PRESS RELEASE

2013 First-Quarter Sales

April 16, 2013

Solid start to the year:
organic growth +5.6% in the first quarter

Full-year targets for 2013 confirmed

- **Q1 2013 sales[1], up +5.6% like-for-like[3], and up +4.3% as reported, with balanced increases in volume (+3.0%)[2] and value (+2.6%)[2]**
- **As anticipated, performance varied from region to region: sales grew by over +10%[2] in emerging markets and North America combined, with the accelerating Q1 trend driven by exceptionally strong growth in Baby Nutrition. At the same time, sales in Europe fell back -5.1%[2], a trend comparable to that observed in Q4 2012**
- **Danone confirms its full-year targets for 2013: sales[1] growth of at least +5%[2], trading operating margin down, by between -50 bps and -30 bps[2], and free cash-flow[3] held steady of around €2 billion excluding exceptional items[3]**

[1] Net sales
[2] Like-for-like (see definition page 7)
[3] See page 7 for details on calculation of financial indicators not defined in IFRS

Chairman's comment

"As we expected, the first quarter of 2013 saw a solid performance that highlighted once again the contrast between robust growth in emerging markets and the sluggish economy in Europe.

In both Russia and the United States our brands scored further strong gains, underpinned by our ongoing efforts to innovate and drive category growth. In Asia growth reached record highs, particularly in Baby Nutrition. Sales continued to grow steadily in both Latin America and Africa, benefiting fully from the emergence of a middle class.

In Europe consumer spending is still lackluster, especially in Fresh Dairy Products. Our teams are fully engaged, taking action to innovate and update our product ranges. The cost reduction and organizational adaptation plan we presented in February is moving ahead on schedule, and

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consultations with employee representatives are now under way. Initial results of all these measures are expected in the second half of the year.

Results to date are in line with our roadmap and reflect progress in building a profitable growth model. On this basis, we stand by our full-year targets for 2013."

Sales by business line and geographical area in Q1 2013

By business line (€ millions)	Q1 12	Q1 13	**Change**[1]	**Volume growth** [1]
BY BUSINESS LINE				
Fresh Dairy Products	2 960	2 952	+0.7%	+0.5%
Waters	841	887	+8.6%	+4.6%
Baby Nutrition	1 014	1 177	+17.1%	+7.8%
Medical Nutrition	302	322	+6.3%	+6.2%
BY GEOGRAPHICAL AREA				
Europe excl. CIS	2 116	2 005	-5.1%	-3.8%
CIS & North America[2]	1 084	1 163	+8.5%	+4.9%
ALMA[3]	1 917	2 170	+16.6%	+8.2%
Group	**5 117**	**5 338**	**+5.6%**	+3.0%

[1] Like-for-like; see page 7 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

Overview of sales performance — Q1 2013

Consolidated sales rose +4.3% to €5,338 million in the first quarter of 2013. Excluding the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation, sales were up +5.6%. This organic growth reflects a +3.0% increase in sales volume and a +2.6% increase in value.

The exchange-rate effect of -2.4% reflects unfavorable trends in the Argentinian peso, the Brazilian real, the Indonesian rupee and other currencies. Changes in the scope of consolidation led to a +1.2% rise in sales, that primarily reflected the integration of Centrale Laitière (Morocco) from March 2013.

Fresh Dairy Products

Fresh Dairy Products division sales were up +0.7% like-for-like in the first quarter of 2013, including a +0.5% rise in volume and a +0.2% price/mix effect. This reflects similar trends observed in the previous quarter, scaled back by one less day this quarter than in the first three months of 2012.

Sales in the CIS and North America[1] region have continued the pace of growth observed at the end of 2012 and are in line with expectations for full-year 2013. In North America, momentum is still driven by market share gains in the Greek yogurt segment, where additional capacity will be added in the short term to meet strong demand.

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

Conditions in Europe have remained difficult with Q1 trends similar to those observed in the last quarter of 2012. That includes a negative price/mix effect resulting notably from investments in pricing and promotion.

[1] North America: United States and Canada

Waters

The Waters division once again reported solid growth in sales, up +8.6% like-for-like from Q1 2012. Gains were balanced with sales volume up +4.6% and value up +4.0%, reflecting the positive price/mix effect of growth in aquadrinks in particular.

Vigorous growth in emerging countries continued to drive the division. In Europe, sales edged down, hit by the cold wave in March.

Baby Nutrition

The Baby Nutrition division reported exceptional sales in Q1 2013 with a like-for-like rise of 17.1%.

Momentum came once again from booming sales in the Asia-Pacific region, especially China this quarter, also boosted by the Chinese New Year which came later than in 2012. Surging growth in Europe was linked to the appeal of international baby formula brands for consumers in some emerging countries.

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

Medical Nutrition

Medical Nutrition division sales rose +6.3% like-for-like in Q1 2013, driven by a volume rise of +6.2%.

Growth was again moderate in Europe, with contrasts from one country to the next. Emerging markets continued to gain momentum within the division, reflecting successful growth in flagship markets such as China, Turkey and Brazil, but also the emergence of new markets such as Russia, Poland and Argentina.

