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## PRESS RELEASE

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**DANONE**

Paris, August 30<sup>th</sup>, 2013

### **Danone welcomes the findings of the New Zealand authorities' investigation of Fonterra which conclude that all ingredients used by Danone are in full compliance with the highest standards of quality**

Following a statement by the New Zealand government and Fonterra on August 2<sup>nd</sup> warning that batches of ingredients supplied by Fonterra to four Danone plants in Asia-Pacific might be contaminated with *Clostridium botulinum* bacteria, the Group recalled selected infant formula products from sale in eight markets<sup>(1)</sup> of this region as a precautionary measure. The warning was lifted on August 28<sup>th</sup> when New Zealand's Ministry for Primary Industries (MPI) concluded after several weeks of tests that there was no *Clostridium botulinum* in any of the batches concerned.

None of the many tests conducted by the Group, both before and after this critical period, showed any contamination whatsoever of its products with *Clostridium botulinum*. Danone's food safety management system is among the most demanding and effective in the world and includes rigorous testing of all of its products. But because Danone makes consumer safety an absolute priority, its teams nonetheless quickly and efficiently deployed recall procedures.

These recalls have had a significant impact on the Baby Nutrition division's sales in Asia. Pierre-André Térésse, Chief Financial Officer, said: "The division's third-quarter sales will be down, but despite this, our Group is on track to deliver organic growth of around 5% this quarter. We are deploying action plans to restore sales in affected markets. Their success will enable Danone to meet its growth and margin targets for 2013."

The Group has also incurred non-current costs to cover recall procedures and efforts to boost sales.

Danone is currently reviewing its recourse and compensation options.

<sup>(1)</sup> New Zealand, Singapore, Malaysia, China, Hong Kong, Vietnam, Cambodia and Thailand

**About Danone**

Danone is an international company present on five continents. The group holds top positions in healthy food through four businesses: Fresh Dairy Products, Baby Nutrition, Waters, and Medical Nutrition. Its mission is to bring health through food to as many people as possible.

Danone has more than 190 production plants and around 102,000 employees. In 2012, the company generated sales of over €20 billion, with more than 50% in emerging countries.

Listed on NYSE Euronext Paris, Danone is a component stock of leading social responsibility indexes including the Dow Jones Sustainability Indexes, ASPI Eurozone and the Ethibel Sustainability Index.

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