strengthen Danone's corporate governance and improve the operation of its Board.

The Board therefore voted to appoint Mr. Jean Laurent as Lead Independent Director based on his extensive business experience as the former CEO of a major banking group, and on his thorough knowledge of Danone and its Board, which he has served as Chairman of the Nomination and Compensation Committee (since 2011) and as Chairman of the Social Responsibility Committee (since 2007). In addition, the Board ensured that Mr. Jean Laurent met all the requirements for independence necessary to serve as Lead Independent Director.

Finally, the Board reiterated its commitment, made several years ago, to continue to improve its corporate governance by bringing before the Shareholders' Meeting proposals on ensuring the Board's independence, increasing the number of women directors, and increasing the expertise and diversity of its composition. The Board renewed this commitment at its February 18 meeting.

Change in Danone SA shareholder base in Spain

On July 26, 2012, Danone completed the purchase from two minority shareholders of a total of 1,416,368 shares of its subsidiary Danone Spain, raising its equity interest from 57.0% to 65.6%. Most of the remaining minority shareholders hold put options. These options are recognized in Group financial statements as financial debt.

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As announced in the earnings release for the first half of 2012, the Group began talks with Danone Spain minority shareholders on the terms and conditions of these put options, especially in light of Southern Europe's deteriorating economy and the significant impact this has on Danone Spain.

As part of this effort, since the beginning of 2013 the Group has repurchased a total of 1,544,227 shares from several Danone Spain minority shareholders, raising its shareholding to 75.0%. Shares were acquired in exchange for cash payments totaling €87.4 million and for 6,715,266 shares of Danone treasury stock. An equal number of shares will be purchased by the Group over the next three months under its share buyback program to offset dilution resulting from this transaction.

These transactions are accretive for Danone earnings per share as of year one, and will have a favorable impact on the Group's net debt of €79 million.

Other minority shareholders, representing around 14% of Danone Spain's share capital, have exercised their put options. Talks with these shareholders are still under way.

Based on these events—the share buyback, option exercise and talks—the Group decided to recognize a portion of the remaining put options (€1,305 million) as short-term financial debt in its financial statements at December 31, 2012. Put options amounting to €390 million continue to be classified as long-term financial debt, since it is unlikely that they will be exercised within the next 12 months.

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Change in geographical breakdown starting in 2013

In order to adapt its reporting to the Group's evolutions, Danone will use a new geographical breakdown to track operations starting in 2013:

	2011	2012	**Change** *Like-for-like*[1]
Sales (€ millions)			
Europe excl. CIS	8 614	8 431	-3.0%
CIS & North America[2]	3 948	4 426	6.7%
ALMA[3]	6 756	8 012	15.7%
Total	19 318	20 869	5.4%
Trading operating margin[1]			
Europe excl. CIS	17.37%	15.66%	-190 bps
CIS & North America[2]	9.33%	10.21%	+144 bps
ALMA[3]	14.49%	14.81%	+31 bps
Total	14.72%	14.18%	-50 bps

[1] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS
[2] North America: United States and Canada
[3] Asia-Pacific / Latin America / Middle East / Africa

Financial indicators not defined in IFRS

Information published by Danone uses the following financial indicators that are not defined by IFRS:

- Like-for-like changes in net sales, trading operating income, trading operating margin and underlying net income
- Trading operating income
- Trading operating margin
- Underlying net income
- Free cash flow
- Free cash flow excluding exceptional items
- Net financial debt

Given severe deterioration in consumer spending in Europe, Danone has set a target for savings and adaptation of its organization to regain its competitive edge. Starting in the first half of 2013, Danone will publish a free cash-flow indicator excluding cash-flows related to initiatives deployed within the framework of this plan. In 2012, free cash-flow excluding exceptional items was equally to free cash-flow and totaled €2,088 million.