Transactions linked to the share capital of Danone and its subsidiaries

On February 28, 2013, Danone finalized share buybacks mentioned in the press release issued on October 17, 2012, which announced that a total budget of €500-700 million was earmarked for buybacks. Between these two dates, the Group thus purchased 14.1 million shares for a total €700 million.

In addition, as announced when full-year 2012 results were released, Danone has bought back 6.7 million of its own shares since early March to replace treasury shares used to pay minority shareholders for their sale of shareholdings in Danone Spain in early 2013, and thus eliminate dilution resulting from that transaction.

As also indicated in February 2013, in the opening months of 2013 Danone finalized discussions with certain minority shareholders of Danone Spain and raised its equity interest in this subsidiary to 75%. Conditions applied took into account trends on markets in which Danone Spain operates, the impact of deterioration in the Spanish economy, and, more generally, the situation of Danone Spain. Some other minority shareholders opted not to continue the discussion process and have since decided to submit this disagreement to the competent jurisdiction.

Danone is considering further share buybacks totaling between €100 and 200 millions within the next few weeks.

2013 Outlook (from press release dated February 19, 2013)

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 in response to consumers' changing needs, and at the same time adapting its structures and costs to achieve €200 million in savings by the end of 2014.

In the rest of the world, Danone 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 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:
- 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 page 7 for details on calculation of financial indicators not defined in IFRS

Key financial transactions and other developments during the quarter (from press releases issued in Q1 2013)

On February 22, 2013, Danone finalized its acquisition of exclusive control (67.0%) of Centrale Laitière (Morocco) by acquiring part of SNI's shareholding for a total €543 million.[1] Since 2001, the Group had held 29.2% of this company's capital. Having raised its shareholding in Centrale Laitière above the 40% threshold, the Group was required to file a mandatory takeover bid for the company's shares.

[1] 6,050 million dirhams, equal to €543 million at an exchange rate of 11.15 dirhams/1 euro.

On February 27, 2013, Danone announced the successful launch of a €750 million bond issue maturing June 6, 2018. The issue, priced at mid swap +33 basis points, pays a coupon of 1.25%, and was widely subscribed by a broad investor base. Funds raised will enable Danone to diversify its sources of finance and extend the maturity of its debt at favorable market conditions.

Our presentation to analysts and investors will be broadcast live at 9.00 am (Paris time) this Tuesday, April 16, 2013. Slides will be available on our website (www.finance.danone.com) from 7.30 am (Paris time) today.

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 more detailed description of these risks and uncertainties, we invite you to refer to the Registration Document ("Risk Factors" section, available at www.danone.com).

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APPENDIX — Sales by division and by region

€ millions	First quarter 2012	First quarter 2013
BY BUSINESS LINE		
Fresh Dairy Products	2 960	2 952
Waters	841	887
Baby Nutrition	1 014	1 177
Medical nutrition	302	322
BY GEOGRAPHICAL AREA		
Europe excl. CIS	2 116	2 005
CIS & North America[2]	1 084	1 163
ALMA[3]	1 917	2 170
Group	5 117	5 338

€ millions	First quarter 2013	
	Reported change	*Change like-for-like[1]*
BY BUSINESS LINE		
Fresh Dairy Products	-0.3%	0.7%
Waters	5.5%	8.6%
Baby Nutrition	16.1%	17.1%
Medical nutrition	6.4%	6.3%
BY GEOGRAPHICAL AREA		
Europe excl. CIS	-5.3%	-5.1%
CIS & North America[2]	7.4%	8.5%
ALMA[3]	13.2%	16.6%
Group	**+4.3%**	**+5.6%**

[1] See page 7 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

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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

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 equal 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 incorporate this new indicator (see definition below).

Financial indicators used by the Group and not defined in IFRS are calculated as follows:

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 applied to both years), and (ii) changes in consolidation scope, with indicators related to considered fiscal year calculated on the basis of previous-year scope.

Trading operating income and expense is defined as the Group operating income before 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 (ordinary) 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 operations, and costs related to major litigation. Since application of IFRS 3 (Revised), other income and operating expense have also included acquisition fees related to business combinations.

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

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)).

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.

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APPENDIX – Change in the definition of the regions and of the like-for-like changes: 2012 and 2013 information, on the basis of new definitions

To adapt its reporting to trends in Group business, Danone has used a new geographical breakdown to track operations since January 2013. 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. Based on these new definitions, data for the first half of 2012 and 2013 is as follows:

	Sales (€ millions)		**Change** *Like for like*[1]	
	Q1 2012	Q1 2013	Q1 2012	Q1 2013
Europe excl. CIS	2 116	2 005	-0.5%	-5.1%
CIS & North America	1 084	1 163	5.3%	8.5%
ALMA	1 917	2 170	18.1%	16.6%
Total	5 117	5 338	6.9%	5.6%
Fresh Dairy Products	2 960	2 952	3.8%	0.7%
Waters	841	887	16.4%	8.6%
Baby Nutrition	1 014	1 177	9.0%	17.1%
Medical Nutrition	302	322	6.4%	6.3%
Total	5 117	5 338	6.9%	5.6%

[1] Based on the revised definition of like-for-like changes — see page 7 for definition of financial indicators not defined in IFRS

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