
PRESS RELEASE



Danone presents the organizational part of its plan for savings and adaptation in Europe

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To address a lasting downturn in the European economy and consumer trends that have led to a significant decline in its sales in the region, Danone announced on December 13, 2012 that it was preparing a cost-reduction and adaptation plan for its organizations to win back its competitive edge.

In keeping with that announcement and following a period of in-depth analysis, information on the plan is being presented today to Danone's European Works Council.

The project calls for three major changes:

1. A reduction by approximately half of management units, achieved by combining teams from several countries into multi-country units. Danone will continue to do business in the same number of countries and maintain a division-based structure to make best use of features specific to each business line.
2. The combination within subsidiaries of several management functions that currently operate separately.
3. Focusing each level of management (corporate, division, region, etc.) on missions and projects that have a direct impact on business growth. This will also involve simplifying key management processes.

As proposed, this model will boost responsiveness and speed up decision-making. It will also generate savings on general and administrative costs that will contribute to the cost-reduction plan announced by Danone on December 13, 2012, enabling Danone to win back its competitive edge in Europe.

The proposed plan would lead to the suppression of around 900 management and administrative positions across 26 European countries and will be conducted in contact with all works councils representatives, at both European and local level.

The project will emphasize internal mobility and voluntary departures through a dedicated platform favoring internal mobility, support for personal projects and individualized assistance for employees leaving the company. It will be deployed over a two-year period.