To facilitate comparison with other companies, the Group has revised its definition of **like-for-like changes**, aligning itself on market practice to measure the impact of changes in the scope of consolidation. Starting in the first quarter of 2013, financial communications from Danone will incorporate this new indicator (see definition below), a change that should not generate any significant difference in Group performance indicators. Changes in like-for-like indicators for 2011 and 2012 based on prior and new definitions are as follows:

	Change 2011 – 2012 like-for-like	
	Prior definition [1]	New definition [2]
Sales	+5.4%	+5.4%
Trading operating income	+1.8%	+1.9%
Trading operating margin	-50 bps	-50 bps
Underlying net income	+0.9%	+1.0%

[1] Applied through December 31, 2012
[2] Applied from the first quarter of 2013

Calculation of financial indicators not defined in IFRS and used by the Group are calculated as follows:

Based on the prior definition, ***Like-for-like changes*** in net sales, trading operating income, trading operating margin and net income - Group share essentially exclude the impact of: (i) changes in exchange rates, with both previous year and current year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by the Group for the current year), and (ii) changes in consolidation scope, with previous-year indicators calculated on the basis of current-year scope.

Based on the new definition, ***Like-for-like changes*** in net sales, trading operating income, trading operating margin and net income - Group share essentially exclude the impact of: (i) changes in exchange rates, with both previous year and current year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by the Group for the current year), and (ii) changes in consolidation scope, with indicators related to considered fiscal year calculated on the basis of previous-year scope.

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Trading operating income is defined as the Group operating income excluding other operating income and expense. Other operating income and expense is defined under Recommendation 2009-R.03 of the French CNC, and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to current activities. These mainly include capital gains and losses on disposals of fully consolidated companies, impairment charges on goodwill, significant costs related to strategic restructuring and major external growth transactions, and costs related to major litigation. Since application of IFRS 3 (Revised), they have also included acquisition fees related to business combinations.

Trading operating margin is defined as the trading operating income over net sales ratio.

Underlying net income (or current net income - Group share) measures the Group's recurring performance and excludes significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's current performance. Such non-current income and expense mainly include capital gains and losses on disposals and impairments of non-fully-consolidated equity interests and tax income, and expense related to non-current income and expense. Non-current net income - Group share is defined as non-current income and expense excluded from Net income - Group share.

			2011			2012
(€ millions)	**Underlying**	**Non-current items**	**Total**	**Underlying**	**Non-current items**	**Total**
Trading operating income	**2 843**		**2 843**	**2 958**		**2 958**
Other operating income (expense)		(114)	(114)		(211)	(211)
Operating income	**2 843**	**(114)**	**2 729**	**2 958**	**(211)**	**2 747**
Cost of net debt	(174)		(174)	(170)		(170)
Other financial income (expense)	(107)	(13)	(120)	(130)	(2)	(132)
Income before tax	**2 562**	**(127)**	**2 435**	**2 658**	**(213)**	**2 445**
Income tax expense	(661)	35	(626)	(735)	23	(712)
Effective tax rate	*25,8%*		*25,7%*	*27,6%*		*29,1%*
Net income from fully-consolidated companies	**1 901**	**(92)**	**1 809**	**1 923**	**(190)**	**1 733**
Share of profit of associates	46		46	59	(5)	54
Net income	**1 947**	**(92)**	**1 855**	**1 982**	**(195)**	**1 787**
• Group share	1 749	(78)	1 671	1 818	(146)	1 672
• Non-controlling interest	198	(14)	184	164	(49)	115

Underlying fully diluted EPS is defined as the underlying net income over diluted number of shares ratio.

		2011		2012
(In euros per share except for number of shares)	**Underlying**	**Total**	**Underlying**	**Total**
Net income – Group share	1 749	1 671	1 818	1 672
Number of shares				
• Before dilution	602 202 781	602 202 781	600 477 145	600 477 145
• After dilution	604 049 698	604 049 698	603 105 304	603 105 304
Net income – Group share, per share				
• Before dilution	2.90	2.77	3.03	2.78
• After dilution	2.89	2.77	3.01	2.77

Free cash flow represents cash flows provided or used by operating activities less capital expenditure net of disposals and excluding acquisition costs related to business combinations (since the application of IFRS 3 (Revised)).

(€ millions)	2011	2012
Cash flow from operating activities	**2 605**	**2 858**
Capital expenditure	(885)	(976)
Disposal of tangible assets	152	193
Transaction fees related to business combinations [1]	2	13
Free cash-flow	**1 874**	**2 088**

[1] These expenses previously classified as investment flows impact cash-flow from operating activities as from January 1, 2010 pursuant to Revised IFRS 3 on Business Combinations.

Free cash-flow excluding exceptional items represents free cash-flow before cash-flows related to initiatives that may be taken by the Group to deploy the plan to generate savings and adapt organization in Europe.

Net financial debt represents the net debt portion bearing interest. It corresponds to current and non-current financial debt (i) excluding Liabilities related to put options granted to non-controlling interests and (ii) net of Cash and cash equivalents, Short term investments and Derivatives - assets.

(In € millions)	**2011**	**2012**
Non-current financial debt	7 166	6 346
Current financial debt	1 865	3 176
Short term investments	(1 114)	(1 748)
Cash and cash equivalents	(1 027)	(1 269)
Derivatives - assets	(257)	(213)
Net debt	**6 633**	**6 292**
Liabilities related to put options granted to non-controlling interests - Non current	(3 622)	(1 881)
Liabilities related to put options granted to non-controlling interests - Current		(1 390)
Financial debt excluded from net financial debt	(3 622)	(3 271)
Net financial debt	**3 011**	**3 021**

Our presentation to analysts and investors will be broadcast live from 9.30 a.m. (Paris time) on Tuesday, February 19, 2013. Related slides will be available on our website (www.finance.danone.com) from 8.00 a.m. today (Paris time).

FORWARD-LOOKING STATEMENTS

This press release 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 "Risk Factors" section of Danone's Annual Report (available on www.danone.com)

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APPENDIX – Sales by division and by region

€ millions	First quarter		Second quarter		Third quarter		Fourth quarter		Full-year 2012	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
BY BUSINESS LINE										
Fresh Dairy Products	2 851	2 960	2 821	2 946	2 785	2 910	2 778	2 859	11 235	11 675
Waters	718	841	949	1 014	816	962	746	832	3 229	3 649
Baby Nutrition	910	1 014	907	1 076	906	1 062	950	1 105	3 673	4 257
Medical Nutrition	278	302	293	323	298	323	312	340	1 181	1 288
BY GEOGRAPHICAL AREA										
Europe	2 697	2 710	2 845	2 839	2 661	2 682	2 607	2 617	10 809	10 848
Asia	661	829	734	933	740	946	727	876	2 862	3 584
Rest of World	1 399	1 578	1 391	1 587	1 404	1 629	1 453	1 643	5 647	6 437
Group	**4 757**	**5 117**	**4 970**	**5 359**	**4 805**	**5 257**	**4 786**	**5 136**	**19 318**	**20 869**

€ millions	First Quarter 2012		First quarter 2012		Third quarter 2012		Fourth quarter 2012		Full-year 2012	
	Reported change	*Change Like-for-like[1]*	*Reported change*	*Change Like-for-like[1]*	*Reported change*	*Change Like-for-like[1]*	*Reported change*	*Change Like-for-like[1]*	*Reported change*	*Change Like-for-like[1]*
BY BUSINESS LINE										
Fresh Dairy Products	3.8%	3.8%	4.4%	2.1%	4.5%	0.7%	2.9%	1.3%	3.9%	2.0%
Waters	17.1%	16.4%	6.9%	4.6%	17.8%	12.3%	11.4%	8.5%	13.0%	10.0%
Baby Nutrition	11.4%	9.0%	18.6%	13.6%	17.2%	11.5%	16.4%	12.1%	15.9%	11.6%
Medical Nutrition	8.3%	6.4%	10.3%	6.7%	8.4%	4.9%	9.2%	5.5%	9.1%	5.9%
BY GEOGRAPHICAL AREA										
Europe	0.5%	0.9%	-0.2%	-1.0%	0.8%	-1.5%	0.4%	-2.3%	0.3%	-1.0%
Asia	25.4%	19.4%	27.1%	17.2%	27.8%	18.3%	20.6%	15.1%	25.2%	17.4%
Rest of World	12.8%	12.7%	14.1%	10.7%	16.1%	10.5%	13.1%	12.9%	14.0%	11.7%
Group	**7.6%**	**6.9%**	**7.8%**	**5.0%**	**9.4%**	**5.0%**	**7.3%**	**4.9%**	**8.0%**	**5.4%**

[1] Like for like: see pages 10-12 for details on calculation of financial indicators not defined in IFRS

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